



## Post Purchase Loans on Your Proud Ground Home

**One of the benefits of homeownership is having access to equity you've earned during the time you've owned your home. Proud Ground homeowners build equity two ways:**

- Paying down the principal on their original home loan.
- Getting 25% of the value of any increase in market value you've earned on the home since you purchased it.

**Homeowners often want to access that equity without selling their home or to do necessary home repairs. If you're considering taking out a new loan on your Proud Ground home, there are a few things to keep in mind:**

1. There are a few options for new loans on your home. Each has their own advantages and/or disadvantages and you should consider your options thoroughly before deciding to move forward. We encourage you to talk to more than one lender to get different quotes. Here are a few examples of types of loans homeowners take out after they own their homes:
  - a. **Rate or Term Refinance:** Refinancing your first mortgage loan to get a lower interest rate or a shorter payment term. This can result in lower monthly house payments and in reduced payment of interest over time. Though it can save you monthly costs, refinancing isn't cheap, so make sure you take into account the cost of doing the new loan. Proud Ground can usually easily approve this type of refinance quickly. You must work with an approved Proud Ground lender for a rate/term refinance.
  - b. **Cash Out Refinance:** Refinancing your first mortgage loan to get cash out to do home improvements, debt consolidation or pay for college. This option means that you are using some of your equity and wealth you've earned from owning your home prior to reselling it. Proud Ground has restrictions on how much cash out you can get in a cash out refinance. If you're interested in this option Proud Ground can provide you with an estimate of how much cash out we think you might have access to. You must work with an approved Proud Ground lender for a rate/term refinance.
  - c. **Home Equity Line of Credit:** Home Equity Lines of Credit's (HELOC) are a new loan on your home (in addition to your first mortgage). HELOC's work similar to credit cards, but they use your house as collateral for the loan. This means if you are unable to pay the required amount on your HELOC then you are at risk of losing your home. It also means that when you sell your home you will be responsible for paying off both the balance on your first mortgage AND the balance on your HELOC. Proud Ground has restrictions on the maximum amount of HELOC you can get. If you're interested in this option Proud Ground can provide you with an estimate of how much we think you might have access to. There are also a limited number of lenders that can do HELOC's on Proud Ground homes. Contact Proud Ground to learn more.

*Dreams Start Here.*

- d. **Home Repair Loans:** Many Cities and/or Counties that Proud Ground serves offer home repair loan programs for income qualified home buyers. These types of loans often don't require a monthly payment, but they do require being paid off at time of sale or refinance in the future. To learn more about these options please contact Proud Ground. These type of loans require Proud Ground approval, but are often easy to obtain.
2. **Proud Ground must approve all new loans on your home.** The best way to ensure that Proud Ground will approve the new loan is to:
  - a. Use a lender on Proud Ground's approved lender list. They know our program and most importantly they can do loans on Proud Ground homes.

**If you decide you'd like to take out a new loan on your home, there are 2 basic steps:**

1. Inform Proud Ground of your interest in taking out a new loan on the home by completing a short application, and;
2. As required by the Land Lease or Affordable Housing Covenant (AHC), bring to Proud Ground all documentation (prior to paying any fees to the lender) related to the proposed new loan.
  - Proud Ground staff will review the documents to make sure the loan is a standard loan.
  - Proud Ground will ensure the total balance of loans on your home does not exceed the amount you could resell your home for through the program. Remember, the requirement to sell the home at an affordable price to another income qualified home buyer effects how much equity you have access to.
  - The lender must agree to the terms of the Land Lease or AHC Agreement, and Proud Ground must sign a new Fannie Mae lease rider (and thereby approve the loan).
  - The lender must meet the guidelines of a Permitted Mortgagee as described in Section 8.1 of Proud Ground's Land Lease and AHC.



**Proud Ground**  
5288 N. Interstate Ave.  
Portland, OR 97217  
Phone: 503-493-0293

Date Received: _____
Date Completed: _____
Staff Initials: _____

## POST PURCHASE LOAN APPLICATION

Please print or type a response to all of the questions. Be sure to sign the last page. If you have any questions or need help filling it out, please 503-493-0293 x18 or email ryan@proudground.org.

Name(s) of Applicant(s) \_\_\_\_\_

Address \_\_\_\_\_ e-mail \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home phone \_\_\_\_\_ Cell phone \_\_\_\_\_

### General Information

1) What type of loan are you interested in?

- Rate/Term Refinance
- Cash Out Refinance
- Home Equity Line of Credit
- Home Repair Loan

2) What is the purpose in taking out the loan?

- Lower my monthly payments
- Lower my interest rate
- Get cash out
- Do home repairs
- Consolidate debt
- Other: \_\_\_\_\_

2) Do you have any credit problems that you foresee preventing you from qualifying for a loan?

Yes                      No

If yes, explain: \_\_\_\_\_

Most recent credit report pulled:                      Date                      Score

### **Current Loan Information**

Principal & Interest payment:

Interest rate:

Current Balance of loan:

Current lender:

Phone number:

### **New Loan Information, if known**

Monthly payment:

Interest rate:

Loan Amount Requested:

### **Lender Information, if known**

Please remember that you will need to work with an approved Proud Ground lender.

Lender you're planning to work with:

Contact information of the lender:

### **Employer Information**

Please list (both) applicant's current employer's name, address, and phone number:

Applicant Name:

Employer Name:

Employer's Address:

Employer's Phone:

Monthly Income:

Applicant Name:

Employer Name:

Employer's Address:

Employer's Phone:

Monthly Income:

## Mortgage Readiness

1) How much money do you have in savings?

2) Please list current monthly debt payments (car loans, credit cards, student loans, mandatory child support, etc.)

Creditor:

Monthly Payment:

Total Debt Amount:

Creditor:

Monthly Payment:

Total Debt Amount:

Total monthly payment:

Total debt amount:

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To review a refinance Proud Ground needs to receive the following documents from your lender:

- Loan Estimate
- Loan application (1008)
- Appraisal
- Name & Contact Info for Title Company
- Provide estimated closing date of the new loan

The information I (we) have provided here is true and correct to the best of my (our) knowledge. I (we) understand that more detailed information about my (our) finances, employment, and/or housing situation may be required before my (our) eligibility for refinancing can be determined. I (we) agree that this information, or any other information I (we) provide, may be shared with **loan officers** for the specific purpose of refinancing my Proud Ground home. I (we) also agree that loan officers can share information with PROUD GROUND for the same purpose. This release will survive after closing.

Signatures: Applicant \_\_\_\_\_ Date \_\_\_\_\_

Co-Applicant \_\_\_\_\_ Date \_\_\_\_\_