

American Rescue Plan Act (ARPA) Refinance
Subsidy Recapture Borrower Notification

[Insert text onto local office letterhead]

Date: [insert today's date]

[insert applicant(s) first/mi/last name(s) (Mr., Mrs., Ms.)]
 [insert applicant(s) street/post office address]
 [insert city, state, and zip code]

Dear [insert applicant last name(s) (Mr., Mrs., Ms.)]:

Thank you for applying to refinance your existing single family housing direct loan through the Rural Housing Service (RHS). The Agency has determined your property's market value using an appraisal, or assessor or tax records, and the market value was used to calculate the subsidy recapture amount owed.

As a reminder, subsidy is granted to eligible borrowers, and borrowers sign Form 3550-12, Subsidy Repayment Agreement at loan closing which requires all or a portion of the subsidy be repaid when you sell the property or no longer live on the property.

Since you are refinancing your loan (and not selling or moving), following is a summary of the available options about how to proceed with the subsidy owed on your existing account. In order to process your new refinance loan request, **you must select one option below, sign, and return this letter within 10 business days from the date of this letter.**

Select One:	Options:	Considerations:	Estimated Monthly Interest & Principal Payment	Total Estimated Monthly Payment (with subsidy)
<input type="checkbox"/>	<p><u>Option A:</u> Include \$[insert net subsidy recapture from Subsidy Recapture Analysis (SRA) table on the ARPA Worksheet] discounted subsidy recapture in my refinance loan</p>	<ul style="list-style-type: none"> A 25 percent discount off the final subsidy recapture amount owed is reflected in the balance shown, if subsidy recapture is included in your refinance loan or, paid within 120 days of loan closing. You will be paying [insert interest from SRA table on ARPA Worksheet] interest on the subsidy recapture amount being refinanced, throughout the life of the refinance loan. 	<p>\$(insert monthly interest & principal payment, including the discounted recapture in the loan amount]</p>	<p>\$(insert total estimated monthly payment, including the discounted recapture in the loan amount]</p>

<input type="checkbox"/>	<p>Option B: Defer the payment of \$ [insert full recapture amount from Final Payoff] full subsidy recapture</p>	<ul style="list-style-type: none"> By selecting to defer repayment of subsidy recapture, you will not receive the 25 percent discount offered when paid off early. The subsidy recapture will be placed in an interest-free recapture receivable account, which does not need to be repaid until you move or transfer title of the property. 	<p>[\$insert monthly interest & principal payment (do not include the recapture amount in principal)]</p>	<p>[\$insert total estimated monthly payment (do not include the recapture amount in principal)]</p>
<p>_____</p> <p>Borrower Signature</p>		<p>_____</p> <p>Date Signed</p>		
<p>_____</p> <p>Borrower Signature</p>		<p>_____</p> <p>Date signed</p>		

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant’s income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this credit is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, DC 20580.

The Fair Housing Act prohibits discrimination in real estate related transactions, or in the terms of conditions of such a transaction, because of race, color, religion, sex, disability, familial status, or national origin. The federal agency that is responsible for enforcing this law is the U. S. Department of Housing and Urban Development. If a person believes that they have been discriminated against in violation of this law, they should contact the U. S. Department of Housing and Urban Development, Washington, DC 20410 or call (800) 669-9777.

If you have any questions or need further information, please contact this office at **[insert field office address]**.

Sincerely,

[insert name of the Loan Originator]
[insert title of the Loan Originator]

Enclosures