

Your home purchase is being financed with a mortgage made available with the assistance of the South Carolina State Housing Authority (the Authority). If you sell your home and do not want to pay your loan in full, the person purchasing your home must make application to and receive approval from the Authority to assume your loan. If you sell your home to someone who is ineligible to assume an Authority loan and allow the purchaser to make your mortgage payments for you, the Authority may refuse to allow the sale and demand full repayment of the loan. This could result in the foreclosure of your mortgage and the repossession of the property.

Foreclosure may also result if you fail to occupy the property as your principal residence, if you fail to abide by the agreements contained in the mortgage or if it is found that the statements and representations contained in the Borrower's Affidavit and in the Mortgage were not true.

You may avoid such action by paying your loan in full when you sell your home or by making certain that the assumption of your loan has been approved by the Authority. In order to assume your loan, a purchaser must meet the following requirements:

#### Principal Residence

An Authority loan may be assumed only with the prior approval of the Authority and only if the assuming party intends to occupy the property as his principal residence within 60 days of the date on which he becomes the owner of the property. The property cannot be used for other than residential purposes and no portion of property can be used for any trade or business. The property must be occupied as a principal residence and not as a second home.

#### Three Year Requirement

The purchaser cannot have had an ownership interest in a principal residence at any time within three (3) years ending on the date the assumption is executed. If there is more than one mortgagor on this assumption, each mortgagor must meet the three year requirement.

EXCEPTION: When the home is located in a targeted area as determined by the Authority, the purchaser is exempt from the above three (3) year prior ownership limitation.

#### Purchase Price

The purchase price of the property cannot exceed 110% of the average area purchase price for previously occupied housing at the time of the assumption, as established by the U.S. Treasury Department.

I have received and retained a copy this 29 day of July, 1983.

Michael A. Keese  
Purchaser Michael A. Keese

Stacy M. Speraw  
Purchaser Stacy M. Speraw