

GREATER MINNESOTA HOUSING FUND
REPAYMENT AGREEMENT

To Be Signed by Homebuyer

The following conditions for required early repayment should be read by the mortgagor and understood clearly. They are also contained in the Homeowner Gap Financing Note.

At the time of any of the following, GMHF's Gap loan must be paid in full:

- 1. If a sale of the property occurs or a transfer of any part of the property**
- 2. If any owner of the property experiences bankruptcy**
- 3. If the First Mortgage is satisfied (paid off)**
- 4. If foreclosure procedures occur on the First Mortgage**
- 5. If the property is no longer the primary residence of the borrower**
- 6. If the borrower is in default with the loan terms, for any reason** (for example, non-payment of real estate taxes, or failure to maintain property insurance on the home)
- 7. If the borrower chooses to refinance the First Mortgage loan or obtain a home equity loan, except under certain limited conditions. For further explanation, see the GMHF Refinancing and Home Equity Guidelines.**

Borrower Name

Co-Borrower Name

Signature of Borrower

Signature of Co-Borrower

___ / ___ / _____ **Date**

___ / ___ / _____ **Date**

Please make one copy for the borrower and return the original signed copy to:

**Greater Minnesota Housing Fund
332 Minnesota Street
Suite 1210E
St. Paul, MN 55101**

GREATER MINNESOTA HOUSING FUND
REFINANCING AND HOME EQUITY LOAN GUIDELINES FOR
BORROWERS
PLEASE SAVE FOR FUTURE REFERENCE

Congratulations on your home purchase! You have received a loan from the Greater Minnesota Housing Fund (GMHF) to help buy your home. We are a non-profit organization that helps to create affordable homeownership opportunities. In order to help as many families as possible become homeowners, GMHF will only allow refinances or home equity loans under specific conditions.

If you refinance or obtain a home equity loan that does not meet these guidelines, you must immediately repay the entire amount of your GMHF loan.

We also suggest that, before spending any money that you plan to repay by refinancing or getting a home equity loan, you contact the local administrator that assisted you with the loans you obtained when purchasing your home. They will have a complete version of the GMHF guidelines in effect at that time, and can provide information about your financing options.

Please review these guidelines and save this document for future reference

- 1) **Borrowers who refinance to a lower interest rate but receive no cash from the refinancing may keep their GMHF loans. Your new lender must contact GMHF for the paperwork (a subordination agreement) to process the loan.**
- 2) **If you obtain a home equity loan or get cash from a refinancing, the cash may only be used for qualified home repairs or improvements, and...**
- 3) **VERY IMPORTANT: All cash proceeds from the refinancing or home equity loan must be paid directly at closing to a valid title company or bank and managed by an escrow agent. The funds will be held in the escrow account until payments are approved by the local administrator. Qualified repairs or home improvements must be approved in advance by the local administrator or they will not be paid. No improvements may be started before the escrow account is established. Under no circumstances will GMHF allow cash to be paid directly to a homeowner at closing. NOTE: Your local administrator must agree to authorize escrow payments and may charge a fee for this service. GMHF does not require administrators to provide this service.**
- 4) **No “wrapping in” of other debt to the new first mortgage is allowed. For example, you cannot increase your first mortgage amount to pay off credit cards or another loan.**

- 5) **GMHF will only subordinate once to each homeowner during the life of the loan. This means that if you refinance and/or obtain a home equity loan for a second time, the GMHF loan will be due in full at that time.**
- 6) **You always have the option to fully repay your GMHF loan at any time without penalty. If the GMHF loan amount is paid off at the time of refinancing, the remaining cash proceeds may be used for any purpose.**
- 7) **Full details, such as loan-to-value guidelines, and appraisal requirements, are available by talking to your local administrator.**

Please talk to your local administrator or mortgage lender if you have any additional questions about these policies. They can contact GMHF for further clarification and, if needed, explain your particular circumstances.