ReCoverCA Homebuyer Assistance (DR-HBA) Program
Program Sub-Recipient
Golden State Finance Authority (GSFA)
1215 K Street, Suite 1650
Sacramento, CA 95814
Phone: (855) 740-8422   Fax: (916) 444-3551
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DR-HBA009-Recapture Notice

1. To safeguard the CDBG-DR investment in the property, HCD requires a restrictive covenant to be recorded on properties purchased with the ReCoverCA Homebuyer Assistance (DR-HBA) Program. The restrictive covenant remains in effect for a period of five years following the date of purchase requiring the borrower to occupy the subject property as primary residence. The restrictive covenant will be filed in the applicable County Recorder's Office where the subject property is located. Property cannot be used as a second home or converted into a rental.

2. If the homebuyer fails to comply with the occupancy requirements above or wants to sell the property, the following recapture proration chart will be used to calculate the prorated Homebuyer Assistance (HBA) forgivable amount that needs to be recaptured at the time of default or sale.

3. Recapture Pro-ration Chart

4. If the homeowner defaults within the first five years of loan closing the following chart will be used to determine the recapture of HBA forgivable amount:

Number of months	Recapture Amount
1-12	100% of the HBA forgivable amount
13-24	80% of the HBA forgivable amount
25-36	60% of the HBA forgivable amount
37-48	40% of the HBA forgivable amount
49-60	20% of the HBA forgivable amount

The undersigned Mortgagor(s) has (have) received and read a duplicate copy of the foregoing Recapture Notice and method for computing potential recapture amount on sale of the home prior to the five-year forgiveness period.

Date: _____

_____
Printed Name of Applicant

_____
Signature of Applicant

_____
Printed Name of Applicant

_____
Signature of Applicant

This form should be completed, signed by Applicant(s) and submitted to the GSFA with Initial Compliance Package.