Tax ID Max-EEP (Earned Equity Program)
Initial Disclosure

Earned Equity Program (the Program) is an alternative path to homeownership for customers who may not qualify for traditional mortgage loans, but who want to lock in a home price today to begin building their generational wealth. Here is how it works:

- **What is the Program?** The customer selects a home to buy that is within their monthly budget. Because they don't qualify for a mortgage loan, the home is purchased by a governmental entity and the customer enters into a long-term agreement that allows them to live in and enjoy the home with an option to purchase the home when they are able to qualify for a mortgage. At any time during the contract period, the customer may exercise the right to take traditional title to the home at a price that is set up-front. The customer has up to 15 years to take traditional ownership of the home by obtaining a new loan or by assuming the loan used by the government entity. As long as all payments are made as agreed, the customer receives all the benefits of home appreciation, and the purchase price is set at the time the customer executes the agreement. With each monthly payment, the amount owed to take traditional ownership of the home actually goes down.
- **How is a home selected?** The customer selects a home that meets the customer's needs and places an offer on the home. The purchase agreement signed by the customer on the home is transferred to a governmental agency associated with an Indian Tribe, the Tule River Homebuyer Earned Equity Agency (TRHEEA). TRHEEA buys the selected property using funds obtained through a FHA insured first mortgage loan on the property and the customer's long-term purchase agreement fee.
- **What does the Program cost?** Monthly lease payments and all the costs associated with the home: property taxes, insurance, repairs, maintenance, etc are paid by the customer during the agreement. An estimate of these costs is provided to the customer shortly after a home is selected and the final cost is determined, prior to signing the final agreement. Once the customer is ready and qualifies for mortgage financing, the government entity will allow the customer to either assume the FHA insured loan from the government entity, or the customer can obtain their own financing.
- **What are the advantages of the Program?**
    - Increases in the home's value during the term of the agreement benefit the customer as long as all payments are made as agreed. (Of course, there is no guarantee that homes will go up in value; they can also go down in value.)
    - Each month, a portion of the monthly payment reduces the amount the customer will pay to take traditional ownership in the home.
    - By faithfully making the monthly payments and by paying the other expenses of owning a home a customer demonstrates their ability to own a home and improves their likelihood of obtaining traditional financing.
    - Under some circumstances, it may be possible for a customer to "assume" the mortgage obtained by TRHEEA, which would avoid the need for the customer to obtain a new mortgage and save them thousands of dollars in closing costs.
    - If the customer decides not to purchase the home, there may be other options available, depending on the circumstances: (1) sign a new agreement with the governmental entity once the original agreement expires; (2) sell their purchase option and receive any sales proceeds remaining after sales costs are paid and the remaining amountd due under the purchase

agreement are paid; or (3) find a new customer interested in executing a similar contract with the governmental entity in order to take occupancy of the property.
  - A memorandum of the purchase agreement is filed with the county records office assuring the customer's rights under the agreements are protected as long as the regular monthly payments are made on time.
- **What are the requirements to qualify for the Program?**
  - A financial application must be filled out by the customer and a credit report obtained.
  - The customer must provide a well-documented ability to make monthly housing payments, including the amount of the monthly payment and costs of maintaining a home. An evaluation is made by TRHEEA with assistance from Arrive Home of the customer's financial ability to make the monthly payments required by the agreement and the expenses of maintaining a home.
  - If the customer's financial ability is approved by TRHEEA, the normal real estate purchase process is followed to select a home and obtain a purchase and sale contract on it. That contract is assigned to TRHEEA.
  - Consumer education courses may be required.
  - The opportunity to buy the home can be lost if the customer fails to make lease payments or violates any other terms of the lease and option to buy the home.
  - Delayed closing or occupancy of the leased property may result in failure to purchase the property and revocation of the long-term purchase agreement.

By signing below, I acknowledge that I received this disclosure on the date indicated and am interested in finding out more about the Earned Equity Program. I authorize any mortgage lender where I have applied for a loan to transfer my personal financial information to Arrive Home to assist TRHEEA in determining my eligibility for participation in the Earned Equity Program.

Name: ____________________________ **Signature:** ________________________________**Date:** _______

Name: ____________________________ **Signature:** ________________________________**Date:** _______