

Introducing....



AHC's Mortgage PAL

A new mortgage loan product designed to help today's homebuyers meet the needs of the "new" credit market

What is Mortgage PAL?

Mortgage PAL stands for Mortgage Purchase Assistance Loan, and is a second trust mortgage loan that can be paired with an AHC first mortgage to reduce up-front cash burdens on new homebuyers. It is also available to customers who are purchasing an AHC Inc. property.

How does it work?

The Mortgage PAL is a second trust mortgage that provides up to \$20,000 to first-time homebuyers for closing costs and/or down payment. This loan is funded at the same time as the first mortgage and is available to buyers using an AHC first mortgage, or who are buying an AHC property.

What are the loan terms?

The Mortgage PAL carries the following terms:

- Loan term maximum is 30 years with no payments and no interest for the first 5 years.
- Payments are amortized over the remaining 25 years at a rate of 5% annually, after the 5-year deferment period.
- Mortgage PAL loans can be paid off at any time without a prepayment penalty.

Who/What is eligible for this loan?

- First-time homebuyers (those having not owned a home in the previous three years).
- Household Income Limits (120% Area Median Income for the Washington, DC metropolitan area -- currently \$118,800 for 2009*).
- Property being purchased must be an AHC-owned property; or the buyer must be obtaining a first mortgage from AHC Inc.
- Eligible property types: Single family properties (i.e. detached, duplex, townhouses, and condominiums).
- Maximum loan amount: \$20,000.
- Minimum down payment from borrower's own funds: 1% of the purchase price (1% calculation can include pre-paid expenses like appraisals, inspections, earnest money).
- Property must be in Virginia.

**For more information, please contact: Jimmie Jones, Mortgage Services Manager
AHC Inc., 2230 North Fairfax Drive, Arlington, VA 22201
703-486-0626 ext. 124, jjones@ahcinc.org
www.ahcinc.org**

**Households earning between 100%-120% of AMI are eligible for a maximum loan amount of \$10,000*