

Oklahoma Housing Finance Agency  
PARTIAL EXEMPTION DISCLOSURE

Borrower(s): \_\_\_\_\_

We are giving a security interest in the property located at:  
\_\_\_\_\_

The Oklahoma Housing Finance Agency (“Lender”) is providing a Second Mortgage Loan in the amount of \_\_\_\_\_ (\$ \_\_\_\_\_) (the “Original Principal Amount”) for the purpose of acquiring the property listed above. The proceeds of the Second Mortgage Loan may be applied toward the down payment and/or closing cost requirements of the first mortgage loan secured by the First Mortgage and/or to reduce the amount of the associated first mortgage loan.

1. Borrower(s) understands that the Second Mortgage Loan is a zero interest (0%) loan, payable upon the listed occurrences as defined in Section 2 below, but no later than final maturity of the first mortgage loan (the “Loan Period”). No scheduled payments are required until an action listed in Section 2 below occurs. Borrower must reside in the property for the Loan Period.
2. Borrower(s) understands that the Second Mortgage Loan must be repaid pursuant to the conditions identified in Section 3 if the Borrower:

(a) Ceases to reside in the property;

(b) Prepays or refinances the first mortgage loan secured by the First Mortgage before the end of the Loan Period; or

(c) Sells, transfers, or otherwise disposes of the property, including, without limitation, through foreclosure or transfer pursuant to any power of sale before the end of the Loan Period.
3. Borrower(s) understands upon the occurrence of any of the actions described in paragraphs (a) through (c), inclusive, of Section 2 herein (each a “Payment Action”), the Second Mortgage Loan becomes immediately due and payable, and the Borrower shall repay to the Lender the Original Principal Amount (the “Repayment Amount”). **Borrower understands they are responsible for repaying the total amount of down payment assistance, even if proceeds from a sale or refinance are insufficient to cover the amount.**
4. Borrower understands that this Second Mortgage Loan is not assumable. A subsequent purchaser of the property cannot assume the remainder of this Second Mortgage Loan.

Amount Financed: The amount of credit provided to you	Finance Charge: The dollar amount the credit will cost you	Total of Payments: The amount you will pay upon the occurrence of a Payment Action	Interest Rate: The cost of your credit	Annual Percentage Rate: The cost of your credit as a yearly rate, including any Finance Charge
\$ _____	\$ 0.00	The Repayment Amount as defined above.	0%	0%

Your payment schedule will be:

Number of Payments	Amount of Payment	When Payment is Due
1, upon the occurrence of a Payment Action	The Repayment Amount as defined above.	Upon meeting any condition in Section 2

Borrower Paid Closing Costs (Only Recording Costs permitted): \_\_\_\_\_

Lender Paid Closing Costs (Only Recording Costs permitted): \_\_\_\_\_

Lender fees charged to Borrower, other than recording costs, are equal to or less than one percent of loan amount (1%)?  
Yes    No

I/we hereby acknowledge receipt of this disclosure:

\_\_\_\_\_  
Borrower: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower: \_\_\_\_\_

\_\_\_\_\_  
Date