



Start Up Notice to Buyers FHA

INSTRUCTIONS: This notice must be reviewed with the Borrower(s) to illustrate changes in standard assumption/debt acceleration guidelines due to additional Minnesota Housing requirements. Borrowers must acknowledge with complete, legal signature. The original, fully executed, form is to be forwarded to Federal Housing Administration (FHA) as part of the credit approval package.

NOTICE TO BUYERS

Your home purchase is being financed with a mortgage made available with the assistance of the Minnesota Housing Finance Agency ("Minnesota Housing"). 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 Minnesota Housing, unless you pay your loan in full. If you sell your home to a party ineligible for Minnesota Housing's assistance, Minnesota Housing may demand immediate full repayment of the loan. This could result in foreclosure of your mortgage and repossession of the property. In addition, if you rent the property or 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, Minnesota Housing may obtain a deficiency judgment against you (a court ruling that you must pay whatever money is still owed on the loan after the foreclosure sale). Such judgment will be taken over by HUD if Minnesota Housing files an insurance claim against HUD because of the foreclosure. HUD may then bring an action against you to collect the judgment.

Borrower Signature

Date

Borrower Signature

Print Name of Borrower

Date

Print Name of Borrower