

RE: Loan No.: _____
[Property Address]

DEAR BORROWER(S):

_____ (“First Lender”), on behalf of the District of Columbia Housing Finance Agency (the “Agency”), has approved your application for a down payment assistance loan (the “Loan”) to be secured by a subordinate lien (as required by the Agency) on the property identified above, subject to the following terms and conditions of this commitment:

1. BORROWER(S): _____
2. AMOUNT OF LOAN: The amount of the Loan to be advanced at closing is \$_____. This amount is based upon the Good Faith Estimate of closing costs prepared by the First Lender. If the actual settlement expenses are less than the amount of the Loan, the excess funds will be applied at closing to the principal sum of the first trust loan.
3. INTEREST RATE: (_____ %) per annum.
4. TERM: The term of the Loan is _____ months.
5. PAYMENTS (Check ONE Box Only):
 - Principal and interest will be paid in _____ regular monthly payments in the amount of \$_____ and you will pay the debt in full not later than _____ (“Maturity Date”)
 - Deferred. You will pay the Principal within forty-five (45) days of the earlier of refinancing the Loan, sale of the property, or if the property ceases to be your principal place of residence (“Alternative Maturity Date”).

CLOSING: The Loan shall close within sixty (60) days of the date of the Attachment; otherwise, this commitment letter will terminate. Time is of the essence in this commitment.

The Loan must close at the same time as the first trust loan from your First Lender. You will make arrangements with the First Lender for closing both loans.

6. **CLOSING EXPENSES:** You will be responsible for payment of any and all closing costs that are not covered by the Loan, including any fees for preparing the Loan documents and coordinating the closing of the Loan.
7. **FORM OF SUBORDINATE NOTE AND SUBORDINATE DEED OF TRUST:** The Agency's form of Subordinate Deed of Trust and Subordinate Deed of Trust Note will be used to evidence and secure the Loan. Please note that there is no prepayment penalty.
8. **FIRE AND EXTENDED COVERAGE INSURANCE:** The original endorsement for the fire and hazard policy is to be deposited with the Agency before or at the closing. The endorsement should have a standard mortgagee payee clause and should state that it runs in favor of "The District of Columbia Housing Finance Agency." The policy must be for the full insurable value of the property written through companies acceptable to the first mortgagee.
9. **FEDERAL FLOOD INSURANCE:** If, on the date the Loan is closed the property is 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 the Agency before or at closing an original endorsement of such a policy.
10. **CONTINGENT COMMITMENT:** This commitment is contingent upon your accepting the first mortgage commitment from the First Lender. This commitment will be null and void if you fail to accept the first trust commitment. If you or the First Lender terminates the first trust commitment for any reason, or if the first trust loan fails to close for any reason, this commitment will terminate.
11. **HOME PROGRAM REQUIREMENTS (Check Box if Applicable)**

Your Loan is funded by the Home Program, and all applicable HOME Program requirements contained in Title 24 of the Code of Federal Regulations (the "CFR") Part 92 shall be applicable and made a part of this commitment. Such requirements shall include, but are not limited to the following:

- A. **You must qualify as low-income with an annual income not exceeding 80 percent (80%) of the area median income.**
- B. **All HOME Program requirements shall be applicable to you for a period of time called the "period of affordability," based upon the amount of HOME assistance received as follows:**
 - **Under \$15,000, the minimum period of affordability is five (5) years.**

- **\$15,000 to \$40,000, the minimum period of affordability is ten (10) years.**
- **Over \$40,000, the minimum period of affordability is fifteen (15) years.**

The period of affordability starts on the date the HOME Program Subordinate Deed of Trust Note is executed and will be monitored annually.

The original amount of HOME funds received at the initial purchase will be subject to full recapture and payable in full to Subordinate Lender if you, within the applicable period of affordability described in paragraph (B) above: (1) sell the Property funded in whole or in part with HOME Program funds, (2) cease to occupy the Property as your principal place of residence, or (3) refinance the Property.

* * *

A facsimile copy of this commitment letter signed by the First Lender on behalf of the Agency shall have the effect of a signed original. You should indicate your acceptance of this commitment by signing one copy and returning an original to the First Lender within ten (10) days of the date of this commitment letter.

This commitment is made in reliance upon information provided to the First Lender by you in your request for the Loan and in the supporting representations and materials. The First Lender's obligation to proceed to closing is subject to the condition that all such information is true and correct as of the closing date. The First Lender will be entitled to cancel this commitment and to retain any monies paid to it if there is any misrepresentation or inaccuracy in such information or if you fail to include material information with your application.

If you have any questions concerning this commitment, please contact Matthew Aliberti at (202) 777-1642 or at maliberti@dchfa.org.

Sincerely yours,

[Name of First Lender]

By: _____

Printed Name: _____

Title: _____

Name and Title of Lender Representative
on behalf of the District of Columbia Housing
Finance Agency

The undersigned Borrower(s) accepts this commitment and all the terms and conditions found herein.

Date: _____

Borrower: _____

Printed Name: _____

Date: _____

Borrower: _____

Printed Name: _____

Enclosures: Extra Copy of this commitment

SAMPLE