

AMEEN HOUSING CO-OPERATIVE OF CALIFORNIA, INC.

2084 Walsh Avenue, Ste: B1, Santa Clara CA 95051

Phone: 408-986-9786 Fax: 408-986-9787 Website: www.ameenhousing.com

Occupancy Process for Account No: _____ Reference No: _____

THINGS TO DO FOR PURCHASING/REFINANCING A HOME

Dear Member, *Salaam Alaikum* and *Mabruk* on your decision to partner with Ameen Housing Co-op to purchase, refinance or remodel your property. **In order to expedite AHC Investment in your home, please follow the procedures below. If documents are missing, please contact the AHC office and obtain them at the earliest. This is a brief overview of what needs to be done:**

1. After you receive this “Occupancy Process” package, verify the contents. The package should contain the following important documents and forms:
 - a) “Notice to Begin Occupancy Process” letter from the “Active List Keeper” of AHC Board of Directors ____
 - b) “AHC Investment Restrictions List” from the AHC Board of Directors ____
 - c) Signed and dated “Home Loan Authorization” letter from AHC Investment Agent ____
 - d) “AHC Investment Application” form -- PLEASE COMPLETE THIS FORM ASAP ____
 - e) “Credit and Financial Disclosure” Forms -- PLEASE COMPLETE THESE FORMS AS-SOON-AS-POSSIBLE ____
 - f) “Home-Owner Investment-Opening” Form (HIO FORM) ____
 - g) “Home Transaction & Information” form -- PLEASE COMPLETE THIS FORM AFTER you finalize property purchase/refi/remodel ____
 - h) “THINGS TO SUBMIT CHECKLIST FOR PURCHASING/REFINANCING A HOME” ____
 - i) Copy of the latest AHC By-Laws and the AHC Regulations . ____ Latest versions may be downloaded from www.ameenhousing.com
2. You and your spouse should FULLY complete “AHC Investment Application” & “Credit and Financial Disclosure” forms at the earliest.
3. Review the AHC By-Laws, the AHC Regulations & “AHC Investment Restrictions List” CAREFULLY so there are no surprises for you at the last minute. You and your spouse should SIGN and RETURN “AHC Investment Restrictions List” with other forms and payment.
4. Please send, by secure mail, COMPLETED “AHC Investment Application” form, “Credit and Financial Disclosure” form & SIGNED “AHC Investment Restrictions List” (the “THINGS TO SUBMIT CHECKLIST FOR PURCHASING/REFINANCING A HOME” checklist has been included for your convenience) WITH the NON-refundable Application Processing fee* (check for US\$ _____) **WITHIN 10 BUSINESS DAYS AFTER RECEIPT OF THIS PACKAGE OTHERWISE YOU COULD LOOSE YOUR TURN TO THE NEXT PERSON ON AL.**
5. You should OBTAIN the following documents for yourself and spouse (if applicable) BEFORE to AVOID delays:
 - a) Current Employment Verification(s) from current employer(s)
 - b) Salary stubs for LAST TWO pay periods and copies of most recent W-2's from current employer(s)
 - c) Primary Bank Account Statements for LAST TWO months (Checking and/or Savings)
 - d) For the MOST RECENT TWO Tax years copies of IRS Tax Returns FILED with IRS
6. If you are, refinancing or remodeling, then:
 - a) MAIL ALL the items listed on “THINGS TO SUBMIT CHECKLIST FOR PURCHASING/REFINANCING A HOME” checklist.
 - b) Contact the AHC office and make appointment with the AHC Investment Agent at the earliest.
7. If you are NEWLY purchasing a home, then:
 - a) MAIL ALL the items listed on “THINGS TO SUBMIT CHECKLIST FOR PURCHASING/REFINANCING A HOME” checklist..
 - b) Work with your Realtor to find a property suitable for your needs, and within the funds available to you.
 - c) Make an offer to the seller for the appropriate property. You may attach copy of the “Home Loan Authorization” letter as proof of funding.
 - d) If your offer is accepted, FAX or DELIVER the “Home Transaction & Information” form to AHC and contact the AHC office and make appointment with the AHC Investment Agent at the earliest.
8. AHC will be authorizing home appraisal for property value and rent assessment. AHC requires appropriate inspection, up-to-date paid insurance and up-to-date paid property tax receipts (if applicable).
9. Take with you the “Occupancy Process” package to the meeting with the AHC Investment Agent.
10. Meet with the AHC Investment Agent to begin escrow proceedings and to finalize the AHC Investment process. **Your spouse should plan on attending this meeting since important forms need to be completed by both. And relevant information has to be shared with you both.**
11. Any funds in excess of “TOTAL AHC Investment”, as specified in the “Notice to Begin Occupancy Process”, **must be DEPOSITED with AHC PRIOR to AHC issuing the final check to the Escrow Company or the seller.**
12. Complete all the paperwork as required with the AHC Investment Agent. For list of documents to return to AHC see, the enclosed “THINGS TO SUBMIT CHECKLIST FOR PURCHASING/REFINANCING A HOME”.
13. The following documents need to be COMPLETED to finalize the funding:
 - a) Rental Agreement - COMPLETED & SIGNED by member AND AHC Investment Agent
 - b) “Home-Owner Investment-Opening” Form (HIO FORM) - COMPLETED & SIGNED by member AND AHC Investment Agent
 - c) Property Appraisal and Grant Deed from Title Company
 - d) Closing Statement from Title company
 - e) Land Contract - COMPLETED & SIGNED by member AND AHC Investment Agent

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14. Basic monthly rent is obtained from AHC's rent appraiser. It is shared between the member and AHC in the percentage of the initial investment in the home. **It is calculated on "Home-Owner Investment-Opening" Form (HIO FORM) at the time of "house closing" (or "investment opening") process.**

Please request copies of relevant documents for your own records AFTER completing the "house closing" (or "investment opening") process.

PLEASE NOTE THE FOLLOWING:

1. **AHC BOARD REQUIRES "A+" CREDIT RATING AND FICO™ SCORE OF _____ OR BETTER. OTHERWISE, ADDITIONAL DOWN PAYMENT MAY BE REQUIRED.**
2. **IF PERSISTENT PROBLEMS ARE DISCOVERED WITH EITHER YOUR CREDIT HISTORY OR PROPERTY THEN AHC INVESTMENT MAY BE DECLINED AFTER REVIEW OF YOUR CREDIT AND/OR PROPERTY INFORMATION BY AHC OR DESIGNATED AGENT.**
3. **MINIMUM MONTHLY INCOME MUST BE AT LEAST THREE (3) TIMES THE MONTHLY RENT.**
4. **ALL documents and forms need to be duly and diligently completed.**
5. **In particular, the HOME-OWNER INVESTMENT-OPENING (HIO FORM) must be FULLY and ACCURATELY completed and signed by the member and the AHC Investment Agent. The completed HIO FORM will be used to calculate the "Buy-Out" amount and PROFIT or LOSS when the member wants to take full ownership of property and "buy-out" AHC Investment.**
6. **AHC charges home buyer fees that offset AHC's costs of retaining consultants to complete the "Investment Opening" process and other recurring costs of operating Ameen Housing Co-op. See below for breakdown of investment fees that AHC currently charges.**
7. **AHC investment-related fees are to be PAID, at this time, by member are:**
 - a) **NON-refundable Application Processing Fee, currently, US\$**
Application Processing Fee (NON-refundable) covers ONLY the following NON-refundable fees and charges:
 - i. Courier and mailing charges
 - ii. Credit Report & Credit Verification charges. ALL credit report and the member will pay credit verification charges.
 - iii. Property Value Appraisal Fee
 - iv. Monthly Rent Appraisal Fee
 - v. AHC Investment Application Processing Fee
 - b) **AHC Investment Fee, currently, US\$**
AHC Investment Fee covers ONLY the following charges:
 - i. Loan Origination Fee
 - ii. Document Review Fee
8. **See the "PAYMENT REQUIRED" page for TOTAL PAYMENT DUE AT THIS TIME. Please send payment by CHECK, payable to "Ameen Housing Co-op". Payment is required by check/money order since your account has been LOCKED and NO withdrawal/debit is currently allowed.**
9. **ALL OTHER fees and charges (including any realtor, escrow, notary, recording, city/county/state taxes, inspection, assessment, license, additional credit verification, "credit-repair", etc.) and ANY incidental cost RELATED TO PROPERTY ACQUISITION WILL BE PAID FOR BY THE MEMBER.**
10. We urge you to personally telephone AHC members requesting them to increase their investments in AHC.

Please feel free to contact **AHC** for any questions regarding the AHC Investment process.

AHC Tel:(408) 986-9786; **Fax:** (408) 986-9787.

Mailing address: Ameen Housing Cooperative of California, Inc., 2084 Walsh Avenue, STE: B1, Santa Clara CA 95050

Sincerely

Vice President, Ameen Housing Coop

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AHC Investment Restrictions, Disclaimers & Limitations

AHC would like to reiterate the following restrictions/disclaimers/limitations/disclosures:

“AHC” denotes Ameen Housing Coop Of California Inc., “the member” is referred to you, the AHC member-partner in the home. The “home” refers to the property being purchased or refinanced or remodeled in partnership between AHC and the member.

1. **AHC Board RESERVES the rights to REFUSE issuing final payment to home seller or mortgage institution if ANY INFORMATION FURNISHED OR ANY FORM SUBMITTED to AHC by you or your representative(s) is INACCURATE, INCOMPLETE OR MISLEADING.**
2. **AHC BOARD REQUIRES “A+” CREDIT RATING AND FICO™ SCORE OF _____ OR BETTER. OTHERWISE, ADDITIONAL DOWN PAYMENT MAY BE REQUIRED.**
3. **IF PERSISTENT PROBLEMS ARE DISCOVERED WITH EITHER YOUR CREDIT HISTORY OR PROPERTY THEN AHC INVESTMENT MAY BE DECLINED AFTER REVIEW OF YOUR CREDIT AND/OR PROPERTY INFORMATION BY AHC OR DESIGNATED AGENT.**
4. AHC does NOT make loans. AHC PURCHASES your property in PARTNERSHIP with you AND AHC is a CO-OWNER. AHC will HOLD the “Title Deed” of the home. You may NOT sell the home, that is being purchased/refinanced/remodeled in partnership with AHC, WITHOUT WRITTEN PERMISSION FROM AHC. The process for selling the property is specified in the BY LAWS/Regulations of the Co-op.
5. **The home (co-owned with AHC) MUST be the SOLE PRIMARY AND PERMANENT RESIDENCE OF THE MEMBER AT ALL TIMES.**
6. **The Member may NOT obtain a second mortgage NOR a lien of any kind on the home (co-owned with AHC). The Member may NOT obtain any loan secured by the home (co-owned with AHC). Even a loan from the seller, if secured by the home, is NOT permitted.**
7. The home, purchased/refinanced/remodeled in partnership with AHC, may NOT be used mainly for commercial purposes.
8. **You may NOT rent, lease or sublet all or part of the home. All major improvements and any renovation to the home MUST be PRE-AUTHORIZED by AHC Board in writing. Minor maintenance, upkeep and preventive repairs are RESPONSIBILITY of the homeowner.**
9. The Member MUST obtain ALL permits, licenses, and inspection reports PRIOR to requesting payment from AHC. The Member MUST obtain appropriate INSURANCE POLICY with AHC BEING THE PRIMARY BENEFICIARY as specified in the By Laws and Regulations of the Coop.
10. **THE MEMBER IS RESPONSIBLE FOR ALL TAXES, FEES AND INSURANCE PREMIUMS AND ANY DEDUCTIBLES, as specified in the By Laws and Regulations of the Coop. You WILL BE REQUIRED to submit proof of insurance and taxes paid.**
11. The Member AGREES TO PAY, WITH THE MONTHLY RENT, an “ADMIN FEE”, currently US\$ _____ per month, AND purchase AT LEAST ONE ADDITIONAL COMMON Share (“ACS”), US\$ _____ in their home each month. The monthly rent and admin fee amount are subject to change. The one “additional common share” is in EXCESS of the basic rent.
12. ESTIMATED MONTHLY PAYMENT (rent + admin fee + ACS), will be APPROXIMATELY US\$ _____. ACTUAL Monthly Payment will be calculated AFTER the paperwork has been COMPLETED. FULL monthly payment has to be RECEIVED in AHC OFFICE by the 1st of each month. A late charge of US\$ _____ will be charged if the FULL monthly payment is NOT received in AHC OFFICE by the 5th of the month.
13. Please allow sufficient time to complete AHC payment Application Processing. AHC requires AT LEAST FIFTEEN BUSINESS days to issue final payment to property seller or mortgage institution after you have COMPLETED and SUBMITTED the “Home Transaction & Information” form to AHC.
14. You should plan on meeting with the AHC Investment Agent along with your spouse to complete all the paperwork appropriately and adequately. FAILING TO DO SO MAY DELAY PAYMENT FROM AHC. AHC charges total AHC Investment fees of US\$ _____ that offsets AHC’s costs of retaining a consultant to complete the “Investment Opening” process. See “PAYMENT REQUIRED” page for TOTAL amount that needs to be paid to AHC BEFORE FURTHER PROCESSING IS AUTHORIZED.
15. **COMPLETE ALL THE REQUIRED FORMS (SEE “THINGS TO SUBMIT CHECKLIST FOR PURCHASING/REFINANCING A HOME”) AND MAIL THEM WITH APPROPRIATE PAYMENT TO AHC WITHIN 10 BUSINESS DAYS OTHERWISE YOU COULD LOOSE YOUR TURN TO THE NEXT PERSON ON “AL”. Deliver “Home Transaction & Information” form to AHC AFTER your final offer to seller has been ACCEPTED by the seller OR AT-THE-EARLIEST if you are refinancing or remodeling your home.**
16. **ADDITIONAL DOCUMENTS: _____**
Please sign and return above documents with other required forms and documents. See above.

Please acknowledge the following statements by signing below:

1. I/We have read the above, I/We understand them and agree to FULLY abide by them.
2. THE ABOVE AGREEMENT IS BINDING, AND WILL BE ENFORCEABLE IN THE STATE OF CALIFORNIA.

_____/_____/_____
Signature(s) of Member Date

_____/_____/_____
Signature of Spouse Date