

KANE COUNTY FORECLOSURE REDEVELOPMENT PROGRAM

Financing Fact Sheet

This disclosure provides a summary of the financing terms and conditions of the Kane County Foreclosure Redevelopment Program you are considering for the purchase of your new home. This disclosure statement is not a contract and does not constitute a commitment on the part of Kane County to make a loan to you.

Type of Project:

Homes redeveloped under the Kane County Foreclosure Redevelopment Program.

Income Verification:

Income to be verified following the IRS Form 1040 Adjusted Gross Income method as described in the Technical Guide for Determining Income and allowances for the HOME program.

Maximum Loan: Up to \$15,000

Loan Type:

Deferred loan, monthly payments not required, principal repayment required when purchaser sells property, refinances, or no longer occupies as principal residence.

Interest Rate:

0% interest rate over the lifetime of the loan.

Loan Use:

Funds can be used to pay for closing costs, down payment assistance, or principal write down.

Ratios/Underwriting:

Front end ratio or housing payment cannot be above 32% or below 25% of purchaser income as determined by the Kane County Office of Community Reinvestment using the method described above.



EXAMPLE

- Sale Price \$150,000
- Maximum Assistance: \$15,000
- \$15,000 No interest/No Payment Soft Second
- FHA Financing requires 3.5% Down payment of \$5,250.00
- First Mortgage amount \$129,750.00
- Assuming Interest rate 4.0%; Property taxes \$3,178.00; Property Insurance \$700.00
- Monthly Housing Payment: **\$1,006.00**