



# Mortgage Protection Program

## **C.A.R. HOUSING AFFORDABILITY FUND MORTGAGE PROTECTION PROGRAM TERMS AND CONDITIONS AND APPLICATION**

**C.A.R. HOUSING AFFORDABILITY FUND  
MORTGAGE PROTECTION PROGRAM  
TERMS AND CONDITIONS**

**1. DEFINITIONS.**

The words “you” and “your” mean you the buyer and the words “we,” “us” and “our” mean the California Association of REALTORS® Housing Affordability Fund (“HAF”).

1.1 “C.A.R.” means the California Association of REALTORS®.

1.2 “First Time Homebuyer” means an individual (including all co-buyers on the Property Purchase Contract) who has had no ownership in a Single Family Dwelling during the three (3) year period ending on the date of the individual’s Program application.

1.3 “Insurance Policy” means an insurance policy for involuntary unemployment and accidental death & disability coverage provided by HAF under the Program.

1.4 “Person” means any individual, corporation, company, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, estate, government agency or political subdivision thereof.

1.5 “Program” means the HAF Mortgage Protection Program.

1.6 “Program Administrator” means a Person HAF has designated to receive and process applications and to otherwise administer the Program.

1.7 “Program Committee” means the HAF Program Committee.

1.8 “Terms and Conditions” means these Terms and Conditions, and any terms and conditions for insurance coverage set forth by the insurance carrier of the Insurance Policy.

1.9 “Property Purchase Contract” means a fully executed written agreement for the purchase of a Single Family Dwelling.

1.10 “Single Family Dwelling” means any single-family residence (including a manufactured home or mobilehome), a single-family residential unit in a condominium, cooperative or planned unit development, or a single family residential unit within a one-to-four family residence, located in California and in which you intend to occupy as your primary residence.

**2. ELIGIBILITY.**

2.1. To qualify for an Insurance Policy:

2.1.1. you (and all other co-buyers on the Property Purchase Contract) must be a First Time Homebuyer and the buyer in a Property Purchase Contract for a Single Family Dwelling;

2.1.2. the Property Purchase Contract transaction must have actually opened escrow on or after April 2, 2009 and closed escrow no later than December 31, 2009; and you must provide HAF with the executed Property Purchase Contract and the buyer’s HUD-1 final closing statement from escrow indicating that the transaction closed escrow;

2.1.3. you must be represented by a California REALTOR® in the transaction, and you must provide documentation of same to HAF;

2.1.4. you (and all other co-buyers on the Property Purchase Contract) must own no other real property during the escrow period on the Property Purchase Contract, whether as a sole owner or jointly;

2.1.5. you have not previously received an Insurance Policy from HAF; and

2.1.6. you must meet all of the eligibility requirements set forth by the insurance carrier to receive an Insurance Policy.

2.2. REALTORS®, directors, officers and employees of HAF, C.A.R. and C.A.R.'s subsidiaries and affiliates, and members of their immediate families are not eligible to participate in the Program.

2.3. Applications will be reviewed and Insurance Policies will be awarded on a first come, first served basis until Program funds are depleted or until HAF discontinues the Program, whichever occurs first.

### **3. INSURANCE POLICY; OTHER TERMS AND CONDITIONS.**

3.1. To be eligible for an insurance policy:

3.1.1. you must be a W-2 employee; and

3.1.2. you cannot be a sole proprietor, partner or controlling stockholder in the business in which you are employed, or are a dependent of a sole proprietor, partner or a controlling stockholder in the business in which you are employed.

3.2. To apply for an Insurance Policy, you must provide the Program Administrator with an application and any required documentation. You must immediately advise the Program Administrator in writing of any corrections or changes to the information on your application. Certain corrections or changes may affect your eligibility to receive an Insurance Policy.

3.3. You may receive only one (1) Insurance Policy during your lifetime, and a maximum of two (2) Insurance Policies are permissible per transaction. If two policies are awarded in a single transaction, the first policy will be for \$1500 in monthly insurance proceeds and the second policy will be for \$750 in monthly insurance proceeds. Both buyers must sign the application and indicate which Insurance Policy each buyer is applying for. The Insurance Policy provided by HAF is for the initial policy term only, and does not include any renewal terms or premiums for renewals. Should you wish to renew the Insurance Policy, you will be responsible for renewing the policy and paying any related premiums. Please contact the insurance carrier for more information on terms and conditions for renewal and related premiums.

3.4. Insurance policies will be issued approximately thirty (30) days after approval of your application and eligibility verification.

3.5. If you receive an Insurance Policy, you agree that any insurance proceeds paid to you shall be applied first toward the payment of your mortgage for the Single Family Dwelling you purchased in the Property Purchase Contract. If there are multiple persons obligated to pay the mortgage, you agree that the insurance proceeds will be first applied toward your proportional share of the mortgage obligation. The balance of any such insurance proceeds may be used for any other purpose.

### **4. PROGRAM ADMINISTRATION.**

4.1. The Program is managed and interpreted by the Program Committee. HAF reserves the right at its discretion to amend these Program terms and conditions, to deny granting any individual an Insurance Policy and to modify, suspend or discontinue the Program at any time without notice.

4.2. The Program Committee's decision to approve or deny an application for an Insurance Policy is final and will not be subject to appeal or review.

4.3. HAF will not be responsible or liable for any direct, indirect, incidental or consequential damages, claims, actions, losses, liabilities, misappropriation of insurance proceeds, costs or expenses arising in any way whatsoever from your participation in the Program, an application that does not comply with the requirements of the Terms and Conditions, and any delay in providing an Insurance Policy or its benefits to you.

4.4. You understand and agree that HAF may disclose to third parties any information you provide on your application or in connection with the Program that is necessary to effectuate the provisions of the Program or as required by law to be disclosed.

4.5. You understand and agree that HAF is not the insurance carrier and is paying the initial premium for the Insurance Policy on your behalf; the Insurance Policy is a contract for insurance between you and a third party insurance carrier, and that any benefits, obligations and liability in connection with the Insurance Policy shall be the responsibility of and settled between you and the third party insurance carrier.

4.6. You agree to indemnify, defend and hold harmless HAF and its directors, officers, employees and agents from any claim, action, damages, liabilities, losses, costs and expenses, including reasonable attorney's fees, arising out of a breach of any of your representations, warranties or obligations under your application or the Terms and Conditions.

**HAF MORTGAGE PROTECTION PROGRAM  
APPLICATION**

By signing this application, I acknowledge that I have read, understand and agree to be bound by the HAF Mortgage Protection Program Terms and Conditions which are incorporated herein by reference. (Unless otherwise defined on this application, terms used in this application are as defined in the Terms and Conditions.)

**A. BUYER INFORMATION**

1. BUYER #1 (\$1500 monthly insurance proceeds policy)

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Telephone: Home:** ( ) \_\_\_\_\_ **Cell:** ( ) \_\_\_\_\_

**Date of Birth:** \_\_\_\_\_

**E-Mail Address:** \_\_\_\_\_

2. BUYER #2 (\$750 monthly insurance proceeds policy)

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Telephone: Home:** ( ) \_\_\_\_\_ **Cell:** ( ) \_\_\_\_\_

**Date of Birth:** \_\_\_\_\_

**E-Mail Address:** \_\_\_\_\_

**B. BUYER REPRESENTATION AND WARRANTY**

I represent and warrant that:

(1) I am (and all other co-buyers on the Property Purchase Contract are) a First Time Homebuyer and the buyer in a Property Purchase Contract for a Single Family Dwelling, the purchase transaction actually opened escrow on or after April 2, 2009 and closed escrow no later than December 31, 2009, and I will promptly provide HAF with a copy of the Property Purchase Contract and the buyer’s HUD-1 final closing statement from escrow indicating that the transaction closed escrow;

(2) I was represented by a California REALTOR® as my real estate agent in the transaction and I will promptly provide documentation of same to HAF;

(3) I (and all other co-buyers on the Property Purchase Contract are) do not and have not owned other real property during the escrow period on the Property Purchase Contract, whether as a sole owner or jointly;

(4) If I receive an Insurance Policy, I agree that any insurance proceeds paid to me shall be applied first toward the payment of the mortgage for the Single Family Dwelling I purchased in the Property Purchase Contract, and the remainder may be used for any other purpose; provided, however, if there are multiple persons obligated to pay the mortgage, the insurance proceeds will be first applied toward my proportional share of the mortgage obligation;

(5) I have not previously received an Insurance Policy from HAF;

(6) I meet all of the eligibility requirements set forth by the insurance carrier to receive an Insurance Policy.

**C. ACKNOWLEDGMENTS; SIGNATURE**

All statements made in this application are true, complete and correct; this application contains no false statements, misrepresentations, or omissions of fact; and these statements are made with the purpose of obtaining an Insurance Policy under the Program. Any false statements, misrepresentations, or omission of fact in this application may disqualify me for an Insurance Policy or the payment of any insurance proceeds thereunder. I authorize the release of information by any Person to HAF as necessary to verify all information I submit in connection with this application and to effectuate the terms of the Program. **BY SIGNING THIS APPLICATION, I ACKNOWLEDGE RECEIVING, READING, UNDERSTANDING, AND AGREEING TO BE BOUND BY THESE TERMS AND CONDITIONS AND THE TERMS AND CONDITIONS SET FORTH BY THE CARRIER FOR THE INSURANCE POLICY.**

**Buyer #1 Signature (\$1500 monthly insurance proceeds)** \_\_\_\_\_

**Please Print Your Name Here:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Buyer #2 Signature (\$750 monthly insurance proceeds)** \_\_\_\_\_

**Please Print Your Name Here:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**HAF MORTGAGE PROTECTION PROGRAM**

**TO BE SIGNED BY YOUR REALTOR®:**

I, (print name) \_\_\_\_\_, am an active member of the California Association of REALTORS®. I represented the buyer(s), \_\_\_\_\_, in the purchase of the Single Family Dwelling located at \_\_\_\_\_, and the transaction closed escrow on \_\_\_\_\_, 2009.

(Signature) \_\_\_\_\_ Date: \_\_\_\_\_

Please Print Your Name Here: \_\_\_\_\_

Office Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Cell Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Name of Broker: \_\_\_\_\_

Print your National REALTORS® Database System (NRDS) number here: \_\_\_\_\_

- THE APPLICATION IS COMPLETE WHEN THE FOLLOWING DOCUMENTS HAVE BEEN INCLUDED:**
  - the executed Property Purchase Contract; AND
  - the buyer's HUD-1 final closing statement from escrow indicating that the transaction closed escrow

**MAIL COMPLETE APPLICATION AND ATTACHMENTS TO:**  
CALIFORNIA ASSOCIATION OF REALTORS®  
HOUSING AFFORDABILITY FUND MORTGAGE PROTECTION PROGRAM  
525 S. VIRGIL AVENUE  
LOS ANGELES, CA 90020