

THE HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY, MARYLAND

NOTICE TO BORROWERS
For All First Mortgage Financing

APPLICATION DOCUMENT

INSTRUCTIONS TO LENDER:

- **SIGNED BY BORROWER** at time of initial mortgage application.
- **Copy to the Borrower,**
- **Submit ORIGINAL SIGNED document with the MBS Pre-Closing Compliance package to HOC.**

Your home purchase is being financed with a mortgage made available with the assistance of the Housing Opportunities Commission of Montgomery County, Maryland (the Commission). This mortgage is made at an interest rate below what is usually being charged. Because of this, your mortgage provides that you cannot sell your home to a person ineligible for assistance from the Commission, unless you pay your loan in full.

If you sell your home to a party ineligible for the Commission's assistance, the Commission may demand immediate full repayment of the loan. This could result in a foreclosure of your mortgage and repossession of the property. In addition, if you rent the property, committed fraud or intentionally misrepresented yourself when you applied for the loan, the lender may foreclose your mortgage and repossess the property. If the lender takes your home through a foreclosure of the mortgage because of these reasons, HUD will not be able to help you.

If the money received from the foreclosure sale is not enough to pay the remaining amount of money you owe on the loan, the Commission may obtain a deficiency judgement against you (a court ruling that you must pay whatever money is still owed on the loan after the foreclosure sale). Such judgment may be taken over by the mortgage insurer or guarantor if the Commission files an insurance claim with the mortgage insurer or guarantor because of the foreclosure. The mortgage insurer or guarantor may then bring an action against you to collect judgement.

DATE: _____

Name of Borrower

Name of Borrower