



Housing Opportunities Commission Purchase Assistance Loan Program

Disclosure of Information

5-2013

The Loan is provided by the Housing Opportunities Commission (the "HOC") under the terms of HOC's Purchase Assistance Program (the "Purchase Assistance Loan"). The purpose of this disclosure is to provide you with information regarding the requirements and restrictions for this program before you close on this loan and your HOC first trust mortgage. Your initials and signature are required to acknowledge your receipt and understanding of same.

- _____ 1. The Housing Opportunities Commission is the lender of the Purchase Assistance Loan.
- _____ 2. The Purchase Assistance Loan may be used to cover points, down payment, closing costs, escrows, or other prepaid expenses for the acquisition of the single family residence to be occupied by Borrower(s), and whose address is identified below. No cash out – excess funds will be used as a principal curtailment to the first mortgage loan.
- _____ 3. All adult occupants are first time homebuyers using the HOC First Trust Mortgage Program.
- _____ 4. HOC is offering Purchase Assistance Loan of 3% of the sales price (subject to availability of funds) for qualified first time homebuyers using the HOC First Trust Mortgage Program. The amount of such assistance is not included in the principal balance of the Mortgage Loan.
- _____ 5. Interest Rate: Zero percent (0%) per annum.
- _____ 6. Terms: Secured Five (5) year deferred loan effective from the settlement date. No interest shall accrue on the Loan and no monthly installments shall be due. The Loan shall be forgiven on the Maturity Date (Five(5) years from settlement date of first mortgage), unless;
- _____ 7. The Purchase Assistance Loan shall become immediately due and payable upon the occurrence of any of the following events: (i) the sale or transfer of the Property prior to Maturity Date (five(5) yrs), (ii) HOC determines that the loan proceeds were not utilized for closing cost expenses, (iii) termination of the use of the Property as the primary residence of the Borrower, (iv) foreclosure of any lien, mortgage or deed of trust secured against the Property or transfer in lieu of foreclosure; and (v) refinance. There is no prepayment penalty.
- _____ 8. Repayment Calculation: The Borrower shall pay the Loan multiplied by the product of sixty (60) minus the number of complete months since the date of settlement divided by sixty (60) as shown below.
 - Purchase Assistance Loan Amount X [60 - Number of months since signing of Agreement] / 60= Repayment Due
- _____ 9. The HOC participating lender will reserve the funds and close the loan in conjunction with the first mortgage.
- _____ 10. Homeowner counseling and evidence of completion prior to receiving the Purchase Assistance Loan is required for at least one borrower.
- _____ 11. The Purchase Assistance Loan is not assumable and will not be subordinated.
- _____ 12. Your hazard insurance policy or condominium insurance certificate must include HOC as second mortgagee or third mortgagee if County's Revolving Closing Cost Assistance -"5 for 5" funds or other permissible closing cost and/or downpayment assistance are used in conjunction with this loan.
- _____ 13. Lender's Title Insurance coverage must also be obtained to cover the amount of your Purchase Assistance loan.
- _____ 14. Customary transaction fees will apply.
- _____ 15. U.S. Bank will service this loan.

Property Address:

 Borrower Signature / Date

 Borrower Signature / Date

LENDER: Borrower(s) Sign At Application. Give Copy To Borrower.
 Copy To HOC With MBS Pre-Closing Compliance Package for Secondary Financing.
 ORIGINAL+ 1 copy to U.S. Bank, see U.S. Bank FHA Delivery Checklist.