



Empowered Down Payment Assistance Program

IMPORTANT CONSUMER DISCLOSURE

You are receiving this Disclosure because you have expressed an interest in applying for down payment assistance through the Home Advantage Down Payment Assistance Program.

Although participating in the program can bring benefits, it also can be relatively expensive to do so. Because of the increased potential overall cost to you in participating in the program, we urge you to consider other potentially less costly options for receiving down payment assistance that also may also be available to you before you choose to participate in this program. For example, if you can receive funds as a gift from a relative that you can use towards the required down payment amount, you should use those gift funds instead of participating in this program.

IT IS IMPORTANT TO UNDERSTAND THAT BY RECEIVING DOWN PAYMENT ASSISTANCE UNDER THE PROGRAM, YOU WILL HAVE A HIGHER INTEREST RATE ON YOUR LOAN THAN YOU WOULD HAVE IF YOU DO NOT PARTICIPATE IN THE PROGRAM AND WILL PAY MORE EACH MONTH.

A higher interest rate on your loan will mean that your monthly mortgage payments will be higher than they would be if you do not participate in the program, and you will pay more in interest over the life of the loan.

- For example, if you participate in the program the interest rate on your loan of \$150,000 may be 4.5%. If you do not participate in the program and instead pay the full down payment amount yourself or from a gift to you from a relative, the interest rate on your loan may only be 4.0%. As a result, if you participate in the program your monthly mortgage payment in this example would be \$760.00 plus taxes and insurance, while it would only be \$716.00 plus taxes and insurance if you do not participate in this program. This would mean you would be paying \$44.00 more each month by participating in the program.

If you do choose to participate in this program, you also should consider refinancing your loan into a lower interest rate as soon as you are eligible to do so. **HOWEVER, PLEASE ALSO BE AWARE THAT YOU MAY NOT BE ABLE TO LOWER YOUR LOAN INTEREST RATE IN THE FUTURE THROUGH REFINANCING IF, FOR EXAMPLE, MARKET INTEREST RATES RISE.**

If you qualify for the program, you will be eligible to receive funds to cover a portion of your required down payment amount. The maximum amount of funds you can receive under the program is (2% or 3.5%) of the purchase price of the home being purchased; you will still be required to pay any remaining amount of the required down payment yourself or with a gift from a family member.

- For example, if you are purchasing a home with a purchase price of \$150,000, the maximum amount of down payment assistance you can receive under the 2% program is: 2% of \$150,000, or \$3,000. If the required down payment amount is \$5,250 (3.5% of \$150,000), you would still be required to fund \$2,250 yourself, or from a gift from a family member.

By signing and dating this Disclosure below, you acknowledge that you have received and read this Disclosure, and that you understand the potential additional costs of participating in this program (all applicants including any not on title must sign).

Applicant 1 signature

Date signed

Applicant 1 name printed

Applicant 2 signature

Date signed

Applicant 2 name printed

Applicant 3 signature

Date signed

Applicant 3 name printed