

## IF YOU WANT TO SELL YOUR HOME

CrossRoads Corporation uses funding from federal, state, and local governments in order to make your new home more affordable. This funding comes with restrictions on the sale of your home that may affect its resale.

This summary is provided only as a guide. Your loan documents will include legal agreements that incorporate these and other requirements. Please consult your closing attorney to make sure you understand all legal documents.

1. Depending on whether you qualify, the City of Charlotte may loan you up to \$10,000 at three percent interest through the House Charlotte Homebuyer Program. This program requires that you occupy your house -- you will not be allowed to move to another location and rent the house to someone else. Payments on this loan are deferred for the first five years, and the outstanding balance is forgiven at 20% per year beginning in year six and ending in year ten. The outstanding principal balance on this loan is due in full if you sell or transfer ownership of the property. You may be required to repay the loan if you re-finance the property or apply for a home equity loan.
2. Depending on whether you qualify, the North Carolina Housing Finance Agency's (NCHFA) Community Partners Loan Pool program may loan up to 20% (maximum \$30,000) of the purchase price at zero percent interest, with payment deferred for up to thirty years. This program requires that you occupy your house -- you will not be allowed to move to another location and rent the house to someone else. The outstanding principal balance on this loan are due in full if you sell or transfer ownership of the property. You may be required to repay the loan if you re-finance the property or apply for a home equity loan.
3. Your house is subject to numerous deed restrictions described in a recorded document entitled Declaration of Covenant, Conditions and Restrictions which requires, among other things, that your house be occupied by its owner as a principal residence. This deed restriction will run with the property, meaning that any subsequent owner of the house must also meet all of these requirements included in the deed restrictions. These provisions apply regardless of who your lender is and even if you pay off your loan.
4. Your house will also be subject to another recorded deed restriction, entitled Declaration of Deed Restrictions, imposed by the City of Charlotte which requires that you sell your house to a household with an income below 80% of the area median income depending on the specific resale provisions for your property, as published annually by the U.S. Department of Housing and Urban Development. This deed restriction will remain in effect for 15 years from completion of construction of your house.
5. It's the seller's responsibility to set the price of the home at a level so that a buyer at or below 80% AMI can afford the home. When the sale goes to the buyer's bank underwriting, a title search which will list the restriction. The lender will then either contact CrossRoads or Horack Talley to receive guidance on how to comply. All that is required is a HUD part 5 income verification to determine the buyer's AMI. A letter stating the buyer meets the restriction guidelines should be sufficient for the bank underwriters.
6. Finally, any sale of your home will be subject to a right of first refusal with CrossRoads Corporation to purchase your home. This means that, before you can sell your home, you must offer CrossRoads Corporation the option to buy your home at the same price offered by a third-party purchaser.

Buyer's Initials: \_\_\_\_\_