

**ST. LOUIS COUNTY OFFICE OF COMMUNITY DEVELOPMENT
 HOMEBUYER ASSISTANCE PROGRAM
 RECAPTURE POLICY**

HOMEBUYER ASSISTANCE LOAN

As a recipient of a Homebuyer Assistance Loan from the St. Louis County Office of Community Development, you are subject to resale and recapture restrictions on your home during the proscribed affordability period (see below). You are encouraged to read the Office of Community Development's Resale/Recapture Policy and direct questions regarding this policy to your loan counseling agency or the Office of Community Development, (314) 615-4592 or (314) 615-8237 (TDD) or 1-800-735-2466 (Relay Missouri).

The Office of Community Development utilizes a Note and Deed of Trust to impose this resale/recapture requirement. The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.

RECAPTURE PROVISIONS

Recapture provisions must ensure that the Office of Community Development recoup all or a portion of the HOME assistance to the homebuyer, if the housing does not continue to be the principal place of residence of the family for the duration of the period of affordability. The homeowner may sell the property to any willing buyer. In the instance of a forgivable loan, the prorated amount will be recaptured. In the instance of a due upon sale loan the full HOME investment will be recaptured. If the net proceeds are not sufficient to recapture the prorated or full HOME investment, plus enable the homeowner to recover the amount of the homeowners' down payment and any capital improvement made by the owner since purchase, the County will use the following formula to calculate a sharing of the net proceeds.

$$\frac{\text{HOME Investment}}{\text{HOME investment} + \text{Homeowner investment}} \times \text{Net proceeds} = \text{HOME amount to be recaptured up to HOME invested amount}$$

$$\frac{\text{Homeowner investment}}{\text{HOME investment} + \text{Homeowner investment}} \times \text{Net proceeds} = \text{amount to homeowner}$$

The period of affordability is based upon the total amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price.

HOME Affordability Periods:	
HOME Amount Per Unit	Minimum Period of Affordability in Years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15
