



Family Partnering Committee

Lease Purchase Information

LEASE/PURCHASE: (Optional-Some Covenant Partners decide to put into effect a lease purchase for the first year and then convert to a mortgage,)

FCH will have in force a lease/purchase agreement for the first year. After one year they may exercise the option to be converted to a zero interest mortgage. The payments made on the lease/purchase will be applied to reduce the mortgage principal. The principal amount will be designated on the lease/purchase agreement and will not change when converted to a mortgage. At the end of their year lease/purchase agreement they will be converted to a mortgage with 0% interest as long as they are in good standing with FCH. Their lease/purchase payment will include principal plus insurance and taxes. Only the principal amount will be reduced from the mortgage amount. Their lease/purchase payment will be estimated to be as close as possible to the same amount of their mortgage payment. The lease/purchase payment is calculated based on the selling price of the home and their income. A portion of the payment is applied to the principal and the remainder is used to pay insurance premiums and property taxes.

The FCH Family Partnering Committee should review ahead of time any lease purchase documents with the homeowner and accompany the homeowner to the signing of the lease purchase agreements.