

Town of Islip Community Development Program

Emergency Mortgage Assistance Program

Lender Participation Agreement

This Lender Participation (Agreement) made this ____ day of _____, 20____ by and between the Town of Islip Community Development Agency (CDA) and _____ (Lender/Service), with an address at _____ the undersigned, and hereby confirm their mutual agreement on the following principles relating to the CDA's Emergency Mortgage Assistance Program (EMAP).

RECITALS:

WHEREAS, The Town of Islip CDA has implemented a federally funded program under Emergency Mortgage Assistance Program; and

WHEREAS, Lender/Service is a State, Federal, or national bank regulated by the Federal Reserve, a national bank or federally chartered bank regulated by the Office of the Comptroller of the Currency (CCC), a state bank regulated by the Federal Deposit Insurance Corporation (FDIC), a state or federal chartered credit union regulated by the National Credit Union Administration (NCUA), a state-chartered bank, credit union, or mortgage servicing organization regulated by the New York Department of Financial Services (DFS), or a governmental agency, that own the mortgage servicing rights of mortgage loans and services certain mortgage loans for borrowers who may be eligible to participate in the EMAP program.

WHEREAS, Lender/Service desires to participate in the EMAP Program;
And

WHEREAS, Lender/Service understands that participation in the EMAP Program is voluntary and is distinct from Lender/Service's participation in any other Mortgage Assistance Program.

WHEREAS, Lender/Service and Town of Islip CDA desire to enter into this Agreement to set forth certain premises and mutual covenants:

Town of Islip CDA and Lender/Service agree as follows:

1. **Application Process** - Borrowers will access the EMAP Program through the Town of Islip CDA online application. Lender/Service understands that it will not be involved in determining eligibility for Emergency Mortgage Assistance Program; Lender/Service may refer borrowers to www.islipcda.org or 631-647-5683
2. **Selection/Qualification of Borrowers**-Town of Islip CDA shall be responsible for the selection/qualification of borrowers to receive EMAP Program funding. Lender/Service may refer potentially eligible borrowers to the Town of Islip CDA. Lender/Service is encouraged but not required to market the Emergency Mortgage Assistance Program. Town of Islip CDA shall make marketing materials available to Lender/Service including web graphics and brochures in pdf format.
3. **Information Sharing/Written Authorization** -Town of Islip CDA shall be responsible for procuring written authorization from each borrower to share information with Lender/Service. A copy of the signed authorization will be provided to Lender/Service through secured e-mail or web portal. Lender/Service agrees to communicate information about the assisted borrower's workout status.

Lender/Servicer agrees, if participating in the Emergency Mortgage Assistance Program, to follow the most recent Supplemental Directive. Town of Islip CDA and Lender/Servicer agree to use a defined automated and secure process to submit borrowers to Lender/Servicer for workout consideration.

4. **Transmission of Non-Public Personal Information** -All communication that includes a borrower's Nonpublic Personal Information (as defined below) between Town of Islip CDA and Lender/Servicer shall be sent through encrypted e-mail, secure loan portal or other similar secure electronic delivery system. Town of Islip CDA and Lender/Servicer agree that they will maintain or implement appropriate measures designed to (a) ensure the security and confidentiality of any Nonpublic Personal information it received from the other party, (b) protect against any anticipated threats or hazards to the security or integrity of such information, (c) protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to the subject of such information, (d) ensure the proper disposal of all Nonpublic Personal Information received from the other party upon the termination of the Agreement for any reason, unless the information is required to be retained for legal or regulatory record retention purposes, (e) treat the Nonpublic Personal Information with at least the same degree of care that it uses to protect its own confidential and proprietary information of a similar nature but with no less than a reasonable degree of care, and (f) implement or utilize appropriate technological safeguards that are at least in compliance with the Gramm-Leach Bliley Act and generally recognized industry standards.

"Nonpublic: Personal Information" means any information received from or provided by the other party which pertains to or identifies an individual, such as name, postal address, e-mail or IP address, facsimile or phone number, mother's maiden name, social security or identification number, transactional, employment, financial data, medical or health records, personal, gender, political profile, account, and password information.

5. Lender/Servicer agrees the program guidelines may be amended by the Town of Islip CDA from time to time. Lender/Servicer has reviewed the current program term sheet and agrees to comply with all Program guidelines as outlined by Town of Islip CDA. The Town of Islip CDA will notify the primary contact provided by Lender/Servicer of any program amendments and/or changes. Lender/Servicer is responsible to obtain any required investor and mortgage insurer approval.

6. **EMAP Program Approval** - Upon notification by The Town of Islip CDA that a borrower has been conditionally approved for the Emergency Rental Assistance Program, Lender/Servicer agrees to promptly accept or deny each borrower's participation in the EMAP Program. Lender/Servicer agrees that denial shall be only for good cause such as pending litigation, potential fraud, poor payment history, bankruptcy restrictions, and foreclosure status or if denied by investor or mortgage insurer for good cause. Once a borrower is accepted to the EMAP Program. Lender/Servicer shall not initiate foreclosure nor, if the borrower is already in the foreclosure process, conduct a foreclosure sale during the term of assistance.

7. **Loan Rescue Program** - Lender/Servicer agrees to provide timely communication of homeowner's loan data to the Town of Islip CDA. In addition, Lender/Servicer agrees to apply Loan Rescue Program funds towards principal, interest, taxes and insurance (collectively PITI). Town of Islip CDA agrees Lender/Servicer may apply such funds towards attorney's fees, property inspection fees, escrow shortage and/or delinquent property taxes, one year of standard homeowner's insurance if forced place insurance has been invoked and other fees and expenses if they are deemed an advance on Program funds towards delinquent property taxes. Lender/Servicer agrees to place collection and foreclosure activity on hold upon their acceptance of the homeowner into the Loan Rescue Program; active

foreclosure action to be canceled upon receipt of funds. When accepting payment for the Loan Rescue Program, Lender/Servicer agrees to waive all accumulated late charges or Non-Sufficient Funds (NSF) fees.

8. **Timing** - Lender/Servicer acknowledges that it is responsible for timely application of EMAP Program funds. Lender/Servicer shall hold the borrower harmless if payments are not applied timely. Lender/Servicer agrees that it will timely provide the Town of Islip CDA with written reports documenting application of EMAP Program funds or alternatively to provide the Town of Islip CDA an exception report for any funds that could not be applied.

9. **Borrower Actions/Fraud** - Lender/Servicer agrees to promptly notify the Town of Islip CDA in writing of any ongoing action against a borrower, including fraud-related activities.

10. **EMAP Program Eligibility** - Lender/Servicer agrees that it is not authorized or empowered to determine and/or communicate to the borrower eligibility for EMAP Program funds. The Town of Islip CDA agrees that it is not authorized or empowered to determine and/or communicate to the borrower eligibility for foreclosure prevention programs of Lender/Servicer. The Town of Islip CDA retains sole authority for its EMAP Program eligibility determination and communication to the borrower and Lender/Servicer. Lender/Servicer will communicate with borrower and the Town of Islip CDA regarding modification and other Lender/Servicer-driven approvals.

11. **Termination** - Either party may terminate the agreement without cause on 30 days written notice. Either party may terminate immediately upon material breach from the other party; Lender/Servicer shall accept payments as agreed on behalf of a borrower already approved prior to the immediate termination

Accepted and Agreed to by:

Town of Islip Community Development Agency Lender/Servicer _____

By: _____ By: _____

Print: _____ Print: _____

Date: _____ Date: _____