

Exhibit C

City of Clearwater

Housing Policy

Sub-Prime Lending Policy

The city will not assist Borrowers who are being charged more than a combined two percent (2%) for loan discount and origination fees by the first mortgage provider. The city will also not assist Borrowers who are obtaining adjustable rate first mortgages, interest only mortgages, mortgages financed by the owner/seller, or mortgages with above-market interest rates or excessive fees. Interest rate expressed as Annual Percentage Rate (APR) may not exceed two percent (2%) above the Market Rate (A rate that is no more than 25 basis points greater than the most-recent Freddie Mac Weekly Primary Mortgage Market Survey (PMMS) Rate for 30-year fixed-rate conforming mortgage).

In addition, the city will not assist Borrowers with loans that require high up-front and out of pocket fees, prepayment penalties, loans for more than the property's value, unfavorable balloon payments, loans that requires credit life or credit disability insurance, unreasonable penalties for late fees, having a mandatory arbitration clause (give or right to sue in court), negative amortizing loans, or open ended mortgages.