HOMEOWNER'S ACKNOWLEDGMENT OF AFFORDABILITY RESTRICTION TRAINING

DATE: _____

I/ WE_____ (NAME) am/are buying the condominium unit located _____, Unit_____, Austin, Texas _____, which is subject to an Affordable Housing Agreement and Covenant (Restrictive Covenant). I understand how the terms and conditions of the Restrictive Covenant affect my rights as a homeowner, now and in the future. In particular, I understand and agree that:

_____ *Long-Term Affordability*. The purpose of the Restrictive Covenant is to keep housing affordable for future generations of low and moderate-income households. I support this goal.

_____ *Resale Restrictions*. The Restrictive Covenant controls the resale of my home. If I want to sell my home, I must sell it to another income-eligible buyer, to the Austin Housing Finance Corporation (AHFC) or the City of Austin (City) for a restricted resale price determined in accordance with the resale formula in the Restrictive Covenant. If I violate the resale restrictions, the Restrictive Covenant gives AHFC or the City the right, among other remedies, to sue for damages or terminate the Restrictive Covenant and recover any sale proceeds. I realize this limits my ability to resell my home, which is called a "restraint on alienation." But I agree that this limitation is reasonable under the circumstances set forth in the Restrictive Covenant.

_____ *Refinancing Restrictions*. The Restrictive Covenant may keep me from obtaining a home equity loan, debt consolidation loan, car loan, or a similar loan that would use the home as collateral. I acknowledge that this constitutes a restraint on alienation, but likewise agree that it is a reasonable restraint under the circumstances of the Restrictive Covenant.

_____ *Principal Residence*. I must occupy and use my home as a principal residence. I may only lease it under the provisions under the Restrictive Covenant, and if I move out, I must sell it. I cannot continue to own the home as an absentee owner.

_____ *Down Payment Assistance*. I understand if I received down payment assistance from AHFC or the City, my 2% simple appreciation cannot be calculated without taking into account the amount owed for down payment assistance if I sell before the affordability period is complete.

By: _____   By: _____
       HOMEOWNER   HOMEOWNER