

Montana Board of Investments
Montana Veterans' Home Loan Program

Disclosure and Notice of Primary Residence Requirement

The Montana Veterans' Home Loan Mortgage Program was created by the 2011 state legislature to honor sacrifices made by members of the Montana National Guard, Montana residents in the federal reserves, and Montana residents serving on active duty in the armed forces. The bill appropriated \$15 million of Coal Tax Trust fund principal to facilitate fulfillment of the American dream of home ownership for those who serve or have served in the armed forces by financing very low interest mortgage loans to veterans who meet the qualifications of the Montana law. Using average purchase prices for Montana Board of Housing homebuyers, the \$15 million will likely serve between 75 and 100 qualified veteran households.

The intent of the bill is to assist Montana veterans in purchasing their first homes and occupying those homes as their primary residence. Montana veterans stationed elsewhere and unable to occupy the home for a period of time may still meet the requirements of the Program by demonstrating that they have not established a primary residence elsewhere. As long as the home is the borrower's home of record, the home is their primary residence. Borrowers who are stationed elsewhere for a time but who do not establish a primary residence elsewhere may obtain a rental waiver from the Montana Board of Housing on an interim basis. Borrowers who cease to use the home as their primary residence have the responsibility of repaying the loan so other Montana veterans can benefit from the Program.

Borrowers have up to 12 months after the time they cease to use the homes as their primary residence to repay the loan, and can sell or refinance the home to comply with the Program. If a borrower fails to repay the funds within 12 months, the Note may become immediately due and the property may be foreclosed. Borrowers may request that the Montana Board of Housing extend the 12-month repayment period based upon the Borrower's inability to sell the property despite good faith efforts. The Board in its sole discretion may extend or decline to extend the repayment period based upon consideration of the following factors:

- (i) prompt and continuing listing of the property for sale;
- (ii) reasonableness of the listing price and other offering terms;
- (iii) any offers the borrower has received and refused;
- (iv) market conditions;
- (v) preservation of the loan collateral; and
- (vi) any other factors deemed relevant by the board.

The Montana Board of Housing, as administrator of the Program, will periodically verify use of the homes financed through the Program as primary residences by the borrowers. If a Borrower fails to comply with verification requests, the NOTE may become immediately due.

DISCLOSURE TO MORTGAGOR'S WITH LOANS INSURED BY FHA OR GUARANTEED BY VA:

Your home purchase is being financed with a mortgage made available with the assistance of the Montana Veterans' Home Loan Mortgage Program (the Program). This mortgage is made at an interest rate below what is usually being charged. Because of this, your mortgage provides that you cannot sell your home to a person ineligible for assistance from the Program, unless you pay your loan in full. If you sell your home, without paying your loan in full, to a party ineligible for the Program, the Montana Board of Investments (BOI) may demand immediate full repayment of the loan. This could result in foreclosure of your mortgage and repossession of the property. In addition, if you rent the property or committed fraud or intentionally misrepresented yourself when you applied for the loan, the lender may foreclose your mortgage and repossess the property.

FHA Borrowers: If the lender or its assignee takes your home through a foreclosure of the mortgage because of these reasons, HUD may not be able to help you.

VA Borrowers: If the lender or the assignee takes your home through a foreclosure of the mortgage because of this criteria, VA may have to pay a claim to BOI for any loss incurred on your loan. You may then be obligated to the VA for any claim paid by the VA to BOI.

I, the undersigned, hereby attest that I have met face-to-face with my lender at which time the lender reviewed the above information with me and that I understand the responsibility and consequences of the requirement of the Montana Veterans' Home Loan Program for use of the home purchased through the program as my primary residence.

_____	_____
	Date
_____	_____
	Date
_____	_____
Signature of Borrower(s)	Date

I, the undersigned, hereby attest that I have met face-to-face with this borrower at which time I reviewed the above information with the borrower concerning the responsibility and consequences of the requirement of the Montana Veterans' Home Loan Program for use of the home purchased through the program as the borrower's primary residence.

_____	_____
Signature of Lender	Date