

DATE

Name:

Address:

Address:

**RE: Mortgage Assistance Program Agreement and Commitment**

**Property Address:**

**Loan Amount:**

Dear [Click here to enter text.](#):

I am pleased to inform you that Arundel Community Development Services, Inc. ("ACDS") has approved a Loan funded through the Mortgage Assistance Program (MAP) utilizing the sources identified within this Commitment and Agreement.

**1. BORROWER(S)**

**2. PROPERTY**

**3. AMOUNT OF LOAN**

**4. SOURCES OF FUNDING**

☐ Community Development Block Grant (CDBG)

☐ HOME Investment Partnerships (HOME)

☐ County

☐ Other \_\_\_\_\_

## **5. PURPOSE OF LOAN**

The MAP Loan will be utilized by the Borrower for down payment assistance, mortgage write down and/or closing cost assistance, as determined eligible, and associated with the purchase of the Property.

## **6. INTEREST RATE**

You are eligible for a Loan with an interest rate of zero percent (0%).

## **7. MODEST HOUSING LIMIT** (Applicable for HOME funded loans only)

This Loan is subject to the Modest House Limits which requires the value of the subject property not to exceed the Modest Housing Limits for the HOME Program as established and issued periodically by HUD.

## **8. AFFORDABILITY PERIOD** (Applicable for HOME funded Loans only)

The affordability period for this Loan is determined by the loan amount and indicated below.

- ☐ \$15,000 or below – Affordability Period – 5 years
- ☐ \$15,000 to \$50,000 – Affordability Period – 10 years

During the term of the affordability period, the Property must be occupied by the Borrower and remain as their principal residence. If the MAP Loan has been repaid to ACDS but the Property has not been sold or transferred, this condition still applies.

## **9. TERM**

30 Years

## **10. REPAYMENT/RECAPTURE PROVISIONS**

This Loan is subject to repayment/recapture provisions which require repayment of the Loan to the extent of net proceeds available from the sale of the Property.

Your Loan is due on the first to occur of:

- (i) the sale of your home,
- (ii) thirty years from the date your MAP loan is closed,

- (iii) the Property is no longer occupied by the Borrower and/or said Property is leased to any persons or business entities, or
- (iv) a default under any of the Loan documents, including this Agreement and Commitment, the Deed of Trust Note and Deed of Trust all of which will be signed at closing.

## **11. PAYMENTS/PREPAYMENT**

The borrower shall make no monthly payment of principal and or interest.

This Loan is not subject to a prepayment penalty in the event it is paid in full prior to the end of the term.

## **12. USE OF PROPERTY**

The Borrower shall not use the Property for anything other than their principal residence during the terms of the Loan. Leasing of the Property shall not be permitted without written consent of ACDS.

## **13. BORROWER CONTRIBUTION**

You must contribute, from your own funds, an amount equal to at least one percent (1%) of the sale price toward costs associated with the purchase of the Property. Pre-paid items, such as credit reports and appraisal may be included in this calculation.

## **14. CLOSING**

The Loan shall close on or before (DATE). Time shall be of the essence in this Commitment. The Loan shall close simultaneously with the first trust mortgage. If the Loan is not closed on or before this date, this Agreement and Commitment shall terminate.

## **15. TITLE**

- a. The Property to be purchased with the Loan proceeds must be held by the Borrower(s) in fee simple or subject to a perpetually renewable ground rent. Title to the Property shall be good and merchantable, and free of any liens, encumbrances and other exceptions objectionable to ACDS.
- b. Loan approval is contingent upon receipt at settlement of a mortgagee's title insurance policy. The title insurance must be a standard American Land Title Association Loan Policy – ULTA 2006, as amended, must insure ACDS for an amount equal to the Loan and must show you have clear title to the property to be purchased.

- c. This Loan will be secured by a deed of trust creating a \_\_\_\_ lien against the Property. The only permitted encumbrances other than the ACDS lien are the following deed(s) of trust/mortgage(s) benefiting:

(1) \_\_\_\_\_ for \$ \_\_\_\_\_

(2) \_\_\_\_\_ for \$ \_\_\_\_\_

\_\_\_\_\_  
Initial

## 16. FIRST TRUST COMMITMENT

You will be required to submit a copy of a commitment from the lender who will be providing the first mortgage prior to the closing date.

## 17. APPRAISAL

You will be required to submit a copy of the property appraisal which meets ACDS requirements prior to the closing date.

## 18. FORM OF LOAN DOCUMENTS

You will be required to execute ACDS's Loan documents, including a Deed of Trust and a Deed of Trust Note.

## 19. FIRE AND EXTENDED COVERAGE INSURANCE

Prior to closing on the loan and annually thereafter, you will be required to purchase and maintain fire and hazard insurance and furnish ACDS with an original endorsement providing the full insurable value of the Property and granting Arundel Community Development Services, Inc., at 2666 Riva Road, Suite 210, Annapolis, Maryland 21401 special protection in the policy, and establishing that loss to the Property is payable to ACDS and advanced written notice to ACDS of policy cancellation is required. The policy must be written through companies acceptable to ACDS.

## 20. FEDERAL FLOOD INSURANCE

If the box is checked, or if before the Loan is closed, the property is found to be in an area that has been identified by the Secretary of Housing and Urban Development as having special flood or mud slide hazards, and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, you will be required to furnish and deposit with us before or at closing an original endorsement of such a policy.

## 21. TERMINATION DATE

This Commitment must be accepted by (DATE) (“Termination Date”) in order to be effective. After that date, the Commitment expires.

## 22. SURVIVAL

The terms of this commitment letter shall survive closing.

You should indicate your acceptance of this Commitment by signing one copy and returning it by the Termination Date stated above to:

ARUNDEL COMMUNITY DEVELOPMENT SERVICES, INC.  
2666 RIVA ROAD, SUITE 210  
ANNAPOLIS, MD 21401

We have also enclosed two (2) copies each of a Truth-in-Lending Disclosure Statement and a Lead Paint Notification. Please review each statement carefully, sign one copy of each, and return them along with the signed Commitment.

This Agreement and Commitment is made in reliance upon information provided to ACDS by the Borrower(s) in request for the Loan and in the supporting representations and materials. Our obligation to proceed to closing is subject to the condition that all such information shall be true and correct as of the closing date. If that is not the case, or if there is any misrepresentation or inaccuracy in the application and supporting representations and material, we shall be entitled to cancel this Agreement and Commitment.

Sincerely,

Erin Karpewicz  
Chief Executive Officer

The undersigned Borrower accepts this Agreement and Commitments and all terms and conditions found herein.

\_\_\_\_\_  
Date Signed

Borrower: \_\_\_\_\_  
Signature of Borrower

\_\_\_\_\_  
Printed Name of Borrower

\_\_\_\_\_  
Date Signed

Borrower: \_\_\_\_\_  
Signature of Borrower

\_\_\_\_\_  
Printed Name of Borrower

\_\_\_\_\_  
Date Signed

Borrower: \_\_\_\_\_  
Signature of Borrower

\_\_\_\_\_  
Printed Name of Borrower

Enclosures: Extra Copy of this Agreement and Commitment  
Truth-in-Lending Disclosure Statement  
Lead Paint Notification

To be returned: Signed Agreement and Commitment Letter  
Signed Truth in Lending Disclosure Statement  
Signed Lead Paint Notification