

RESOLUTION 2018-130

A RESOLUTION OF THE CITY COUNCIL OF POWDER SPRINGS, GEORGIA AUTHORIZING THE COBB COUNTY HOUSING AUTHORITY TO OPERATE A HOMEBUYER'S DOWN PAYMENT ASSISTANCE PROGRAM WITH IN THE JURISDICTIONAL BOUNDARIES OF THE CITY OF POWDER SPRINGS; PROVIDING FOR AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, Cobb County Commission Chairman Mike Boyce has a publicly acknowledged focus on creating pathways to work force affordable housing in Cobb County. Chairman Boyce asked Cobb County Housing Authority ("Cobb Authority") to investigate what it can do to further work force affordable housing in Cobb County. As part of responding to this request, the Cobb Housing Authority has voted to pursue a mortgage down payment assistance program for qualified mortgagees obtaining home mortgage loans by private sector mortgage originators operating in Cobb County; and

WHEREAS, the Cobb Authority has investigated a program created and operated by the housing division of Raymond James & Associates (Raymond James) known as the Turnkey Program and has decided to work with Raymond James to enable the program in Cobb County; and

WHEREAS, the Turnkey Program operates through existing private sector mortgage originators operating in Cobb County wishing to participate in the program. The Turnkey Program offers mortgage rates and associated down payment assistance to qualified borrowers through a network of participating mortgage originators. For borrowers using Freddie Mac's HFA Advantage conventional loan, the Turnkey Program also provides access to Freddie Mac subsidy assistance grants in the amount of \$2,500 for borrowers below 50% of the area median income and \$1,500 to borrowers between 51% and 80% of area median income. Raymond James will be under contract with the Cobb Authority to purchase mortgage-backed securities associated with each mortgage loan at a price that is set on the date the mortgage loan terms are committed to the mortgagee ("Reservation Date") by the mortgage originator. The mortgage rates and associated prices on any given date will be established at a level that will provide sufficient funds to purchase the loan, provide the desired amount of down payment assistance and to pay all program costs. On the date of each mortgage-backed security delivery, Raymond James will wire funds to the program trustee in an amount that is based on the prices established on the Reservation Dates. The funds will be sufficient to reimburse the servicer/mortgage originators for the loan principal and lender compensation, the down payment assistance and to cover desired levels of Cobb Authority profitability. Raymond James assumes the market risk on changes in interest rates (and consequently value of the associated mortgage-backed securities) between the Reservation Date and the mortgage-backed securities delivery date. Raymond James will receive a fee equal to 35 basis points for setting up and operating the program as well as the risks associated with the market value volatility of the mortgage backed securities between the mortgage loan's Reservation Date to the mortgage-backed securities delivery date. The Cobb Authority receives a fee of 25 basis which will be transferred to the City for mortgages originated within the City of Powder Springs. The fees can change from time to time as interest rates change,

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interest in the program increases or decreases as well as Cobb Authority changes to target proceeds for mortgage loan down payment assistance;

WHEREAS, by Georgia Law, Cobb Authority cannot operate in the city limits of the City of Powder Springs without express approval by resolution of the City of Powder Springs.


NOW, THEREFORE, BE IT RESOLVED by the City Council of Powder Springs, Georgia as follows:

1. Cobb Housing Authority is authorized to make the above generally described down payment assistance program available to program-qualifying home purchasers within the city limits of the City of Powder Springs.
2. The authorization in "1" above is predicated on Cobb Authority continuing to direct that fees for mortgages originated within the city limits of Powder Springs be directed to the City of Powder Springs.

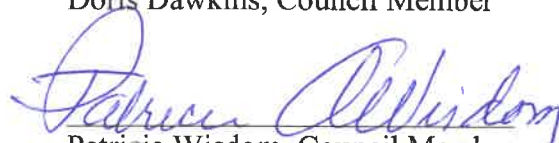
This Resolution shall be effective immediately upon adoption.

SO RESOLVED this 17th day of September, 2018.


Albert Thurman, Mayor


Patrick Bordelon, Council Member


Doris Dawkins, Council Member


Patricia Wisdom, Council Member


Henry Lust, Council Member


Thelma C. Farmer, Council Member

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[signatures continued on following page]

Attest: 
Kelly Axt, City Clerk