<table>
<thead>
<tr>
<th>Recapture</th>
<th>House Key ARCH</th>
<th>HomeSight Revolving Loan Fund</th>
<th>House Key King County</th>
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Recapture is used in ownership programs that provide down payment assistance to buyers. Recapture provisions apply to down payment assistance programs.

**New Home funds or Program Income**
- Loans are made with program income from recaptured HOME funds.

**Administration**
- Washington State Housing Finance Commission - sub recipient
- Washington State Housing Finance Commission - sub recipient

**Sale during period of affordability Period of Affordability**
- Total loan amount is recaptured subject to available net proceeds. Net proceeds are defined as the sales price less any senior debt to the HOME loan and any actual reasonable costs of sale such as, escrow, recording or legal fees, real estate taxes and title insurance cost.

**Principal residence**
- Unit must be the principal residence of the homeowner for the period of affordability.

**Affordability**
- HOME loan - 10 year affordability period up to 80% AMI (regardless of amount of the HOME funds awarded to each borrower).

**Maximum loan amount**
- $10,000
- $25,000
- $35,000

**Interest on HOME funds**
- 5%
- 4%
- 0%

**Resale requirements limit homeowners during home period of affordability**
- Income-qualified homeowners at or below 80% of Area Median Income
- Income-qualified homeowners at or below 60% of Area Median Income
- Income-qualified homeowners at or below 60% of Area Median Income
- Income-qualified homeowners at or below 60% of Area Median Income
- Income-qualified homeowners at or below 80% of Area Median Income

**Period of affordability**
- 15 year affordability period

**Definition of Fair return**
- Fair return is defined as a fair and reasonable method through the resale price formula.

**Publically accessible index & Objective Standard**
- Based on set 1.5% annual increase
- Change in HUD Area Median Income for King County
- Consumer Price Index
- Change in HUD Area Median Income for King County capped at 3%
- Average increase in HUD Area Median Income for King County plus 1/2 of the increase on average sales price

**Resale Formula**
- Original purchase price increased by 1.5% annually plus capital improvements.

**Capital Improvements - King County Policy in general**
- Capital improvement must increase the gross built living space of the home OR have a useful life of ten years or more, and must be built or installed subject to all required permits and approvals. Each HOME assisted program will set dollar-value threshold limits for qualifying capital improvements subject to approval by the County and must list items that will be allowed and how the value is calculated. Eligible capital improvement items may include the following: initial landscaping in new construction with inoperative yards, roof, siding, HVAC, water heater, foundation, water & sewer lines, electrical lines, plumbing lines, windows and doors if they improve energy performance, decks, porches, sheds or garages.

**Valuing Capital Improvements**
- Improvements are valued based on depreciated cost plus 1.5% compounded annually from the time the capital improvement was approved.

**Range of low income buyers**
- 25% to 35% of AMI paying no more than 35% of household income towards principal, interest, taxes and insurance if homeowner dues or lease fees are required, the percentage may go up to 40%.
- 25% to 38% of AMI paying no more than 35% of household income towards principal, interest, taxes and insurance if homeowner dues or lease fees are required, the percentage may go up to 40%.

**Ending continued affordability to subsequent buyers**
- In all cases, in the event sales prices are not such that a fair return can be provided to the original homeowner, the County may provide additional HOME funds if needed.

**Non-Compliance**
- If the original homeowner no longer occupies the unit as his/her principal residence OR the home was sold during the period of affordability and the applicable resale/recapture provisions were not enforced, the HOME Fund must be repaid.