

Hilal Housing Co-Operative

1811 Catherine Street, Santa Clara, CA 95050

support@hilalhousing.com; www.hilalhousing.com



Home Buying or refinancing in partnership with the Hilal Housing Corporation (HHC)

Home Purchasing/Refinancing

First Step: Request to be added in Home Buy/Refinance (HBR) List.

1. Must be an active member (Adult membership)
2. Fill out the required Form to be added to the HBR List.
 - a. The minimum balance shall be \$50K for new home purchase and 5% for refinancing provided member's equity in the home is equal to or greater than 15%.
 - b. A list will be maintained and served in the order completed requests are received.
 - c. Members will be notified of their number on the list.

Second Step: Fill out and submit Preliminary information.

1. Members shall maintain the minimum required balance per item 2.a above all the time. Members will be removed from the list if the balance goes below the minimum required at any given time.
2. Members shall complete and provide all required form(s) and document(s) when requested.

Authorization to Home Purchase/Refinance

1. As funds are available, members will be authorized as per the HBR list.
 - a. Members shall pay \$5,000 processing fee.
 - b. Members shall be given 60 days to buy/refinance a home.
 - c. There will be a service charge for cancellation or failure to buy/refinance as follows
 - i. \$750 within 30 days
 - ii. \$1,500 between 31 – 60 days
 - iii. \$3,000 after 60 days (in cases where the deal is in escrow)
2. If a member is not ready, the member may be placed on a hold list for upto 2 years.
3. Gross monthly Income should be 3 times of the monthly home payment. Income shall be supported by last two years Tax Return(s).
4. Member's equity in the house shall not be less than 20%.
 - a. In case of refinance member can use up to 15% of the equity in the house toward 20% minimum required investment
5. HHC investment shall be 80% or \$1,000,000.00 whichever is less i.e. HHC share shall be 80% but not to exceed \$1,000,000.00
6. Members shall not commit to a home purchase agreement until the HHC authorization letter is received.
 - a. HHC will not be responsible for any bidding prior to issuance of the HHC authorization letter.
7. Member and HHC will be on the title upon escrow closing.
8. HHC will be partner of this financing arrangement. 3rd party loan shall not be allowed.
9. HHC will not finance any properties with any liens except the mortgage.

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Post Home Purchase/Refinance

1. While in partnership
 - a. Home shall be used as a primary residence and shall not be rented/leased out.
 - b. Fair Market Value Rental appraisal may be done annually.
 - iv. Appraisal will be done by professional appraiser (Licensed appraiser)
If the member does not agree with the appraisal, s/he can have second appraisal done by a professional/licensed appraiser (paid for by the member). The average of the two appraisals will be the final rent.
 - c. Recorded documents i.e., Land contract and deed shall not be modified without written permission from the HHC This includes but not limited to Member' name on the title, Member's ownership portion.
 - d. Members' equity shall not be less than 20% at any given time.
2. Monthly payment (Fee + Rent)
 - a. Due on the 1st of every month.
 - b. The rent portion will be distributed in accordance with the Equity of Member and HHC balance The ratio will be adjusted accordingly.
 - c. Members can make an extra payment any time with no penalty.
 - d. The first payment received on or after the 1st of the month shall be considered as a monthly payment unless the payment was already made in advance (before the due date).
3. HHC will not share any remodeling expenses.
4. Profit or Loss.
 - e. Profit or loss shall be 90% (Member)/10% (HHC) regardless of percentage at the transfer of ownership (removal of HHC from the title)
 - f. Final Payoff statement/letter will be issued when member accumulated 90% equity or any time before reaching to 90% if requested for early termination of the partnership.
 - g. There will be no penalty for early termination of the partnership.
5. HHC will transfer the title to member once full payment (Original HHC investment plus/minus 10% (profit/loss) is received/paid