



## INTEREST RATE OPTION FORM

Lender: \_\_\_\_\_

SONYMA Loan # \_\_\_\_\_ Loan Amount: \$ \_\_\_\_\_

I/We, \_\_\_\_\_ [the "Borrower(s)"],  
the undersigned, have applied to the State of New York Mortgage Agency ("SONYMA") for mortgage financing,  
through the above named Lender, to purchase the property located at \_\_\_\_\_  
\_\_\_\_\_ (the "Residence").

### **SONYMA INTEREST RATE LOCK-IN POLICY**

I/We understand that SONYMA's interest rate lock-in policy is as follows:

- The lock-in date is the date the Lender reserves my/our application with SONYMA. The interest rate I/we receive will be the rate that is available on the lock-in date for the SONYMA mortgage program under which I/we have applied.
- To close at the locked interest rate, my/our loan must close within one hundred days (100) days of the lock-in date. (If the home I/we am/are purchasing is proposed construction, or under construction or rehabilitation, my/our loan must close within two hundred and forty (240) days of the lock-in date.)
- If my/our loan does not close within this period, the Lender must request an extension (maximum of 45 days) from SONYMA. If the loan extension request is approved by SONYMA, the loan will close at an interest rate that is the higher of the initial Lock-in rate or the SONYMA program rate in effect on the day the request is submitted.
- If more than one extension is needed (and is approved by SONYMA), I/we will receive the highest of: (i) the initial lock-in interest rate, (ii) any previously re-locked rate, or (iii) the SONYMA rate in effect on the day the newest request is submitted.

### **LOCK-IN DEPOSIT**

I/We understand that I/we am/are liable to SONYMA, as of the date my/our loan is reserved with SONYMA, for payment of a lock-in deposit in the amount of one percent (1.0%) of the Loan Amount referenced above. The Lender will collect this lock-in deposit within fourteen (14) calendar days from the lock-in date. If I/we cancel, withdraw, or make material misrepresentations on application, I/we will forfeit the one percent.

### **DOWN PAYMENT ASSISTANCE LOAN**

I/We understand that SONYMA offers a Down Payment Assistance Loan ("DPAL"), for which I/we am/are eligible if I/we qualify for SONYMA mortgage financing. I/we hereby understand that the SONYMA DPAL:

- Provides down payment assistance in an amount up to the greater of **\$3,000** or **3%** of the home purchase price, but in no event can the assistance exceed \$15,000. Bears no interest (0%) and requires no monthly payments.
- Will be **forgiven** after ten years provided I/we live in the Residence and make my/our regularly scheduled monthly mortgage payment. If I/we pay my/our SONYMA mortgage in full during the first 10 years of the purchase of the Residence, a portion of the DPAL may have to be repaid. Every month the SONYMA loan remains outstanding and the Residence is owned and occupied as my/our principal residence, 1/120th of the DPAL will be forgiven.
- Requires me/us to be charged an interest rate on the SONYMA loan that is 0.375% higher than the interest rate currently being offered for the SONYMA program under which I/we am/are applying.\*
- Is more fully described in the DPAL Recapture Notification (SONYMA Form #D4) which I/we will be required to sign if I/we opt to utilize a DPAL.

\*Please note the above DPAL Rate Adjustment is not applicable for the Homes for Veterans Program, the Habitat for Humanity Mortgage Program, or the purchase of a newly constructed Energy-Star labeled home.

I/We have reviewed the above SONYMA Down Payment Assistance Loan parameters and have chosen to:

- Accept to use DPAL for my/our home purchase under the terms specified below and as specified in the DPAL Recapture Notification (Form #D4).  
**Interest Rate:** \_\_\_\_\_ **Lock-in Period:** \_\_\_\_\_ **Days**
- Decline to use DPAL for my/our home purchase. My/Our interest rate and lock period are specified below.  
**Interest Rate:** \_\_\_\_\_ **Lock-in Period:** \_\_\_\_\_ **Days**

### **DPAL Change Option (Available only until the loan is approved by SONYMA)**

- By checking this box, I/we am/are exercising my/our one-time option to change to the selection above. I/We understand that if I/we decline to use DPAL for my/our home purchase, any additional funds necessary to close my/our loan must be derived from a verifiable source acceptable to SONYMA. I/We have executed revised loan documents reflecting this change.

**Initial:** \_\_\_\_\_ **Date:** \_\_\_\_\_

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date