SYSTEM DEVELOPMENT CHARGE LOAN CONTRACT

The undersigned agrees to pay in installments the assessment plus interest as set by the City Council and any penalties, billing fees and collection charges as set forth in the Terms and Conditions of this contract. Further, the undersigned understands that the amount owed shall be a lien against the benefited property and the lien shall be recorded in the Docket of City Liens.

Property Address:_____ Property ID:_____

Property Owner:_____ Tax Account Number:_____

Billing Address:_____ Building Permit Number:_____

_____

Legal Description:_____

Total Charges:_____

Finance Fee:_____

Total:_____

I elect to pay in installments based on the following payment schedule:

- ☐ Monthly installments over 5 years
- ☐ Monthly installments over 10 years
- ☐ Monthly installments over 20 years*
- ☐ Semi-annual installments over 20 years*
- ☐ Senior Citizen Assessment Deferral Option (If eligible, State pays installments over 20 years – see reverse for details.)

* Loan amount must exceed $2,500 to qualify for the 20-year options.

This contract is submitted in accordance with provisions of ORS 223.205-314, The Charter of the City of Portland, and Chapter 17.14 of the Portland City Code. In consideration and pursuant to these legal provisions, I hereby expressly waive all irregularities and defects, jurisdictional or otherwise, in the proceedings to assess this System Development Charge on the property described herein. Further, I understand that I have a right to contest the amount, and the means of calculating the amount, as provided by the bureau that administers this specific System Development Charge program; however, by signing this agreement, I waive those rights as provided by section 17.14.030 of the Portland City Code. I have read and agree to abide by the provisions printed on the reverse side of this contract.

PLEASE NOTE:

- ALL RECORDED OWNERS MUST SIGN. IF CONTRACT PURCHASER, PLEASE ATTACH CONTRACT OF SALE.
- **BY SIGNING BELOW YOU ACKNOWLEDGE THE TERMS AND PROVISIONS ON PAGE 2 OF THIS CONTRACT**.

Signature: _____ Signature: _____

Print Name: _____ Print Name: _____

Date: _____ Date: _____

Phone Number: (____) _____-_____ Phone Number: (____) _____-_____

Billing Address: _____

SAMPLE

INSTALLMENT PAYMENT CONTRACT OPTIONS, TERMS, AND PROVISIONS

PAYMENT OPTIONS AND SCHEDULES
The Transportation System Development Charge Program offers four loan payment options: monthly installments over 5 years, monthly installments over 10 years, monthly installments over 20 years or semi-annual installments over 20 years. Loan amount must exceed $2,500 to qualify for either 20-year option. The City uses the following calculations when preparing installment bills.

Monthly Payment Options: Monthly installments include increasing principal and decreasing interest amount, plus a billing contract fee. Interest is charged through the bill due date. Installment billings begin 30 to 60 days after the loan contract is received by the City.

Semi-Annual Payment Option: Installment payments are billed every six month, beginning 6 to 7 months after the loan contract is received by the City. Each installment consists of one-fortieth (1/40) of the original loan amount plus 6 months interest on the outstanding balance and a bill transaction fee.

Senior Citizen Assessment Deferral Option: The State of Oregon makes semi-annual installment payments on your behalf. When the property is sold or transferred to a new owner, the State is repaid for the total of their installment payments plus simple interest of 6% per year. To qualify, you must be at least 62 years old, be living in the affected property, and must have a household income of less than $37,500 per year. Contact Dewey Meazell at (503) 823-3574.

SPECIAL CERTIFICATION FOR 5-YEAR LOANS
The 5-year loan term option may be selected on a voluntary basis. In so doing, you consent to repay this contract in less than the 10-year minimum term required to be offered by State law. You acknowledge that this contract accurately describes the assessed property and the charges for which the assessment is made. Also, you acknowledge that the loan amount described in this contract is a lien which is recorded in the Docket of City liens.

FINANCE FEE
The City adds a non-refundable finance fee to the assessment to pay for processing your loan and selling bonds. The current fee is $40.00 plus 0.49% (.0049) of the loan amount.

INTEREST RATES AND BILLING FEES
The City finances this installment loan by selling improvement bonds at favorable interest rates. Prior to the bond sale, the City charges an interim interest rate which reflects bond market conditions. After the bond sale, the installment interest is fixed at a permanent rate equal to the true interest cost of the bonds plus a financing rate set by City Council. The City calculates separate interest rates for each of the 5, 10, or 20 year loan terms. Each bill includes a billing fee which may be adjusted at any time without notice.

BILLING AND PAYMENT
The City bills you directly for your loan installments. Your installments are not made a part of your property tax bill. Make your payments on or before the payment due date. Include your account number on your check and make the check payable to the City of Portland. You may shorten the payment period by paying more than the required amount. The entire unpaid balance plus accrued interest may be paid off at any time without prepayment penalty.

PENALTIES FOR NON-PAYMENT
The City charges late interest monthly on the past due principal balance, based on the loan interest rate. When payment is more than 30 days past due, penalties and collection charges will be added as provided by City Code. Beyond 60 days past due, the City may declare this contract in default and require a new loan contract subject to new interest rates and charges. The City may also require payment of the entire amount of delinquent installments, plus late interest, penalties, and collection charges. This loan is secured by a lien on the benefited property. The City lien may be assumed when the property is transferred; however the City cannot subordinate the lien. Banks or financial institutions generally require full payment of this loan before closing a private mortgage or refinancing transaction. The City may enforce its property lien by foreclosing and selling the property to collect the outstanding loan balance and all related costs.

BOND RESERVE FEE
In addition, the City may charge a bond reserve fee if required to sell assessment bonds. Proceeds from the bond reserve fee will be dedicated to a reserve account and used as security for the assessment bonds.

CHANGE OF ADDRESS
You are responsible for notifying the City Revenue Bureau – Liens Section, (503) 823-4090, of any change of ownership or billing address.

SAMPLE