



STANDARD PACIFIC MORTGAGE

Mueller Affordable Homes Program Eligibility Process

1. Please complete the attached “**MUELLER AFFORDABLE HOMES PROGRAM INCOME ELIGIBILITY APPLICATION**” in its entirety. This is necessary to determine your eligibility to participate in the Mueller Affordable Homes program. This is not an application for a first lien mortgage loan. Eligibility for the Mueller Affordable Homes program is not a commitment to lend. Additional conditions and requirements may apply for first lien mortgage loan approval.
2. Please sign and date the “**BORROWER’S CERTIFICATION AND AUTHORIZATION**”.
3. Please complete the “**ADDITIONAL QUESTIONNAIRE**”.
4. Email or hand deliver the above items to:

Contact: Jonathan Gifford, NMLS# 251289
Branch Manager/Sr. Loan Officer

Phone: 512-506-4081

Email: JGifford@stanpac.com

Hand Delivery: Standard Pacific Mortgage, Inc.
11001 Lakeline Blvd., Suite I-100, Austin, TX 78717

Once this information is received a credit report will be obtained and your information will be reviewed for a preliminary determination of eligibility.

You will be contacted at the email address or phone number you provided.

5. Please collect all applicable documents listed on **Page 3- Documents**. We will request these items from you once a determination of eligibility is decided.

Standard Pacific Mortgage requires a processing fee of \$50.00. This will be collected from you after the purchase contract is signed and you have submitted a loan application with Standard Pacific Mortgage.

A limited number of applications for participation in the Mueller Affordable Homes Program will be accepted. You may call ahead to confirm if applications are still being accepted.

Prospective buyers who are determined to be eligible for participation and who sign a purchase contract will be contacted to attend an information session covering all aspects of the Mueller Affordable Homes Program.

Standard Pacific Mortgage NMLS #89607
Austin Division 11001 Lakeline Boulevard, Building 1, Suite 100, Austin, TX 78717
TEL 512.506.4080 | FAX 512.506.4088

Arizona | California | Colorado | Florida | Nevada | North Carolina | South Carolina | Texas

Mueller Affordable Homes Program Eligibility Instructions

General Eligibility

- At least one applicant must work 25-hours/week (not applicable if disabled or retired)
- Must obtain Income Eligibility Certification from Lender stating that household income and assets meet the Mueller Affordable Homes Program Income & Asset Guidelines and is at or below 80% of the Median Family Income for Austin area as published annually by HUD (see Asset Guidelines and MFI Chart on page 2)
- Please be advised that if down payment is less than 5% of the purchase price, buyer may be required to attend a homebuyer education class by the lender
- Must have a first lien, home mortgage as the primary buyer
- Property must be owner-occupied
- Must agree to all affordable housing restrictions and participate in the Mueller Affordable Homes Program
- Must comply with the City of Austin’s SMART Housing Program income requirements
- Must provide accurate and complete information. False or misleading statements concerning household status, income, and/or assets will disqualify applicants from participation in the program and may subject the applicant to other sanctions
- Other restrictions may apply

I. Household Size

Household size is composed of all individuals who will be occupying the home. If two people are a “couple” regardless of marital status, then both people must be included on the application. A couple in the process of a divorce or separation must submit proof of filing in order to apply separately. Co-signers are allowed, provided they do not appear on the warranty deed.

Persons not counted as family members for the purpose of determining income include:

- A child who is subject to a shared-custody agreement in which the child resides with the household for *less* than 50 percent of the time;
- Unborn children; and
- Children being pursued for legal custody or adoption who are not currently living with the household.

II. Income

The Mueller Affordable Homes Program has adopted Income & Asset Guidelines, in order to assist buyers who could not otherwise afford to purchase a home. Income Eligibility Certification is contingent on the City of Austin's SMART Housing approval. Buyers must meet both the Mueller Affordable Homes Program Income & Asset requirements and the City of Austin's SMART Housing Income requirements, in order to purchase a Mueller Affordable Home. **Income Eligibility Certification is valid for six months, or until a contract is entered into for a home on which the buyer closes, whichever is earlier. Income Eligibility Certification does not guarantee that an applicant will qualify for a home mortgage. Other restrictions may apply.**

2011 HUD INCOME LIMITS BY HOUSEHOLD SIZE

Effective May 31, 2011

Household Size	1	2	3	4	5	6	7	8
80% Median Income	41,950	47,950	53,950	59,900	64,700	69,500	74,300	79,100

Income Inclusions & Asset Guidelines

1. The full amount, before any payroll deductions, of wages and salaries, tips, commissions, bonuses and other compensation;
2. Self-employment Net Income as shown in the Federal Tax Returns from the operation of own business including proprietorships and partnerships and incorporated businesses;
3. Social security or Railroad retirement;
4. Profit (or loss) from royalties or rental of land, buildings or real estate or roomers or boarders. Income from any estate and or trust fund;
5. Gift amount that is above 20% of the purchase price;
6. Supplemental Security Income (SSI), or any public assistance or welfare payments such as TANF;
7. Regularly received retirement payments, survivor or disability pensions, including IRA/Keogh distributions;
8. Child support or alimony;
9. Any other sources of income received regularly, including but not limited to, VA payments, unemployment, interest, dividends, or investment fund or trust distributions;
10. Income from assets calculated at the published HUD Passbook Rate (currently 2%, but subject to change);
11. Rental/investment property is limited to no more than 2 housing units;
12. Asset limit is \$150,000. Assets include, for example, cash, checking, money market and savings account balances, certificates of deposit, investment portfolios such as stocks and bonds, and the equity in any real estate owned.

INCOME & ASSET GUIDELINES ARE SUBJECT TO CHANGE AND OTHER RESTRICTIONS MAY APPLY

III. Documents:

Please follow the BUILDER'S INSTRUCTIONS TO DELIVER THE REQUIRED INCOME DOCUMENTATION & INCOME ELIGIBILITY APPLICATION.

- Completed Mueller Affordable Homes Program Income Eligibility Application signed and dated by all applicants (*all household members must be included on the application*).
- Copy of Applicant(s) Valid Driver's License, Passport, or Texas Identification Card
- Copy of Applicant(s) Social Security Card and/or Permanent Resident Card
- A completed Employer Verification Form for every employed household member **OR** Last THREE (3) pay stubs.
 - IF PAY STUBS ARE PROVIDED, indicate frequency of pay:
 Monthly Bi-Monthly Weekly Bi-Weekly Other: _____
 - IF SELF EMPLOYED: In *addition* to the 2 COMPLETE years of federal returns please include a current profit & loss estimate projecting income and expenses for 12 months.
- Last THREE (3) MONTHS of all checking & savings accounts
- Most current statements for CDs, brokerage accounts, stock investments, mutual funds, etc., and proof of value any other asset held by any member of the household.
- Proof of value, as evidenced by a taxing authority or a certified real estate appraiser, and proof of current balance of any debt for any real estate owned.
- TWO YEARS of signed FEDERAL income tax returns and corresponding W2's (If you don't have copies please fill out the transcript request form in this packet and **fax** it to **801-620-6922**, or call the IRS at 1-800-829-1040). (If most recent tax year is not provided, provide corresponding AND most recent W-2s.)
- * Award letter(s) if receiving social security, pension, survivor or disability payments.
- * If you have been divorced since your last federal tax return was filed, a copy of your executed divorce decree OR, if you are in the process of a divorce, a copy of the petition for divorce.
- * If you are divorced or legally separated, a copy of your court ordered custody arrangements, order for child support and/or alimony.
- * If receiving a financial gift from another person, the person will need to provide a letter that includes the amount of the gift and when the gift will be given.

**as it may apply*

**OTHER DOCUMENTATION MAY BE REQUESTED,
IN ORDER TO VERIFY INCOME & ASSETS**

Income Verification Rules for Mueller

The following are the Income Verification Rules for Mueller. Income inclusions are as follows:

1. The full amount, before any payroll deductions, of wages and salaries, tips, commissions, bonuses and other compensation;
2. Self-employment Income (after business expenses) from the operation of own business including proprietorships and partnerships and incorporated businesses;
3. Social security or Railroad retirement;
4. Gross proceeds from rent from royalties or rental of land, buildings, or other real estate, including or roomers or boarders.
5. Supplemental Security Income (SSI), or any public assistance or welfare payments such as TANF,
6. Regularly received retirement payments, survivor or disability pensions, including IRA/Keogh distributions.
7. Child support and/or alimony.
8. Any other sources of income received regularly such as VA payments, unemployment, or investment fund or trust distributions, including interest received from checking/saving, money market, CDs, IRA, KEOGH, and government bonds.
9. Unless specifically identified on supporting documentation in responses to (8) above, the balance of unencumbered assets such as cash, checking, money market, and savings account balances, certificates of deposit, investment portfolios such as stocks and bonds (excluding retirement plans, health savings accounts, and education/college savings accounts) and other unencumbered assets shall be multiplied by 2% (the pass book rate) to calculate an amount to be included as income for the current year. Provided, however, that if a person is 59 and ½ years of age or older than the retirement plans shall be included in this calculation.

10. Any gift greater than 20% of the purchase price of the home that will be provided to help purchase the home (even if the gift has not yet been received) will also be counted as income.

11. Parent loans or other gifts/income provided by parents, relatives, or others to students, less tuition and books for the current semester, are counted as income.

12. If a household intends to own a rental/investment property at the time it intends to occupy the home at Mueller that household is eligible to purchase an affordable home at Mueller provided that there is only one rental/investment property which has four (4) units or less.

13. Co-signer's are permitted. Co-signer's income will not be included in the income eligibility calculation unless the co-signer lives in the affordable home purchased at Mueller.

Asset Test

Notwithstanding the above, if the Net Assets (defined below) of any person or family applying for income eligibility exceeds \$150,000 then such applicant shall be not be eligible to purchase an affordable home at Mueller.

Net Assets include cash, checking, money market, and savings account balances, certificates of deposit, investment portfolios such as stocks and bonds, and the equity in any real estate owned (i.e., the FMV of the real estate less secured debt against the real estate).

Net assets also include retirement accounts for persons 59 and ½ years of age or older.

The following assets are excluded from the Net Assets calculation: education/college savings plan accounts, health savings accounts, teacher pension/retirement accounts, and retirement accounts for persons 59 and ½ years of age and younger.

Employment Requirement

Within a household at least one member must work a minimum of 25-hour per week (not applicable if disabled or retired). In the case of a single parent with a child under the age of 5 (or not yet enrolled in kindergarten or home-schooled as a kindergartener), the minimum hour requirement per week is 10.

Shared Appreciation Restriction

All affordable homes (AH) sold at Mueller will be subject to a shared appreciation restriction in the form of a second Deed of Trust (the Second Lien). The Second Mortgage will be in favor of the AH Stewardship Fund or other Catellus designated entity. The amount of the Second Mortgage is determined by an appraisal prior to the sale of the home from the AH builder to the initial home buyer. The difference between the appraised value and the contracted sales price is the amount of the Second Lien (the Subsidy). The shared appreciation percentages are determined by dividing the Subsidy into the appraised value. See example below.

At the time of sale of the home by the initial homebuyer to the second homebuyer the sales proceeds are distributed as follows:

Sales Proceeds
(Less closing costs)¹
(Less Primary Mortgage payoff exclusive of late fees)
(Less Second Mortgage)
(Less Initial Homebuyer's equity, i.e., down payment)

Total: Equity to be Shared

¹ Closings costs that are usual and customary, including commissions, not to exceed 8% of the gross purchase price.

Example:

Calculation of Shared Appreciation Percentage

Appraised value of Home prior to sale to Initial Homebuyer:	\$200,000
Sales Price of Home to Initial Homebuyer:	\$150,000
Difference:	\$50,000
Shared Appreciation by AH Stewardship Fund	$\$50,000/\$200,000=25\%$
Shared Appreciation by Initial Homebuyer	75%

Calculation of Sales Proceeds Distribution

Resale from Initial Homebuyer to Second Homebuyer:	\$260,000
(Less Closing Costs)(assume 8% of sales price)	\$16,000
(Less Primary Mortgage payoff exclusive of late fees)	\$140,000
(Less Second Mortgage)	\$50,000
(less Initial Homebuyer's Equity (assume \$10,000 DP))	<u>\$10,000</u>
Equity to be Shared	\$44,000
Distribution to AH Stewardship Fund ($\$44,000 \times 25\%$)	\$11,000
Distribution to Initial Homebuyer ($\$44,000 \times 75\%$)	\$33,000

Other Restrictions Applicable to Shared Appreciation Program

There can be no resale of the home during the first year except to a Catellus designated entity which shall have a right of first refusal to purchase at the original sales price.

After the first year, if the Initial Homebuyer desires to sell the home the Catellus designated entity retains a right of first refusal to purchase the home at the appraised value.

Any refinancing, home equity loans, renting out the house for more than thirty (30) days per year, or defaulting on your primary mortgage will cause the Second Mortgage to become due and payable.

Catellus and the City of Austin reserve the right to review, approve, or reject any application for income eligibility after considering each household's unique circumstances. In addition, Catellus and the City of Austin have the right to request supporting documentation from the household as part of the income eligibility process.

In the event of any conflict with the rules set forth in this program Catellus and the City will seek guidance from the HUD Handbook 4350.3, the Texas Department of Housing and Community Affairs Manual on Income Certification, and FHA Guidelines Part 5.

Compliance Process

The affordable housing builder's lender will perform the initial income eligibility. As part of this process they will complete the City of Austin SMART Housing Form. This and the complete package of supporting documentation will be forwarded to Catellus's compliance manager (Compliance Manager). If the Compliance Manager verifies that the household is income certified then the affordable housing builder will within three business days submit the complete file to the City of Austin SMART Housing for review and approval.

Mueller Affordable Homes Program Eligibility Instructions

Mueller Income Verification and Eligibility requirements may be more restrictive than the City of Austin SMART Housing Program’s requirement. If there are changes in the City of Austin SMART Housing Program that make it more restrictive than the Mueller Income Verification requirements then the more restrictive requirements of the SMART Housing Program will control.

The information contained and programs described herein are intended as a general descriptions relating to affordable housing, are current as of the date of preparation hereof to the knowledge of Catellus Austin, LLC and are subject to change without notice. Catellus Austin, LLC, its affiliates, employees and consultants make no warranties or representations of any kind or nature whatsoever regarding the information contained and programs described herein.

Catellus Austin, LLC, its affiliates, employees and consultants, and the City of Austin reserve the right to review, approve, or reject any application for eligibility.

I HAVE READ AND UNDERSTAND THE ELIGIBILITY INSTRUCTIONS.

I UNDERSTAND THAT SUBMITTING FALSE OR MISLEADING INFORMATION MAY DISQUALIFY ME FROM PARTICIPATING IN THE PROGRAM AND MAY SUBJECT ME TO OTHER SANCTIONS.

INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED.

THE ELIGIBILITY INSTRUCTIONS MUST BE SIGNED BY THE APPLICANT(S) AND RETURNED WITH THE INCOME ELIGIBILITY APPLICATION & REQUIRED DOCUMENTATION.

Applicant

Date

Co-Applicant

Date

EQUAL OPPORTUNITY: There will be no discrimination against an applicant on the basis of race, age, sex, marital status, sexual orientation, national origin, religion, handicap, or source of income.



MUELLER AFFORDABLE HOMES PROGRAM

INCOME ELIGIBILITY APPLICATION

Revised October 2010

Please provide ALL applicable information on this form. It will be used to determine your eligibility;
Mueller Income Verification requirement may be more restrictive than the City of Austin SMART Housing Program's requirement.

1. Contact Information

Applicant			
First and Last Name:		Social Security #	
Home Address:		City, State, Zip:	
Home Telephone:		E-Mail:	
Employer Name:		Work Telephone:	
Employer Address		City, State, Zip:	
Position Title:		Occupation:	
Co-Applicant			
First and Last Name:		Social Security #	
Home Address		City, State, Zip:	
Home Telephone:		E-Mail:	
Employer Name:		Work Telephone:	
Employer Address		City, State, Zip:	
Position Title:		Occupation:	

2. Household Information

Provide information for each household member who will be living in the home INCLUDING anyone who will be on the property title, regardless of whether you are married. Enter the number of members in your household.

Name (List Applicant First)	Relationship to Applicant	Age	Date of Birth (Month/Day/Year)	Days per year child resides with you	✓ If Employed
	Applicant				
Total number of members in household:					

3. Housing Information

Please check or fill in the correct boxes to tell us about your current housing situation and what you are looking for.

Do you currently own a home?	yes <input type="checkbox"/>	no <input type="checkbox"/>	Special Needs?
Are you a first-time homebuyer?	yes <input type="checkbox"/>	no <input type="checkbox"/>	<input type="checkbox"/> Senior Only
Please check from which source the downpayment is coming from	Own funds <input type="checkbox"/>	Gift <input type="checkbox"/>	<input type="checkbox"/> Handicap-Accessible
	Downpayment <input type="checkbox"/>	IDA <input type="checkbox"/>	

How much money do you have for downpayment? \$ _____

Have you attended a Homebuyer Education class? yes no

4. Projected Annual Income

For every household member who is receiving any of the following sources of income or asset, please enter the requested information under the person's name. If an income or asset type doesn't apply, skip it.

4.1 Regular Annual Income	Applicant	Co-Applicant				Total
Wages/ Salaries/Business Income (Annual)						
Benefits/ Pensions (Annual)						
Public Assistance (Annual)						
Child Support or Alimony (Annual)						
Other Income (Annual)						
Total Anticipated Income						

*Other includes Child Support, Alimony, other public assistance, VA payments, unemployment, investment or trust distributions, or other income received.
 *Self-employed borrowers are required to submit 2 years of tax returns, YTD statements, PL for 12 months

4.2 Assets	Applicant	Co-Applicant				Total
Checking						
Savings						
401k/IRA						
CD						
Cash						
Stocks						
Real Estate						
*Other: _____						
Total Assets						

*Include description and value of other assets held by any member of the household.

4.3 DEBTS:

Please list all monthly debts, the minimum payment, and balance owing. This includes car payments, mortgages, credit cards, child support, etc.

Paid To	Minimum Monthly	Approximate Balance

Estimated Purchase Price _____ Cash Down 3% 5% 10% 20% +
 Has any borrower filed for bankruptcy in the last 7 years? Yes or No

5. Checklist

INITIAL, if applicable:

Review this list for required documentation to submit with your application.

- Completed application signed and dated by all applicants (all household members must be included on the application).
- A completed Employer Verification Form for every employed household member **OR** last THREE (3) pay stubs.
- Indicate frequency of pay/wages, if pay stubs provides (e.g., monthly, bi-monthly, weekly, or bi-weekly):
 - Monthly
 - Bi-monthly (2 times per month)
 - Weekly
 - Bi-weekly (every 2 weeks)
 - Other _____
- IF SELF EMPLOYED: In addition to the 2 COMPLETE years of federal returns please include a current profit & loss estimate projecting income and expenses for 12 months.
- Last THREE (3) MONTHS of all checking & savings accounts
- Most current statements for CDs, brokerage accounts, stock investments, mutual funds, etc., and proof of value any other asset held by any member of the household.
- Proof of value, as evidenced by a taxing authority or a certified real estate appraiser, and proof of current balance of any debt for any real estate owned.
- TWO YEARS of signed FEDERAL income tax returns and corresponding W2's (If you don't have copies please fill out the transcript request form in this packet and fax it to **801-620-6922**, or call the IRS at 1-800-829-1040).
- Award letter(s) if receiving social security, pension, survivor or disability payment.
- If you have been divorced since your last filed federal tax return, a copy of your executed divorce decree OR if you are in the process of a divorce, a copy of the petition for divorce.
- If you are divorced or legally separated, a copy of your court ordered custody arrangements, order for child support and/or alimony.
- If receiving a financial gift from another person, the person will need to provide a letter that includes the amount of the gift and when the gift will be given.

*as it may apply

5. Certifications

I hereby certify that all the information provided and submitted in support of this application is true and correct as of the date set forth below my signature and that I will be disqualified if it is determined that any or all information provided is inaccurate or non-verifiable.

I hereby authorize Catellus and its related entities and any lender that I request either an Income Eligibility determination, a prequalification approval or a loan approval, the City of Austin, Austin Housing Finance Corporation, PeopleTrust or any other agency to which this information is provided on behalf of the City, to make any and all inquiries for the purpose of verifying the truthfulness and validity of the information provided. I understand that I may be required to submit additional documentation to verify employment, income, and assets or any additional information deemed necessary to make such eligibility determination. I understand that income certification is valid for six months, or until I have a signed contract for purchase, whichever occurs first.

I understand and agree that Catellus and its related entities, the City of Austin, Austin Housing Finance Corporation, PeopleTrust, or any agency or authority it has designated to act on its behalf reserves the right to revise or revoke its eligibility determination based on any information received after a certification determination is made, including discovery of false information. The information contained and programs described herein are intended as a general descriptions relating to affordable housing, are current as of the date of preparation hereof to the knowledge of Catellus Austin, LLC and are subject to change without notice. Catellus Austin, LLC, its affiliates, employees and consultants make no warranties or representations of any kind or nature whatsoever regarding the information contained and programs described herein.

Signatures:

Applicant: _____ Co-Applicant: _____
Date: _____ Date: _____

INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED. YOU MUST SUBMIT THE COMPLETED APPLICATION, THE COMPLETED AND SIGNED ELIGIBILITY INSTRUCTIONS, AND ALL SUPPORTING DOCUMENTATION FOR INCOME AND ASSET ELIGIBILITY DETERMINATION.

6. Optional Information

This information is requested for demographic and statistical purposes only. It is not used in determining your eligibility

Race: Black/African American AIAN* Pacific Islander Other
Ethnicity: Hispanic/Latino White *American Indian and Alaskan Native Asian

How did you hear about this program (Select all that apply and list source below)?

Source: Newspaper Website Brochure Other
Word-of-Mouth Realtor

EQUAL OPPORTUNITY: There will be no discrimination against an applicant on the basis of race, age, sex, marital status, sexual orientation, national origin, religion, handicap, or source of income.





STANDARD PACIFIC MORTGAGE

11001 Lakeline Blvd., Suite I-100, Austin, TX 78717
NMLS #: 89607

Mueller Affordable Homes Program - Additional Questionnaire

BUYER

CO-BUYER

Name:

Please Print

Please Print

Date of Birth:

Married:

Yes No

Yes No

Start Date of current employment:

No. Years at current Residence:

Estimated Sales Price: \$ _____

Estimated Down Payment: \$ _____

Source of Down Payment: _____

Ex: Gift from Family, Savings in our account, planned savings from earned income

Best Contact Phone Number: _____

Email Address(s): _____

- I/We authorize Standard Pacific Mortgage to obtain and review my/our credit report in order to determine my/our eligibility status
- If I/we later decide to apply for a loan with Standard Pacific Mortgage, I/we authorize Standard Pacific to use my/our credit report in connection with such application, and that Standard Pacific may verify or reverify any information provided by me/us. I/we understand that I/we will be charged for such credit report in the event that I/we apply for and close on such a loan with Standard Pacific Mortgage.
- I/we understand the risks to the security of data transmitted over the internet via email. I/we hereby request that Standard Pacific Mortgage utilize the email address(es) listed above and grant permission to Standard Pacific Mortgage to transmit and receive data about me/us, via email, including Confidential Personal Information without limitation. I/we understand that Standard Pacific Mortgage makes no representations or warranties regarding the security of data transmitted over the internet via email.
- I/we agree that representatives of Standard Pacific may contact me/us by telephone, email or direct mail at the contact data provided above for purposes of fulfilling the inquiry for eligibility.
- I/we understand that this is not an application for a first lien mortgage loan.

By signing, I/we acknowledge I/we have read and agree to these terms:

Buyer Signature

Date

Co-Buyer Signature

Date



Standard Pacific Mortgage, Inc. NMLS# 89607 11001 Lakeline Blvd., Bldg 1, Ste. 100, Austin, TX 78717 (512) 506-4081
licensed with the Texas Office of Consumer Credit Commission, Regulated Loan License Numbers: 9005-42812, 9005-42813, and 9005-48414; Texas Department of Savings and Mortgage Lending, Mortgage Banker License Registration: 44665

Borrower's Certification and Authorization

Certification

The undersigned certify the following:

1. I/We have applied for a mortgage loan from **Standard Pacific Mortgage Inc.** (lender). In applying for the loan, I/we completed a loan application containing various information on the purpose of the loan, the amount and source of the down payment, employment and income information, and assets and liabilities. I/We certify that all of the information is true and complete. I/We made no misrepresentations in the loan application or other documents, nor did I/we omit any pertinent information.
2. I/We understand and agree that **Standard Pacific Mortgage, Inc.** (lender) reserves the right to change the mortgage loan review process to a full documentation program. This may include verifying the information provided on the application with the employer and/or the financial institution.
3. I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both to knowingly make any false statements when applying for this mortgage, as applicable under the provisions of Title 18, United States Code, Section 1014.

Authorization to Release Information

To Whom It May Concern:

1. I/We have applied for a mortgage loan from **Standard Pacific Mortgage, Inc.** (lender). As Part of the application process, **Standard Pacific Mortgage, Inc.** (lender) may verify information contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or as part of its quality control program.
2. I/We authorize you to provide to **Standard Pacific Mortgage, Inc.** (lender) and to any investor to whom **Standard Pacific Mortgage, Inc.** (lender) may sell my/our mortgage, any and all information and documentation that they request. Such information includes, but is not limited to, employment history and income; bank, money market, and similar account balances; credit history; and copies of income tax returns.
3. **Standard Pacific Mortgage, Inc.** (lender) or any investor that purchases the mortgage may address this authorization to any party named in the loan application or the disclosed by any consumer credit reporting agency or similar source.
4. A copy of this authorization may be accepted as an original
5. Your prompt reply to **Standard Pacific Mortgage, Inc.** (lender) or the investor that purchased the mortgage is appreciated.

NOTE TO BORROWERS: This is notice to you as required by the Right to Financial Privacy Act of 1978 that HUD/FHA has a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to HUD/FHA without further notice or authorization but will not be disclosed or released by this institution to another Government Agency or Department without your consent except as required or permitted by law.

(Borrower's Signature)

(Date)

(Social Security Number)

(Borrower's Signature)

(Date)

(Social Security Number)



SUSTAINING AFFORDABILITY AT MUELLER

THIS INFORMATION IS PROVIDED AS A GENERAL RESOURCE AND IS NOT INTENDED TO FULLY DESCRIBE OR DISCLOSE ALL REQUIREMENTS OR RESTRICTIONS OF THE MUELLER AFFORDABLE HOMES PROGRAM.

PROGRAM RULES ARE SUBJECT TO CHANGE WITHOUT NOTICE.

CATELLUS AUSTIN, LLC, ITS AFFILIATES, EMPLOYEES AND CONSULTANTS MAKE NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER REGARDING THE INFORMATION CONTAINED AND PROGRAMS DESCRIBED HEREIN.

OVERVIEW

AUGUST 2008

The new Mueller community — a redevelopment of Austin’s former Robert Mueller Municipal Airport — is the product of a public-private relationship between the City of Austin and Catellus Austin, LLC, the master developer. The concept of Mueller as a mixed-use, mixed-income community that responds to civic needs and goals is one that dates back many years, and the planning and execution of the redevelopment has involved substantial citizen input. This community vision includes specific goals that encourage Mueller to set new standards for the Central Texas region and beyond in terms of affordability, accessibility, diversity and sustainability.

THE MUELLER FOUNDATION

The Mueller Foundation (the “Foundation”) was created by Catellus to provide a long-term mechanism for implementing, supporting and providing funds for certain public purposes and benefits that derive from Mueller’s community vision and goals. The Foundation is being organized as a Texas nonprofit 501(c)(3) tax-exempt corporation.

WHY SHARED APPRECIATION?

The purpose of the Mueller Shared Appreciation Program is to promote affordability of homes now and into the future. The Foundation, in conjunction with Catellus and the homebuilder, helps make homes at Mueller accessible to affordable buyers. In an effort to provide funding for long-term affordability at Mueller, the Foundation will utilize a shared appreciation approach, secured by a second lien and purchase option on your home. This approach allows the homebuyer to realize appreciation on his or her investment, while providing that the Foundation also realizes appreciation, on the assistance provided, to support the long-term benefit of affordability at Mueller. Upon the re-sale of the home, the shared appreciation mortgage fairly allocates between the original homebuyer and the Foundation any increase in value of the home. This sharing will help fund the protection of home affordability for future generations of buyers, while allowing the homeowner to benefit from their home’s appreciation.

THE PROGRAM

SHARED APPRECIATION

A home is typically a good investment because the home's value can increase over time. When the day comes that a homeowner decides to sell his or her home, it may have appreciated in value resulting in a sales price higher than the original purchase price. The Mueller Shared Appreciation Program is designed so that the homeowner will benefit from any appreciation over the price he or she paid for the home. However, because the price paid was less than the market value of the home, the Mueller Shared Appreciation Program also requires that the homeowner, upon sale of their home, i) pay the Foundation the difference between their initial purchase price and the initial market value as well as ii) share a portion of the increase in value (appreciation gained) on a proportional basis with the Foundation. Along with the homebuilders' contribution to homebuyer education, the Foundation's portion of the shared funds will be used to assist other income-qualified homeowners and homebuyers in purchasing homes. It also will support other programs that provide assistance for affordable housing in the Mueller community consistent with the Mueller vision.

HOW THE PROGRAM WORKS

The amount of the Foundation's contribution is established at the time of the initial purchase of the home at Mueller. The amount is calculated by subtracting the fair market *appraised* value at the time of the initial sale from the *actual* initial purchase price of the home. When the home is resold, the Foundation's contribution is recaptured from any gain, and any additional increase in equity is partially shared between the homeowner and the Foundation, as follows:

FOR EXAMPLE:

Appraised Value of Home	\$250,000	100%
Affordable Sales Price of Home	\$150,000	60%
<i>Buyer Equity (5% down payment) at Purchase</i>	\$7,500	
<i>Primary Mortgage Amount</i>	\$142,500	
Mueller Foundation Contribution (Shared Appreciation Second Lien)	\$100,000	40%
Funds from Resale	\$285,000	
Affordable Sales Price of Home	\$150,000	
<i>(Owner Equity on Resale</i>	\$15,000	
<i>Primary Mortgage Amount</i>	\$135,000	
Mueller Foundation Contribution (Shared Appreciation Second Lien)	\$100,000	
Equity to be Shared	\$35,000	
% of Shared Equity to Owner (gross of Seller paid closing costs)	\$21,000	60%
% of Shared Equity to Mueller Foundation	\$14,000	40%

* The % of Shared Equity to the Owner is the profit the homeowner would receive from the sale. The % of Shared Equity to the Mueller Foundation along with the Mueller Foundation Contribution is the amount the Foundation receives to reinvest in long-term affordability at Mueller. *This above chart is an example only. Catellus, homebuilder, and the Foundation do not represent that anyone's home will increase in value.*

At the closing of the sale of the owner's home to another buyer, the title company will be responsible for making sure that everyone is paid correctly. In accordance with the purchase agreement, the legal documents and program guidelines:

1. The title company will first pay the closing costs and then, out of the Funds from Resale, the homeowner's primary mortgage balance.
2. The title company will then pay the homeowner back its initial down payment and equity invested by paying down the first lien mortgage out of the Funds from Resale.
3. Then the title company will pay the second lien held by the Foundation out of the Funds from Resale.
4. The amount left over is the appreciation that will be shared between the homeowner and the Foundation.

The sharing of appreciation in many ways is like a partnership — the Foundation partners with the homeowner to buy the home. When the homeowner sells the home the profit is shared with the Foundation in exchange for the assistance received when the homeowner initially purchased the home.

OTHER CONSIDERATIONS

The funds from resale of the home are defined as the greater of the actual sales price or the appraised value in order to determine the true value of the home. This helps ensure the Foundation receives its fair proportion of appreciation in connection with any sale and helps prevent abuse of the Program.

Homeowners cannot rent their homes for investment purposes.

The Foundation has a First Right of Refusal to purchase the home. Should the homeowner need to sell it during the first year of occupancy, the Foundation's purchase price is the amount that was paid for the property, the initial affordable price. After the first year of occupancy, the Foundation may repurchase the home at the then appraised value.

Refinancing (without the Foundation's consent), renting out the house or defaulting on the primary mortgage may cause the Foundation's contribution to become due and payable and may also trigger the Foundation's First Right of Refusal. This helps to protect the Foundation's investment and ensure that affordable homes remain owner-occupied.



SUSTAINING AFFORDABILITY AT MUELLER FREQUENTLY ASKED QUESTIONS AND ANSWERS

THIS INFORMATION IS PROVIDED AS A GENERAL RESOURCE AND IS NOT INTENDED TO FULLY DESCRIBE OR DISCLOSE ALL REQUIREMENTS OR RESTRICTIONS OF THE MUELLER AFFORDABLE HOMES PROGRAM. PROGRAM RULES ARE SUBJECT TO CHANGE.

How big is the Mueller Affordable Homes Program?

The Affordable Homes Program will include a minimum of 25 percent of Mueller’s for-sale and for-rent residences, or at least 1,250 affordable homes over the entire project.

As a percentage of total housing, Mueller’s Affordable Homes Program is larger than that of similar developments around the country, such as the redevelopment of Denver’s Stapleton Airport. The program’s 25 percent minimum also exceeds what’s required by inclusionary zoning ordinances (where all new residential developments must contain affordable homes) in Boston, San Diego, San Francisco, Denver and other cities.

Where are the affordable homes within Mueller?

The Mueller Affordable Homes Program includes for-sale and for-rent residences throughout the community. Each for-sale or for-rent phase may have more or less than 25 percent of its combined for-sale and for-rent homes included in the Affordable Homes Program, as long as the total for the community reaches 25 percent. For-sale affordable homes will be interspersed alongside market-rate housing within each phase.

For-rent Affordable Homes will be available in each market-rate Mueller apartment building as well as in designated properties, targeted to seniors and working families, which will be predominately affordable. All market-rate rental properties will have at least 10 percent of their units in the Affordable Homes Program.

Do affordable houses at Mueller look like other homes?

Yes. All housing at Mueller, in every price range, is designed in accordance with the Mueller master plan and design guidelines, which are governed by Mueller’s New Construction Council. The Mueller Affordable Homes Program includes houses, condos and apartments consistent with the Mueller master plan and design guidelines. They may be smaller in some cases and/or may contain less expensive finishes or features than are offered in market-rate housing, but both construction and design are consistent with other homes built at Mueller.



Currently, the builders constructing affordable housing at Mueller are also constructing market-rate housing in the community. Mueller’s affordable homes also comply with the City of Austin’s SMART Housing™ guidelines and are required to attain a minimum three-star rating in the Austin Energy Green Building Program.

Who is eligible for an affordable home at Mueller?

For-sale units in the Mueller Affordable Homes Program will be marketed to families at or below 80 percent of Austin median family income (MFI). For rental units, the overall affordability benchmark is 60 percent of MFI. Please see the Eligibility Instructions for additional qualification requirements for purchasing an affordable home at Mueller.

What is Median Family Income?

Median Family Income (MFI) is a leading economic calculation commonly used as a benchmark in affordable homes programs. MFI is an annual gross income figure. The U.S. Department for Housing and Urban Development (HUD) determines the median family income for the Austin area annually.

So what does 80 percent or 60 percent of MFI mean in dollar terms?

For 2010*, MFI for Austin and Travis County is \$73,800 for a family of four. That means that 80 percent of MFI — the threshold for a for-sale Mueller affordable home — is \$59,050 for a family of four (\$41,350 for a single person). The for-rent affordability threshold of 60 percent of MFI is \$44,280 for a family of four (\$31,020 for a single person). The most recent MFI Chart can be found at www.MuellerAustin.com.

*MFI numbers change annually.

What if I make more than 80 percent of MFI but I can’t currently afford a house in Austin? Will there be anything for me at Mueller?

The more than 4,900 housing units currently planned for Mueller include a wide array of product types — yard houses, row houses, live/work houses, Mueller House condos and other condos, future home types and apartments, all in various sizes and locations and with various features and amenities. Because of this great diversity of options, Mueller will have housing options available to households with a broad range of incomes.

What if I make a lot less than 80 percent or 60 percent of MFI? Will I ever be able to afford to live at Mueller?

Catellus has committed to pursue strategies that may allow for deeper affordability at Mueller — making for-sale and for-rent housing available for families earning incomes below the 80% or 60% MFI benchmarks that could result in housing being available to meet this goal at Mueller in



the future. For example, Wildflower Terrace, a predominately affordable senior housing community, will have units available for-rent for seniors with incomes as low as 30% MFI.

How much do Mueller's affordable homes cost?

Housing in the Mueller Affordable Homes Program is priced to allow buyers and tenants to spend no more than 30 percent of their gross income on housing. The for-sale Mueller affordable homes are currently estimated to be priced between \$165,000 and \$185,000. Apartments will be affordably priced depending on the size of the household and of the rental unit.

How does someone qualify for an affordable home at Mueller?

As part of the sales process, prospective buyers in the Mueller Affordable Homes Program go through an income and asset certification process to verify their eligibility to purchase an affordable home at Mueller. Prospective buyers must also qualify for a home mortgage. Prospective tenants in Mueller's affordable rental apartments will also be income-certified by rental property owners before signing their leases. This certification occurs annually.

What happens if income increases after the homeowner moves into his or her affordable home?

This is only a concern for renters. Purchasers of affordable homes do not need to have their income recertified in the future.

The guidelines of the Mueller Affordable Homes Program, and of most rental affordability programs, allow for tenants' incomes to increase after move-in, up to what's defined under federal guidelines as "140% of 60% of MFI." In 2010, 60% of MFI for a single person is just over \$31,000. Therefore, a single tenant could see his/her income increase after move-in to approximately \$42,000 without affecting his/her eligibility to rent a Mueller affordable home. (The MFI benchmarks change every year, so these figures are approximate and used as examples only.)

If the annual income certification shows that a tenant's income increases to above "140% of 60% of MFI," then the tenant is no longer eligible for Mueller's Affordable Homes Program and will need to pay market rate rents.

What kind of counseling is available?

Mueller's partners provide homebuyer education and credit counseling for buyers who are purchasing an affordable home.

PeopleTrust, Mueller's Affordable Homes Program manager, is a non-profit organization that administers the Mueller Shared Appreciation Program. PeopleTrust coordinates Shared



Appreciation Orientation Sessions to address any questions that affordable buyers may have about the program.

What is the Mueller Shared Appreciation Program?

When purchasing an affordable home at Mueller, homebuyers enter into what could be described as a partnership with the Mueller Foundation a 501c(3) non-profit corporation created to support the Mueller community's vision and goals including affordable housing. The market value for the Mueller affordable homes are higher than the affordable price being paid by the homebuyer.

The Mueller Foundation is, in effect, making up the difference between the sales price and the market value of the home, and will hold a second lien on the home for that amount. For example, if a buyer pays \$150,000 for an affordable home whose appraised value is really \$200,000, the Mueller Foundation will hold a second lien for \$50,000.

When that home is later sold, the Mueller Foundation will get paid back the amount of that second lien from the sales price. (This happens after the remaining primary mortgage is paid and the owner is repaid the initial down payment and equity invested in paying down the primary mortgage). If, as often happens, the home has increased in value, the owner and the Mueller Foundation both share in the resulting gain.

To continue our example, if the home described above resells for \$250,000, once the mortgage, owner's equity and second lien are repaid, there will be \$50,000 left over in gains. Since the Mueller Foundation's contribution was 25% of the initial value of the home, the Foundation will receive 25% of the gain, or \$12,500, with the remaining 75%, or \$37,500, going as gain to the homeowner.

This shared appreciation system allows affordable buyers to build equity and realize the value of their investment in real estate, while also allowing the Foundation to reinvest its funds in the Affordable Homes Program and sustain affordability at Mueller.

So does that mean the homeowner really only owns 75% of the home?

No. The Foundation's contribution is a second mortgage, except that buyers don't have to pay interest on it or make monthly payments to the Foundation for 30 years.

The Foundation does, as a lien holder, retain certain rights including the right to have its contribution repaid in the event that a buyer vacates or rents out the property, defaults on the primary mortgage or refinances the home without the Foundation's prior approval.



Does Mueller’s shared-equity program mean an affordable homebuyer will never own his or her home?

No. When a homebuyer signs the final paperwork and closes on his or her home, the homebuyer owns the home. Lienholders do not have ownership interest in a home, only security against it to protect their loans. The only difference is that under Mueller’s shared appreciation program, the affordable home will carry two liens instead of one. The first lien would be the primary mortgage, as with any other home. The smaller lien will be held by the Mueller Foundation.

If a homebuyer buys an affordable home at Mueller, can he or she sell it later?

In the first year of owning an affordable home at Mueller, the owner may sell back the home at the initial affordable purchase price to the Mueller Foundation. After one year, buyers can sell their homes and share the gains realized from the sale with the Mueller Foundation, the non-profit corporation that implements the Shared Appreciation Program (as described above).

What happens if the home does not increase in value, or if the home decreases in value?

The Mueller Foundation is only repaid from net gain on the home at resale. If the home does not increase in value, then the Mueller Foundation only recoups the amount of the second lien, because there is no gain to share. If the value of the home decreases, the Mueller Foundation’s second lien is repaid based on available net proceeds after the primary mortgage and owner’s equity is repaid, if any.

Can an affordable homeowner modify his or her home without POA or Mueller Foundation approval?

All exterior changes must be submitted for approval by the POA’s Modification Committee for both affordable and market-rate homes.

The owner is required to get Mueller Foundation approval if the modifications will require a building permit. The affordable owner must provide a copy of any plans for any proposed improvements, an estimated budget of the projected costs and evidence that all necessary building permits for construction have been secured prior to commencing construction, in order for the Mueller Foundation to approve the improvements. This is necessary to ensure that any structural, mechanical, electrical and code compliance issues are addressed, in order to maintain a safe, affordable housing stock in Mueller.

Does the homeowner get a “credit” for any improvements made to the home?

The Mueller Foundation will not “credit” the cost of improvements to the homeowner, though these improvements may add to the home’s appreciation value at resale.



Can the homeowner pay off the Mueller Foundation's second lien?

Mueller's Affordable Homes Program is primarily designed to offer the opportunity of home ownership to qualified buyers who typically cannot pay off such a loan before it is due. While the homeowner may repay the second lien amount, it may not be to the homeowner's advantage to do so. The shared equity amount cannot be prepaid.

Would the homeowner have to sell the home to another income-qualified buyer?

Not necessarily. The Mueller Foundation has first right of refusal to offer to buy the home itself at fair market value after the first year and then resell it to another income-qualified buyer, or the home could be sold to a market-rate buyer.

Is this the same as a land trust?

No, although a community land trust is another shared equity tool used to make housing more affordable. In a land trust, the purchaser owns the home but not the land on which it sits. Typically, in a land-trust program, when a homeowner wants to sell, the home would have to go to another qualified affordable buyer, since the land trust would retain ownership of the underlying property. This is not the case with the for-sale affordable homes now being built at Mueller.

Are all the for-sale affordable homes at Mueller being sold this way?

All the for-sale homes currently being sold through the Affordable Homes Program will include these shared-appreciation provisions. Future for-sale affordable homes at Mueller may be sold using different terms in order to meet the needs of a range of homebuyers.

Can the homeowner refinance or pull equity from the home?

Yes, if the Mueller Foundation has received proper notice and approves the refinancing. Since refinancing changes the owner's equity in the property, and since the Mueller Foundation is sharing in that equity, refinancing has to be done under terms that are agreeable to both the owner and the Foundation.

What happens when the home is ready to be re-sold?

When the homeowner decides to sell his home, he/she must give the Mueller Foundation notice of intent to sell in writing by certified mail. The Mueller Foundation then has 45 days to inform the homeowner of its intent to buy the home.



Can a homeowner pass on his or her home through inheritance? What happens to the second lien? Does my son/daughter have to purchase it at market price?

In the event of the original homeowner's death, the home's title would pass to the homeowner's designated recipients in accordance with any legal will and/or Texas law. There would be no need for heirs to "repurchase" or income qualify for the home; however, any liens for the first and second mortgages would still exist.

Will taxes be assessed on the value of the home or the sales price?

TCAD is currently assessing homes in the Mueller Affordable Homes Program at the original sales price for the first year of ownership. After the first year, the property has the potential to increase in value, but will be limited to a 10% increase in assessed value per year if the property is declared as a homestead. Knowing your rights and responsibilities is key to home ownership. Please visit <http://www.traviscad.org/FAQ.pdf> for more information about Travis County's tax appraisal process and how you can address your home's tax assessment.

Can the homeowner ever lease his/her property to a third party?

No, because that would defeat the purpose and spirit of selling the home to a qualified affordable buyer. By renting the home to a third party, the homeowner would effectively become an investor.

Could the homeowner take on a roommate or boarder that is not on the deed?

Yes, as long as the homeowner continues to occupy the home. The rules for roommates and boarders are governed by the Mueller Community Association (the property owners' association or POA). Please consult the Mueller Community Association for complete guidelines.