If you sell your home prior to the 20th anniversary of the loan, it is considered a default and the following repayment scenarios may apply:

Scenario	Sample Calculation
Property is sold <u>above</u> the original purchase price: The purchaser must pay back the original loan amount, as well as a percentage of the realized capital gains proportionate to the down payment loan received. *This calculation also applies if the purchaser wishes to repay the loan without selling the property and the property has appreciated in value.	Purchase price: $315,000 Resale price: $340,000 Capital gains: $25,000 ($340,000-$315,000) Down payment loan: $20,000 (6.35% of purchase price) --- Down payment loan: = $20,000 Appreciation repayment: = $1,587.50 ($25,000 X 6.35%) Discharge fee: = $71.30 **Total Repayment: = $21,658.80**
Property is sold <u>below</u> the original purchase price: The purchaser must pay back the difference between the down payment assistance and the depreciated amount.	Purchase price: $315,000 Resale price: $300,000 Down payment loan: $20,000 Difference between the down payment assistance and the depreciated amount: $5,000 ($20,000-$15,000) --- Down payment loan $20,000 Depreciation - $15,000 Discharge fee + $71.30 **Total Repayment = $5,071.30**
Property is sold below the original purchase price and the depreciation value is greater than the original down payment loan: Down payment loan is forgiven. * The sale must be at fair market value and must be an arm's length transaction. For example, the property cannot be sold to a relative.	Purchase price: $315,000 Resell price: $280,000 Depreciation: ($35,000) Down payment loan: $20,000 --- **Total Repayment =$0**

These events of default scenarios are for reference only. The terms of repayment for any particular loan will be outlined in the purchaser's loan agreement.