



Mortgage Finance Division
Single Family Office
10400 Detrick Avenue
Kensington, Maryland 20895-2484

(240) 773-9200 Phone
(301) 942-3817 Fax

Montgomery County Revolving Closing Cost Assistance Program

Disclosure of Information

10/2008

You are applying for closing cost and/or downpayment assistance through Montgomery County's Revolving Closing Assistance Program. 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 first trust mortgage. Your initials and signature are required to acknowledge your receipt and understanding of same.

- 1. The Housing Opportunities Commission is the administrator of the revolving closing cost assistance program for the county.
2. Borrower or Co-Borrower works in Montgomery County.
3. The Revolving Closing Cost Assistance Loan is a "secured loan" and not a gift. It is to be repaid with regular monthly payments over a maximum term of 10 years.
4. Your monthly payment for the revolving closing cost loan will consist of the repayment of principal and interest. These payments are separate from the payments on your primary mortgage (first trust) and ARE NOT TO BE MAILED WITH YOUR FIRST TRUST PAYMENT.
5. The maximum loan allowed by county statute is \$10,000.00 or 5% of the sales price, whichever is lower; but only to the extent that you need the funds to complete the purchase of your home.
6. Your first trust lender will reserve the funds with HOC based upon their good faith estimate of closing expenses and your available assets. The reservation is not a loan approval. It is a "hold" on the amount of money for you until a loan application is received and approved by HOC.
7. Homeowner counseling prior to receiving a revolving closing cost assistance loan is required of all borrowers. Your loan officer can give you the schedule of counseling classes and their location as you will need to register for the class as soon as possible. Your revolving closing cost loan will not be approved without evidence of your completion of this counseling.
8. Payments for this loan will be due on the 1st of each month. There is a 15 day grace period for HOC has contracted with another company (Bogman, Inc.) to collect monthly loan payments and keep records of your account. This company is the servicer for the revolving closing cost loan.
9. Automatic Withdrawal of monthly payment from a checking or savings account is a requirement for obtaining this loan.
10. The Revolving Closing Cost Assistance Loan is not assumable.
11. If the property ceases to be your primary residence, and becomes either a secondary home or a rental property, county statute requires the loan to be paid in full.
12. Your hazard insurance policy or condominium insurance certificate must reflect HOC as a second mortgage.
13. Lender's Title Insurance coverage must also be obtained to cover the amount of your closing cost loan.

Borrower Signature / Date

Borrower Signature / Date

