

Down Payment Assistance Application from the Public Finance Authority (PFA) administered by American Financial Resources, LLC (AFR)

I (we) understand that I (we) am (are) applying to AFR, who is solely the administrator of this program, and the down payment assistance is granted from PFA. I (we) agree that any of the documents we have provided in connection with this request as well as any other information obtained by AFR on my behalf may be provided to PFA in connection with this request.

As part of this application, I (we) attest and affirm, that one of the Borrowers is planning to become or currently meets one of the following criteria (please select one):

- I have been advised that my income meets the program guidelines
- Any Borrower on the loan application is planning to become or is a current, retired, volunteer or non-paid:
 - first responder (police officer, firefighter, public safety officer, paramedic, emergency medical technician (EMT) or similar);
 - Educator;
 - Medical personnel (nurse, doctor, phlebotomist, health ambassador, or hospital, American Red Cross worker, or similar);
 - civil servant in a Federal, state, or local municipality; or
 - military personnel
- First-time homebuyer (meeting the following criteria):
 - is purchasing the Subject Property;
 - will reside in the Subject Property as a principal residence;
 - has/have no ownership interest (sole or joint) in a residential property during the three-year period preceding the application date or is an individual who is a homemaker or single parent that has had no ownership interest in a principal residence (other than joint ownership interest with a (former) spouse) during the three-year period preceding application date.
- I have been advised that the property is located in an underserved census tract.

Signature of Borrower

Date Signed

Signature of Co-Borrower

Date Signed

Signature of Co-Borrower

Date Signed

Home Advantage 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 sign above,

Date Signed

Applicant 1 (print name)

Applicant 2 sign above,

Date Signed

Applicant 2 (print name)



22 East Mifflin Street, Suite 900, Madison, Wisconsin 53703 • www.pfauthority.org

Down Payment Assistance Grant Letter

Date _____

Once fully executed, and subject to meeting the requirements of this program, this Down Payment Assistance Grant Letter confirms that Public Finance Authority (PFA), a Wisconsin governmental entity, has agreed to provide its funds (its Down Payment Assistance Grant), in the following amount, towards the total required down payment on the mortgage loan being originated for you by your lender.

The amount of the down payment assistance grant (gift) provided to you and all borrowers on this loan in aggregate is \$_____. It will be provided by PFA at the closing of your loan.

This Down Payment Assistance Grant is provided to you under the terms of the homeownership program developed by PFA, who provides the grant, and AFR who is your lender and/or program administrator. This is a PFA grant. You have no obligation to repay this grant.

Public Finance Authority

By signing below, you, the borrower, acknowledge that you have received this Down Payment Assistance Grant Letter as of the date indicated above; that no portion of this Grant will be used to pay the costs of the construction, demolition, expansion, rehabilitation, renovation, upgrading, addition to or remodeling of the home being purchased; that PFA will provide these funds at the closing of your loan; that PFA will provide these funds at the closing of your loan; that you have no obligation to repay them to PFA; and that PFA may provide a copy of this Letter, as signed by you, to AFR as the program administrator.

Borrower's Signature

Date

Borrower (Print Name)

Borrower's Signature

Date

Borrower (Print Name)