



Baltimore County
Department of Planning

Housing Opportunities Program
105 West Chesapeake Avenue
Suite 201

Towson, Maryland 21204

Phone: (410) 887-6055

Fax: (410) 887-5696

Disclosure Statement
Baltimore County "SELP"
Settlement Expense Loan Program for First Time Home Buyers

REPAYMENT:

1. Repayment. Repayment of the Loan shall be forgiven if Maker owns and occupies the Unit as its principal residence for a period of not less than seven (7) years from the date hereof (the "Period of Affordability").

2. Repayment of the Loan shall be required if during the Period of Affordability, the Maker sells or otherwise transfers or refinances its Unit or leases or otherwise ceases to use its Unit as its principal residence (each of which is an "Event of Conveyance"). If an Event of Conveyance occurs, the Maker shall immediately repay the Holder according to the following schedule:

2.1 Refinancing.

a. If the Maker refinances the first mortgage on his Unit and a refinancing is unrelated to a sale, equity withdrawal, lease or transfer of his interest in the Unit, the Maker will not be required to repay his Loan from the Department. If the refinancing of the first mortgage on his Unit involves an equity withdrawal, the Maker will be required to repay his Loan to the Department to the extent of the equity withdrawal.

b. The Maker may request the Department's approval of equity withdrawal without full repayment. Such approval will be granted if the Department determines that undue hardship will result in the application of the repayment requirement.

2.2 Change of Use of Unit.

If a Maker should sell, lease or transfer the Unit during the Period of Affordability, the Maker shall immediately repay the Department all or a portion of its Loan out of the Net Proceeds (defined below) of the sale, lease or transfer. The amount of the Loan to be repaid to the Department shall be reduced proportionately, based on the time the Maker has owned and occupied his Unit measured against the Period of Affordability, according to the following schedule:

TIME OF EVENT OF CONVEYANCE

REPAYMENT DUE

TIME OF EVENT OF CONVEYANCEREPAYMENT DUE

During the first year of the permanent first mortgage loan (the "Loan Period")	100% of the Loan (10,000.00)
During the second year of Loan Period	86% of the Loan (8,571.43)
During the third year of Loan Period	71 % of the Loan (7,142.86)
During the fourth year of Loan Period	57 % of the Loan (5,714.29)
During the fifth year of Loan Period	43% of the Loan (4,285.72)
During the sixth year of Loan Period	29% of the Loan (2,857.14)
During the seventh year of Loan Period	14% of the Loan (1,428.58)

TIME OF EVENT OF CONVEYANCEREPAYMENT DUE

After the seventh year of the Loan	No repayment shall be due
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"Net Proceeds" of any sale or transfer shall mean (a) the gross proceeds of sale of the Unit in the event of a sale, foreclosure or other transfer thereof, less (b) the following: (i) the repayment of the Maker's first mortgage; (ii) the Maker's downpayment and the costs of capitalized improvements; and (iii) reasonable and necessary costs to the Maker of the sale or disposition of the Unit.

The Maker may request the Department's approval of sale or other transfer of the Unit under terms different than those provided above; approval will be granted if the Department determines that undue hardship will result in the application of the repayment requirement because proceeds of the transaction are insufficient to repay the Department's Loan in full. Approval will be granted only to the extent that the proceeds of the transaction are insufficient to repay the Loan in full.

3. The Maker, at the option of the holder of any senior lien, shall pay monthly into an escrow account with either any holder of the senior lien or with the Holder an amount equal to one twelfth (1/12) of the total annual real estate taxes, ground rent, if any, and the fire and extended coverage insurance premium (all as estimated by any holder of the senior lien or the Holder) for the Unit.

4. The Note is secured by a mortgage; however, the deed conveying the Unit to the Maker contains covenants by which the Maker acknowledges this Note and confirms its obligations to comply with the terms hereof.

5. It is expressly agreed that if default be made in the performance of any covenant or condition of this Note, or in any covenant or condition of any senior lien loan documents, then and in that event the unpaid balance of the Loan, together with any accrued interest as determined above, shall at the option of the Holder become due and be payable, anything hereinafter contained to the contrary notwithstanding. At the Holder's option, an event of default under any senior or subordinate lien

affecting the Unit shall constitute an event of default hereunder.

6. The Loan may be prepaid in whole or in part at any time during the term of this Note in accordance with the aforesaid formula for repayment.

7. The Maker for itself, its heirs, successors and assigns, in the event of default hereunder, hereby waives all exemption laws of the State of Maryland or any other state or territory of the United States insofar as the laws may permit, AND HEREBY IRREVOCABLY AUTHORIZES ANY ATTORNEY OF ANY COURT OF RECORD TO APPEAR FOR THE MAKER IN ANY COURT IN THE STATE OF MARYLAND OR ANY OTHER STATE OR TERRITORY OF THE UNITED STATES AND CONFESS JUDGMENT AGAINST THE MAKER, HIS OR HER PERSONAL REPRESENTATIVES, SUCCESSORS AND OR ASSIGNS, IN FAVOR OF THE HOLDER FOR THE AMOUNT DUE AND PAYABLE IN ACCORDANCE WITH THE ABOVE SCHEDULE TOGETHER WITH ATTORNEY'S FEES EQUAL TO FIFTEEN PERCENT (15%) OF THE PRINCIPAL DUE AND OWING ON THE LOAN AND COSTS OF SUIT, AND RELEASES ALL ERRORS AND WAIVES ALL RIGHT OF APPEAL AND STAY OF EXECUTION.

8. The Maker, guarantor(s) and endorser(s) hereof jointly and severally waive presentment, protest and demand, notice of protest, notice of demand and of dishonor and non-payment of this Note, and expressly agree that the Note or any payment thereunder may be extended from time to time without in any way affecting the liability of the Maker, the guarantor(s) and the endorser(s).

DEFAULT:

It is expressly agreed that if default is made in the performance of any covenant or condition of this Promissory Note or the First Mortgage as defined in the First Mortgage, or the Second Mortgage, then and in that event, the unpaid balance of the Loan, including all accrued interest, shall, at the option of the Holder, be immediately due and payable, anything hereinafter contained to the contrary notwithstanding. In addition, upon default, the Holder may take all action the Holder may have against the Maker at law or in equity.

WAIVERS:

The Maker, guarantors, and endorsers hereof, jointly and severally, waive presentment, protest and demand, notice of protest, notice of demand and of dishonor and non-payment of this Note, and expressly agree that this Note or any payment thereunder may be extended from time to time without in any way affecting the Liability of the Maker, the guarantors and the endorsers.

IN WITNESS WHEREOF, this Disclosure Statement has been duly executed by the undersigned on the
date written.

WITNESS / ATTEST:

APPLICANTS (S):

Date: _____

Client – receives copy
Original – file