



**HEBREW FREE LOAN SOCIETY**

**675 Third Avenue at 42nd Street, Suite 1905 New York, NY 10017  
212-687-0188 \* (Fax) 212-682-1120**

**DAY SCHOOL TEACHERS  
HOUSING LOAN PROGRAM**

**Please read this brochure carefully.**

*By following these guidelines, you can avoid delays in the processing of your application*

The Hebrew Free Loan Society offers interest-free loans of up to \$15,000 to first-time homebuyers who are full-time day school teachers at an Eligible School, have at least three years full-time day school teaching experience, and reside and are purchasing homes in New York City, Westchester or Long Island. Housing loans are intended to help moderate income families (i.e., families where the teacher's salary is the primary salary or one of two roughly equivalent salaries) with limited assets pay the cash portion of the purchase price and/or closing costs. Housing loans are repayable in 90 (ninety) equal monthly installments, beginning one month after the loan is received. However, they will become immediately due and payable in full if the borrower leaves day school teaching before the end of the ninety-month amortization period. For purposes of this program, an Eligible School is one that receives or is eligible to receive grant funding from the Fund for Jewish Education.

❖ **PROMISSORY NOTE INFORMATION** ❖

The promissory note is the legal document stating the agreement between you as the applicant and the Hebrew Free Loan Society. It describes the conditions of the agreement.

You must sign the promissory note in the office of the Society. If you are married, your spouse must also sign the promissory note. Your spouse, however, need not sign at the Society's office.

❖ **CO-SIGNER INFORMATION** ❖

Two co-signers are required for all loans. If a co-signer is married, his or her spouse must also sign the promissory note. A married co-signer and his or her spouse are together considered **one** co-signer.

Each co-signer is "jointly" and "severally" liable for the loan in the event you are unable to pay for any reason. While the Society would expect each co-signer to share equally in the responsibility of repaying the loan, each is liable legally for the full amount, and any one co-signer could be called upon to repay the balance due.

**WHO MAY CO-SIGN**

Co-signers must be employed persons living, working, and banking in the five boroughs, Westchester, or Long Island. The family income of each co-signer (i.e., the aggregate income of the co-signer and his or her

spouse, if any) should be at least \$50,000 a year. The Society prefers persons who have worked a minimum of one year in their present position. Co-signers must also have a checking account and have good credit. Previous Hebrew Free Loan Society loan recipients may co-sign only if they have repaid their loan in full and on time.

### **WHO MAY NOT CO-SIGN**

- ☞ Persons living in the same household as the borrower.
- ☞ Persons who currently have a loan with the Society.
- ☞ Persons who are co-signers on existing loans.
- ☞ Persons on a fixed, limited income (such as Social Security).

### **CO-SIGNER INFORMATION PORTION OF APPLICATION FORM**

In addition to signing the promissory note, each co-signer must complete and sign the “Co-Signer Information” portion of the Loan Application form. The Society understands that all information it receives is strictly confidential. The Society reserves the right to call co-signers to verify the information.

### **❖ THE LOAN APPLICATION PROCESS ❖**

1. Give the School Referral Form to your principal to fill out and return directly to the Society.
2. Once you have a contract on a home and have located appropriate co-signers, please call Leonard Petlakh at the Hebrew Free Loan Society at (212) 687-0188 x 207 to schedule a loan interview.
3. Bring the following with you to the loan interview:
  - ( i ) A copy of the purchase contract;
  - ( ii ) the loan application form, with the “Borrower Information” portion already signed by your spouse, if you are married, and the “Co-signer Statement” portion filled in and signed by your co-signers and their spouses, if they are married; and
  - (iii) A cancelled personal check from each of your co-signers (and their respective spouses, if they are married) and from your spouse if you are married, showing his/her signatures. (A cancelled check is one which was issued by your co-signer, processed by his/her bank, and returned to him/her with the bank’s monthly statement.) Image checks are required if no actual personal checks are available.
4. The Society’s Loan Committee reviews and decides on loan applications weekly. Your loan will be considered at the first meeting after your interview provided that we have received a fully completed School Referral Form as well as all the documentation listed in Paragraph 3. Shortly after the Loan Committee meeting at which your loan is considered, you will receive a letter advising you whether your loan has been conditionally approved (the “Conditional Approval Letter.”)
5. Once you have a mortgage commitment, mail us a copy of the mortgage application and attachments submitted to and the mortgage commitment received from, your lender ( the “Mortgage Documents”). We must receive the Mortgage Documents within 90 days of the date of the Conditional Approval Letter or the conditional approval of your loan will lapse and funds allocated to your loan may be allocated to another applicant. Within two weeks of our receipt of the Mortgage Documents, assuming the information contained therein confirms that submitted in your application, you will receive final approval of your loan and a promissory note. You will then have your co-signers (and their spouses if they are married, as well as your spouse, if you are married) sign the promissory note where indicated. The week before your closing, you will come in to the Society’s office to sign the promissory note yourself, give us post-dated checks for the monthly payments on your loan, and receive a two party loan check made out to you and your attorney.

**FUNDS FOR THIS PROGRAM ARE LIMITED, AND DEMAND MAY EXCEED OUR RESOURCES. COMPLETED APPLICATIONS WILL BE CONSIDERED ON A FIRST-COME FIRST-SERVE BASIS. THE SOCIETY’S LOAN COMMITTEE, IN ITS DISCRETION, MAY DECLINE TO MAKE A LOAN OR REQUIRE DIFFERENT OR MORE CO-SIGNERS.**