

DATE SUBMITTED 06/12/15
 SUBMITTED BY PLANNING DIRECTOR
 DATE ACTION REQUIRED 06/17/15

COUNCIL ACTION (x)
 PUBLIC HEARING ()
 REQUIRED RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS ()

**IMPERIAL CITY COUNCIL
 AGENDA ITEM**

SUBJECT: DISCUSSION/ACTION: HOME LOAN RECONSTRUCTION FOR AMBER M. GONZALES.

TO APPROVE THE LOAN RECONSTRUCTION FOR MS GONZALES FOR THE AMOUNT OF \$23,357.81 AT 10 YEAR TERM LOAN AT 5% INTEREST RATE.

DEPARTMENT INVOLVED: PLANNING

BACKGROUND/SUMMARY:

In 02/08/2007, Ms. Gonzales was awarded the principal sum of \$40,000 with an interest rate at 1% on a 30 year deferred loan. The Promissory Note contains provisions for acceleration/recapturing the City's investment if the home is sold, transferred, conveyance, or if the property ceased to be the main residence of the trustor. Ms. Gonzales is no longer living in the residence; therefore, her loan is due and payable for the amount of \$43,357.81. She is requesting a loan reconstruction to avoid experiencing a financial difficulty; Ms. Gonzales has \$20,000.00 in her savings which she will use to buy down the loan to \$23,357.81.

On June 4, 2015, Ms. Gonzales's request was presented to the City of Imperial Loan Committee for approval of the loan reconstruction. The Committee approved the loan for a term of 10 years at 5% interest rate with monthly installments of \$247.75 commencing on July 1, 2015.

FISCAL IMPACT: Housing Fund-\$23,357.81 F.O. INITIALS: _____

STAFF RECOMMENDATION:

Staff recommends approving the loan reconstruction for Ms. Gonzales for a loan term of ten (10) year at 5% interest rate subject to the terms and conditions outlined in the Promissory Note and Deed of Trust.

MANAGER'S RECOMMENDATION: MANAGER'S INITIALS

MOTION:

SECONDED: APPROVED () REJECTED ()
 AYES: DISAPPROVED () DEFERRED ()
 NAYES:
 ABSENT: REFERRED TO:

RECORDING REQUESTED BY AND
WHEN RECORDED, MAIL TO:

City of Imperial
Debra Jackson, City Clerk
420 South Imperial Avenue
Imperial, CA 92251

DEED OF TRUST AND ASSIGNMENT OF RENTS

This Deed of Trust, Made this 30 day of June, 2015, between Ms. Amber M. Gonzales, a single woman, herein called TRUSTOR, whose address is 1002 Sycamore, Imperial, California, 92251, and the City of Imperial Successor Agency to the former Redevelopment Agency herein called TRUSTEE & BENEFICIARY.

WITNESSETH: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, that property in Imperial County, California, described as:

Lot 7, Block 9, Sunset Rach Subdivision Unit No. 4, City of Imperial, County of Imperial, State of California, according to map on file in book 14, page 60 final maps in the office of the County Recorder of Imperial County. APN: 063-101-072

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by paragraph (10) of the provisions incorporated herein by reference to collect and apply such rents, issues and profits.

In the event the Property or any part thereof, or any interest therein is sold, conveyed or alienated by the Trustor, whether voluntarily or involuntarily, except as prohibited by law, all obligation secured by this instrument, irrespective of the maturity dates expressed therein, at the option of the holder hereof and without demand or notice, shall immediately become due and payable.

For the Purpose of Securing: (1) Payment of the indebtedness evidenced by one promissory note of even date herewith, and any extension or renewal thereof in the principal sum of \$23,357.81 executed by Trustor in favor of Beneficiary or order. (2) Performance of each agreement of Trustor incorporated by reference or contained herein. (3) The payment of any substitute notes, renewals, re-amortizations and extensions of all indebtedness secured by this Deed of Trust (4) Payment of such further sums as the then record owner of said property hereafter may borrow from Beneficiary, when evidenced by another note (or notes) reciting it is so secured. (5) The payment of all sums expended or advanced by Beneficiary under or pursuant to the terms of this Deed of Trust, together with interest thereon as herein provided.

To protect the Security of This Deed of Trust, Trustor Agrees that provisions (1) to (14), inclusive, of the fictitious deed of trust recorded in Santa Barbara County and Sonoma County October 18, 1961, and in all other counties October 23, 1961, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, viz.:

COUNTY	BOOK	PAGE
Imperial	1091	501

Shall insure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivision A and B. (identical in all counties, and printed on the reversed side of hereof) are by the within reference thereto, incorporated herein and made part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefore does not exceed the maximum allowed by law.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him/her at his/her address herein before set forth.

Signature of Trustor

Date

Date

A Notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of the document.

State of California

}SS

County of Imperial

On _____, before me, _____, Notary Public,
Personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

This area for official notarial seal

Signature _____

My Commission Expires:

Notary Name:
Commission Number:

Notary Phone:
County of Principal Place of Business:

PROMISSORY NOTE
SECURED BY DEED OF TRUST
(Homebuyer Assistance Program)

Borrower: Amber M. Gonzales

Property Address: 1002 Sycamore, Imperial, CA 92251

Lender: City of Imperial

Principal Amount: \$23,357.81

Date: 06/ 30/2015

The "Borrower (s)", Amber M. Gonzales for value received, promises to pay to the CITY OF IMPERIAL SUCCESOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY ("Holder"), 420 South Imperial Avenue, Imperial, California 92251, or any other place designated in a writing submitted by Holder to Borrower, the principal sum of \$23,357.81 plus interest on the unpaid principal balance according to the terms contained in this note.

Use of Funds: The loan is being made in order to assist me/us in repaying the loan for the property at the address above.

Term: This Note shall be for a term of ten (10) years at which time all unpaid principal and interest remaining will be due and payable. Said maturity shall be on the same day of the year as the date of this note.

Interest: This Note shall bear interest on the unpaid principal balance from the Date (as stated above), and be computed as simple interest upon the unpaid balance of the principal amounts and at the annual rate of 5 (%) until the principal balance of this Note and all accrued interest on the Note are paid in full.

Payments: monthly installment of \$247.75 of principal and interest are to start July 1, 2015 until the note is paid in full in lawful money of the United States.

Acceleration: The Holder may elect to waive this acceleration and allow this note to be assumed providing: the subsequent buyers qualify as a Low Income Family as per Section 92.254 of 24 CFR Part 92; the sales price is no greater than 95% of the median purchase price for a single family home; the property meets the property standards described in Section 92.251 of 24CFR Part 92; and the subsequent buyers assume the

responsibility for the full repayment of this note subject to the terms and conditions of this note.

Obligations of Persons Under This Note: If more than one person signs this Note, each person is fully and personally obligated to keep all the promises made in this Note, including the promise to pay the full amount owed. The Note Holder may enforce its rights under this note against each person individually or against all of us together. This means that any one of us may be required to pay the entire amount owed under this Note.

Giving of Notice: Unless applicable law requires a different method, any notice that must be given to me/us under this Note will be given by mailing it by first class mail to me/us at the property address above or at a different address if I/we give the Note Holder a notice of a different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in the first paragraph or at a different address if I/we am/are given a notice of that different address.

Amber M. Gonzales
1202 Valley View Avenue
El Centro, CA 92243-9129

Recapture of Investment: Should the property be sold prior to the retirement of the note to a Buyer that does not qualify as a Low Income Buyer, then the note shall become all due and payable and the entire down payment assistance shall be recaptured from the net proceeds of the sale. There is no forgiveness of the total debt indicated in this note.

Subordination: This note shall be subordinate to the original senior loan, any refinancing or early pay-off or release of the note secured by the senior deed of trust shall cause this note to move into senior position.

Borrower

Date

Borrower

Date

NOTICE TO BORROWER:

The amount of your loan is \$ 23,357.81

The interest rate of your loan is 5(%).

The term of your loan is for 10 years.

Your monthly payments are \$247.75.

Finally, be aware:

As stated in this promissory note: “this loan will not subordinate to subsequent financing.” This means that if you decide to re-finance your home you will have to include in the re-finance the repayment of this loan.

The undersigned acknowledge receiving a copy of this notice:

Borrower

Date

Borrower

Date