Notice to Borrower
NC Home Advantage Mortgage Program

I acknowledge by signing below that I am applying for assistance from the North Carolina Housing Finance Agency (NCHFA) in the form of a subordinate, second lien (2nd) mortgage under the NC Home Advantage Mortgage Program^{TM}.

This Disclosure Notice is required to be presented by the originating lender and signed by me before the closing of my mortgage.

As borrower(s) (mortgagors) under this program, I understand that the subordinate 2nd mortgage loan (the "DPA") has the following terms and conditions as explained by my originating lender:

1. The interest rate on the DPA is 0% and is non-amortizing (requires no monthly payment).

2. A Loan Estimate (LE) disclosure for both the 1st mortgage and 2nd mortgage (i.e., DPA) must be provided to me by the originating lender before closing (settlement).

3. The total of costs payable by the borrower(s) in connection with the transaction at consummation is less than 1 percent of the loan amount, and is limited to:

   a. Recording fees for security instruments, deeds, and similar documents,

   b. A bona fide and reasonable application fee, and

   c. A bona fide and reasonable fee for housing counseling services

4. No attorney fees can be charged on the 2nd mortgage (lien).

5. I acknowledge that by accepting the down payment assistance (DPA), the first mortgage interest rate may be higher than a loan without down payment assistance (DPA).

6. The DPA funds can only be used for closing costs, pre-paid expenses, and down payment.

7. If I sell the home or refinance my 1st mortgage, I understand any portion of my 2nd mortgage (DPA) not yet forgiven under the terms of the Promissory Note is required to be repaid to the North Carolina Housing Finance Agency. The DPA is not a grant.

If I have any questions about the Program or DPA subordinate mortgage, I will inquire with my lender or contact NCHFA for additional information **before signing this document**.

Date	Signature of Borrower/Mortgagor	Print Name

Date	Signature of Co-Borrower/Mortgagor	Print Name