



Habitat for Humanity Vail Valley

Loan Forbearance Policy

1.0 Purpose

Provide payment forbearance to borrowers impacted by the coronavirus.

2.0 Philosophy

The purpose of this policy is to establish an equitable method of applying mortgage forbearance to all Habitat for Humanity Vail Valley (HFHVV) homeowners regardless of where their loan is held – including but not limited to HFHVV, Colorado Housing and Finance Authority (CHFA), FirstBank, ANB Bank and/or the United States Department of Agriculture (USDA).

3.0 Loan Forbearance Methodology

If Borrower is able to demonstrate an eligible economic hardship resulting from the impact of the coronavirus as determined by HFHVV, a three month forbearance will be granted. If after the initial forbearance period the Borrower's hardship is not resolved, Borrower is eligible for three additional three month extensions, not to exceed a total forbearance period of 12 consecutive months.

Loans Held by HFHVV

As a condition to the grant of the initial forbearance period, and any extension thereof, Borrower and HFHVV will enter into modifications of the purchase money note and purchase money deed of trust to evidence the forbearance and to extend the term of the loan for the same number of months in the forbearance period. Shared appreciation notes and deeds of trust will be modified if necessary.

Loans Held by Other Institutions

All terms related to loans held by other institutions are subject and conditioned upon receipt of any necessary consent to same from the institution that holds the loan.

If Borrower's loan is not held by HFHVV and Borrower has an eligible hardship, Borrower must first apply for forbearance from the loan holder and the forbearance period offered by loan holder, if any, must first be exhausted. If the forbearance period offered by loan holder is less than 12 months, HFHVV will extend an additional forbearance period equal to 12 months less the forbearance period offered by loan holder.

In the instance of an additional forbearance period offered by HFHVV, HFHVV will make regular monthly payments to loan holder on behalf of the borrower for the additional forbearance period. A secondary loan will be issued by HFHVV to Borrower for the total amount paid to loan holder on behalf of the Borrower. As a condition to the grant of the initial forbearance period,

and any extension thereof, Borrower and HFHVV will enter into a new loan agreement (if necessary) promissory note and deed of trust (junior in priority to the lien of the loan holder) to evidence borrower's agreement to repay the total amount of the forbearance payments made by HFHVV to the loan holder. The new loan shall have a term equal to the same number of months in the forbearance period and Borrower will begin to make regular monthly payments on the new loan the first month after the date that the purchase money note is paid in full. The new loan shall also be due in full upon sale of the property. Shared appreciation notes and deeds of trust will be modified if necessary.

Borrower has the right to terminate forbearance at any time, without penalty.