

HOMEBUYER PROGRAM DISCLOSURE

PathStone, Inc. and/or The Housing Council at PathStone has advised me that they are prepared to assist income eligible individuals and families to become homeowners. As a prospective recipient of these services, I (we) understand that PathStone, Inc. and/or The Housing Council at PathStone, henceforth referred to as PathStone **may provide the following services:**

COUNSELING

1. Rental Counseling
2. Pre-Purchase Counseling
3. Homeowner Counseling
4. Reverse Mortgage Counseling
5. Mortgage Delinquency & Foreclosure Counseling
6. Disaster Prevention & Recovery Counseling

EDUCATION

1. Keys to Renting Workshop
2. Pre-Purchase Homebuyer Education
3. Post-Purchase Homeowner Workshop
4. Mortgage Delinquency & Foreclosure Workshop
5. Disaster Prevention & Recovery Workshop
6. Financial, Budgeting, and/or Credit Workshop

I(we) also understand that:

1. PathStone services are purely advisory and administrative in nature. I am not required to use any other services or products offered by them or any of its affiliates. This is including, but not limited to the Housing Counseling program, Grant programs, HECM Counseling, Foreclosure Prevention Counseling, Loss Mitigation, Landlord Education, Rental Counseling, Fair Housing Assistance, PathStone Property Management, the Enterprise Center, Housing Choice Voucher services, Home Rehab and Energy Services, Workforce Development programming, or the Financial Empowerment Center of Rochester.
2. PathStone will request detailed information about my(our) financial circumstances and other personal information.
3. PathStone may employ any lawful means needed to verify information provided.
4. My(our) provision of any information to PathStone is voluntary, and any information conveyed will be held in strict confidence.
5. My(our) receipt of any and all related services or assistance from PathStone does not guarantee a mortgage loan, grant, house, or any other tangible benefit.
6. I(we) hereby authorize PathStone to share any information they obtain about me(us) with lenders, government, non-profit organizations, and other entities or individuals.

I/We have read, understand, and agree to the following PathStone, Inc. and The Housing Council at PathStone Policies and Disclosures as each relates to the services being provided and use of personal information. I/We understand that any intentional or negligent representation(s) of the information contained on this form may result in civil liability and/or criminal liability under the provisions of Title 18, United States Code, Section 1001.

- ☒ PathStone Conflict of Interest Policy
- ☒ Housing Counseling Services Disclosure
- ☒ Cost of Service Disclosure
- ☒ Privacy Policy

- ☒ HUD Form: For Your Protection, Get a Home Inspection
- ☒ Ten Important Questions to Ask Your Home Inspector
- ☒ Protect Your Family from Lead/ EPA Renovation, Repair
- ☒ Fair Housing Brochure

CLIENT & COUNSELOR AGREEMENT

HOUSING COUNSELOR AGREES TO:

- Develop a Housing Action Plan with the client
- Review eligibility for mortgage and/or grant programs
- Complete tasks assigned in the Action Plan
- Identify applicable resources & make appropriate referrals
- Deliver services with confidentiality, honesty, and professionalism
- Conduct services in line with Housing Counseling industry standards
- Make reasonable efforts to follow-up with the client
- Treat clients with respect and dignity

CLIENT(S) AGREES TO:

- Provide honest and complete information
- Provide all requested documentation or follow-up information within the specified time-frame
- Be on time for appointments
- End an appointment at the scheduled time, even in the event I am/we are late
- Contact the counselor about changes to your situation
- Treat Counselors and staff with respect & dignity

✓ I/WE UNDERSTAND AND AGREE WITH THE TERMS OF PATHSTONE HOMEBUYER AUTHORIZATIONS AND DISCLOSURES.

✓ I/WE UNDERSTAND THE CLIENT & COUNSELOR AGREEMENT AND THAT BREAKING THIS AGREEMENT MAY CAUSE THE HOUSING COUNSELING ORGANIZATION TO DISCONTINUE SERVICES.



CONFLICT OF INTEREST POLICY

It is PathStones' policy to prohibit its employees from engaging in any activity or practice which conflicts with the interest of the agency or its clients. The conflict of interest policy requirements are as follows:

1. Employees and members of their immediate families are prohibited from accepting gifts, moneys, and gratuities from persons receiving benefits or services under agency programs, from anyone performing services under a contract with the agency, or from anyone who is in a position to benefit from the action of any employee or a board member, under circumstances from which it might reasonably be inferred that the purpose of the gift is to influence the employee in the conduct of the agency's business with the donor. Such gifts should be returned with a note of explanation or converted into a charitable donation to the agency as a whole by transferring the gift and information as to the situation in which the gift was received to the Personnel Officer for disposition. Employees are not, however, prohibited from accepting advertising novelties such as pens, pencils, calendars or other gifts of nominal value (\$50.00) when circumstances clearly show that the gifts are offered for reason of personal esteem and affection, and for which a brief note of receipt and the reason for the gift are recorded with the Personnel Officer. Some positions may be prohibited from accepting any gift as instructed by the Executive Director.
2. No employee shall act in a manner which would cause a reasonable person, having knowledge of the relevant circumstances, to conclude that any person can improperly influence or unduly enjoy his/her favor in the performance of their duties because of kinship, rank, position or undue influence of any party or person. It shall be unreasonable to so conclude if such employee has disclosed in writing the facts which would otherwise lead to such a conclusion.
3. No employee shall participate in or represent the agency in a particular matter in which to his knowledge s/he, his/her immediate family or partner, a business organization in which s/he is serving as officer, director, trustee, partner or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Further, various contracts to which the agency is a party may impose specific conflict of interest requirements. These must be adhered to.

This includes, but is not limit to funders such as:

U.S. Dept of Housing & Urban Development, NYS Affordable Housing Corporation, Federal Home Loan Bank of New York, Monroe County, City of Rochester, Action for a Better Community, CCSI, SONYMA, NeighborWorks America, NYS Attorney General, Town of Irondequoit, Legal Aid Society of Rochester, Five Star Bank, ESL Bank, Evans Bank, Key Bank, M&T Bank, Citizens Bank, The United Way, and Genesee County

which requires that the agency and it's employees abide by the following:

4. Neither agency nor any of its contractors or their subcontractors shall enter into any subcontract, or arrangement, in connection with HUD or other funders that sponsor programs in which any of the following classes of persons has an interest, direct or indirect, during tenure or for one year thereafter:
 - i. Any present or former member or officer of the agency;
 - ii. Any employee of the agency who formulates policy or who influences decisions with respect to the programs;
 - iii. Any public official, member of a governing body, or state or local legislator who exercises functions or responsibilities with respect to the programs.

Any members of the classes described above must disclose their interest or prospective interest to the agency, funders, or HUD. The requirements of this paragraph may be waived by HUD or other funders for good cause.

5. No employee shall, directly or indirectly, give, offer, or promise anything of value to any representative of any financial institution in connection with any transaction or business that the agency may have with such financial institutions.
6. No employee shall use or attempt to use his/her position at the agency to secure for him/herself or others unwarranted privileges or exemptions which are of substantial value and which are not properly available to similarly situated individuals.



HOUSING COUNSELING SERVICES DISCLOSURE

PURPOSE OF HOUSING COUNSELING:

I/We understand that the purpose of the housing counseling program is to provide one-on-one counseling to help clients address problems that prevent affordable mortgage financing. The Housing Counselor will analyze clients financial, saving, and credit situation, identify barriers preventing them from obtaining affordable housing, and develop a plan to remove those barriers. Group counseling is provided to landlords, tenants, first time homebuyers, and homeowners. I/We further understand that it will not be the responsibility of the counselor to fix the problem for me/ us but rather to provide guidance and education to empower me/us in correcting those issues preventing affordable mortgage financing.

ELIGIBLE CRITERIA:

I/We understand that the counseling agency provides housing counseling assistance to clients in person, by video conference, and over the phone. I/we will assume responsibility to work in conjunction with the counseling process and that failure to cooperate will result in the discontinuation of my/our counseling services. This includes, but is not limited to, missing three (3) consecutive appointments, not submitting requested documents, or violating the Client-Counselor Agreement.

SERVICES PROVIDED:

The PathStone Corporation provides a variety of housing counseling, and education services including:

GROUP EDUCATION CLASSES:

- o Keys to Renting Workshop Topics on managing their rental rights & responsibilities, understanding the lease, housing codes, fair housing, modifications, accommodations, and disability considerations
- o Pre-Purchase Homebuyer Education Certificate Class covers the entire home purchase process. Housing professionals, such as real-estate agents, home inspectors, and mortgage lenders, volunteer their expertise
- o Post-Purchase Homeowner Workshop Topics include home maintenance, budgeting for repair, equity, and resources.
- o Mortgage Delinquency & Foreclosure Workshop Covers cash flow, predatory lending, legal referrals, loss mitigation & steps in process
- o Disaster Prevention & Recovery Workshop Covers long term family preparation, relocation options, emergency & recovery info
- o Financial, Budgeting, Credit Workshop Topics on saving, maintaining a budget, credit, borrowing, insurance, and taxes

COUNSELING SERVICES:

- o Rental Counseling Clients receive guidance on tenant rights, fair housing info, leases, and searching for an apartment.
- o Pre-Purchase Counseling For clients interested in purchasing a home. Topics include budgeting, credit, debt, housing goals, first time homebuyer assistance programs, affordability and development of an personalized Action Plan.
- o Homeowner Counseling For new and existing homeowners, covers home maintenance, saving for repairs, preventing mortgage delinquency, energy saving programs, equity, and available community resources.
- o Reverse Mortgage Counseling Clients receive HECM options, alternatives, Annual Loan Cost, fraud info, and financial analysis.
- o Mortgage Delinquency & Foreclosure Counseling Assists clients through delinquency & default by determining hardships, short & long term action planning, and reviewing loss mitigation applications or foreclosure alternatives.
- o Disaster Prevention & Recovery Counseling Family Case management during relocation, connects to recovery network, refers home repair financing resources & information, and ability to assist clients in trauma or distress.

CLIENT CHOICE:

I/We understand PathStone is committed to offering clients a variety of services. I/We understand there is no obligation to use products or services of PathStone or its partners. I/We understand that I/We are free to choose a product or abstain from doing so, and that receiving housing counseling services from PathStone is not contingent on the use of any product or service.

ALTERNATIVE SERVICES, PROGRAMS, AND PRODUCTS:

PathStone Counselors, as appropriate, refers clients to other community service organizations that may offer financial counseling, homeownership education, voucher programs (Section 8), adult and child care programs, homeless interventions and other housing assistance. Clients are provided with a community resource list which outlines emergency shelter programs, financial assistance, transitional housing information, free medical assistance as well as other programs and resources offered in The PathStone Corporation service area.

DISCLOSURES:

I/We understand PathStone is committed to offering clients a variety of product choices. I/We understand there is no obligation to use PathStone's products or programs; and that counseling services are not contingent on use of any particular product or service. I/ We understand that I/We have the right to accept or decline services or products from any PathStone referral. PathStone receives funding for housing counseling from:

U.S. Dept of Housing & Urban Development, NYS Affordable Housing Corporation, Federal Home Loan Bank of New York, Monroe County, City of Rochester, Action for a Better Community, CCSI, SONYMA, NeighborWorks America, NYS Attorney General, Town of Irondequoit, Legal Aid Society of Rochester, Five Star Bank, ESL Bank, Evans Bank, Key Bank, M&T Bank, Citizens Bank, The United Way, and Genesee County



COST OF SERVICE DISCLOSURE

Rental Counseling	No Charge
Renter/ Tenant Workshop	No Charge
Operating Rental Property	In-person OR Online \$60
Pre-Purchase Counseling	No Charge
Homebuyer Education Class	Part 1: Housing Options No Charge Part 2: Homeownership \$75 eHome America Online: \$125* <i>*Ask about discount codes!</i>
Credit Report Fee	No Charge
USDA 502 Direct Loan Packaging	Full Packaging Fee \$750-\$1750
Foreclosure Intervention Counseling	No Charge
Successful Homeowner Class	No Charge
Reverse Mortgage Counseling Fee (HECM)	*Per ML 2011-09 Guidance *\$125

Counseling fees may be adjusted if they represent a hardship to the client



**Restrictions apply for
Monroe County Grant recipients*



PRIVACY POLICY

PathStone values your trust and is committed to the responsible management, use and protection of personal information. This notice describes our policy regarding the collection and disclosure of personal information.

It is PathStone's policy not to provide any personal information about you to any bank, Credit Card Company, insurance companies or other financial institution without your written permission. PathStone does provide our Funders with statistical/ demographic information regarding the families participating in any of the PathStone Programs. The information provided to Funders is for monitoring purposes only to ensure that PathStone is in compliance with all state and federal regulations governing non-profits. Your Social Security number or any other sensitive information about you is never released to any organization without your written consent. PathStone will use personal information such as your name and address internally for sending out correspondence such as the PathStone quarterly newsletter, Building Blocks, invitations to special events or to notify you about upcoming workshops.

Personal information, as used in this notice, means information that identifies an individual personally and is not otherwise publicly available information. It includes personal financial information such as credit history, income, employment history, financial assets, bank account information, and financial debts. It also includes your social security number and the information that you have provided us on any Intake Form, applications or forms you have completed.

Information We Collect

PathStone collects personal information to support our Homebuyer Education Programs, Economic Development, Employment and Training Services, Section Eight Programs, Health and Safety, and any other PathStone related services. We collect personal information about you from the following sources:

- o Information we receive from you on any initial intake form or application,
- o Information about your transactions with us, our affiliates or others,
- o Information we receive from a consumer reporting agency, and
- o Information that we receive from personal and employment references

Information We Disclose

PathStone may disclose these kinds of personal information about you:

- o Info we receive from you such as your name, address, social security number, employer, occupation, assets, debts and income, etc;
- o Info about your transaction with us, our affiliates or others, such as your account balance, payment history, and parties to your transactions,
- o Info we receive from a consumer-reporting agency, such as your credit bureau reports, credit history and credit worthiness.

To Whom Do We Disclose

PathStone may disclose your personal information to the following types of unaffiliated third parties:

- o Financial service providers, such as companies engaged in providing home mortgage loans,
- o Others, such as nonprofit organizations involved in community development, but only for the purpose of program review, auditing, research and oversight purposes.

Confidentiality and Security

PathStone restricts access to personal information about you to those of our employees who need to know that information to provide products and services to you and to help them do their jobs, including underwriting and service of loans, making loan decisions, aiding you in obtaining loans from others, financial counseling and grant approval. We maintain physical and electronic security procedures to safeguard the confidentiality and integrity of personal information in our possession and to guard against unauthorized access. We use locked files, user authentication software to protect your information.

Directing Us Not to Make Disclosures to Unaffiliated Third Parties

No action is required by you at this time if you wish to permit information sharing as described above.

If you prefer that we not disclose personal information about you to any organization, you may opt out of those disclosures; that is, you may direct us not to make those disclosures (other than disclosure permitted by law) by notifying PathStone in writing to exclude all personal information about you. Your written statement instructing PathStone not to share personal information about you must include your full name(s), current address and social security number. Please allow approximately 30 days from our receipt of your signed statement for it to become effective. Your privacy instructions and any previous privacy instructions will remain in effect until you request a change. Send your letter to:

PathStone Attn: Mary Leo;
75 College Ave, Suite #10; Rochester, NY 14607

STOP! For new Homeowners, Rehab/Energy Services Grant and/or loan recipients

Please read below disclosure carefully:

PathStone shares information with politicians (Senators, Congressperson, State Senator, State Assembly, etc) in order to keep them informed of the number of families PathStone has assisted in achieving the dream of homeownership or make improvements to their existing homes. PathStone also reports the impact homeownership or other related services makes on the community as a result of homeownership or home improvement and the state and/or federal dollars used to assist with closing cost, down payment, rehab, weatherization or energy services. We share this information to show the effect that state and federal funding helps families like yours acquire assets and improve the quality of life in the community as well as boost the economy.

The information we may disclose is your new property address and name. As a result you may receive other correspondence from your area representatives in congress, the Senate, the State Senate and Assembly, etc welcoming you to homeownership or as a recipient of other related services. PathStone will not disclose your Social Security number, salary, place of employment or any other personal financial information to elected officials. If you do not want this information shared with any politician it is important that you follow the instructions above and notify PathStone in writing that you do not want your information shared.





For Your Protection: Get a Home Inspection

Why You Need a Home Inspection

Buying a home is probably the biggest investment you will ever make. The purpose of a home inspection is to inform and educate *you* about the property *before* you make a financial commitment. A home inspection will give you more detailed information about the overall condition of the house you want to buy.

Be an Informed Buyer

A home inspection will only occur if you arrange for one; FHA does not perform home inspections. For a fee, a qualified inspector will take an unbiased look at your potential new home to evaluate its physical condition; estimate the remaining useful life of the major systems, equipment, structure, and finishes; and identify any items that need to be repaired or replaced. If you request an inspection early in the process, you may be able to make your purchase contract contingent on its results.

What is Included in the Inspection?

To better understand what to expect in the home inspection, ask the prospective inspector for their Standards of Practice (SOP) or for a sample home inspection report.

How to Find an Inspector

To find a qualified home inspector ask for references from friends, real estate professionals, local licensing authorities and organizations that qualify and test home inspectors.

Appraisals are NOT Home Inspections!

An appraisal is required to estimate the home's value for your lender and does not replace a home inspection.

FHA does not guarantee the value or condition of your new home. If you find problems with your home after closing, FHA cannot give or lend you money for repairs, and FHA cannot buy the home back from you.

Radon Gas Testing and Other Health or Safety Issues

The Environmental Protection Agency and the Surgeon General recommend that all houses be tested for radon. For more information, call the toll-free National Radon Information Line at **1-800-SOS-Radon (1-800-767-7236)**. Ask your inspector if additional health and safety tests are relevant for your home, such as mold; air or water quality; presence of asbestos, lead paint, or urea formaldehyde insulation; or pest infestations.

Ten Important Questions to Ask Your Home Inspector

1. What does your inspection cover?

The inspector should ensure that their inspection and inspection report will meet all applicable requirements in your state if applicable and will comply with a well-recognized standard of practice and code of ethics. You should be able to request and see a copy of these items ahead of time and ask any questions you may have. If there are any areas you want to make sure are inspected, be sure to identify them upfront.

2. How long have you been practicing in the home inspection profession and how many inspections have you completed?

The inspector should be able to provide his or her history in the profession and perhaps even a few names as referrals. Newer inspectors can be very qualified, and many work with a partner or have access to more experienced inspectors to assist them in the inspection.

3. Are you specifically experienced in residential inspection?

Related experience in construction or engineering is helpful, but is no substitute for training and experience in the unique discipline of home inspection. If the inspection is for a commercial property, then this should be asked about as well.

4. Do you offer to do repairs or improvements based on the inspection?

Some inspector associations and state regulations allow the inspector to perform repair work on problems uncovered in the inspection. Other associations and regulations strictly forbid this as a conflict of interest.

5. How long will the inspection take?

The average on-site inspection time for a single inspector is two to three hours for a typical single-family house; anything significantly less may not be enough time to perform a thorough inspection. Additional inspectors may be brought in for very large properties and buildings.

6. How much will it cost?

Costs vary dramatically, depending on the region, size and age of the house, scope of services and other factors. A typical range might be \$300-\$500, but consider the value of the home inspection in terms of the investment being made. Cost does not necessarily reflect quality. HUD Does not regulate home inspection fees.

7. What type of inspection report do you provide and how long will it take to receive the report?

Ask to see samples and determine whether or not you can understand the inspector's reporting style and if the time parameters fulfill your needs. Most inspectors provide their full report within 24 hours of the inspection.

8. Will I be able to attend the inspection?

This is a valuable educational opportunity, and an inspector's refusal to allow this should raise a red flag. Never pass up this opportunity to see your prospective home through the eyes of an expert.

9. Do you maintain membership in a professional home inspector association?

There are many state and national associations for home inspectors. Request to see their membership ID, and perform whatever due diligence you deem appropriate.

10. Do you participate in continuing education programs to keep your expertise up to date?

One can never know it all, and the inspector's commitment to continuing education is a good measure of his or her professionalism and service to the consumer. This is especially important in cases where the home is much older or includes unique elements requiring additional or updated training.