

## **RESOLUTION FOR GENERAL FACULTY HOME MORTGAGE GUARANTEES**

WHEREAS, Denison University is interested in assisting qualified members of the Denison University general faculty in the acquisition or construction of a personal residence within a ten-mile radius of the Granville, Ohio, Post Office; and

WHEREAS, various mortgage lending institutions in Licking County, Ohio, have offered to grant real estate mortgage loans to otherwise qualified applicants from the Denison University general faculty in amounts up to one hundred (100) percent of the contract price or one hundred (100) percent of the actual appraisal conducted by said lending institution **(or, in the case of a refinanced mortgage, the guarantee amount may not exceed the unpaid balance of the mortgage being refinanced)** upon the following terms and conditions:

1. To qualify, a teaching faculty member (MORTGAGOR) must be in a tenure-track appointment. To qualify, members of the administration must be in the general faculty classification.
2. All mortgages guaranteed shall be mortgages which have been determined to be good lending risks by a Licking County lending institution using standard loan evaluation procedures to determine the risk, and said mortgages may not be assignable by the lending institution without the express written consent of Denison University.
3. Denison University will guarantee all monthly payments and any unpaid balance on all real estate mortgage loans until said loans are reduced to seventy (70) percent of the appraisal of the participating lending institutions, or, in the case of construction loans, seventy (70) percent of the contract price, at which time the University guarantee will be released. The appraisal referred to in this Resolution shall, at all times, mean the standard real estate loan appraisal performed by the lending institution for all real estate mortgage loans made to the general public applying the same standards as for all other similar mortgage loans. **In the case of a refinanced mortgage the University's guarantee is released when the unpaid balance of the loan is as defined above in the original mortgage loan.**
4. All such real estate mortgage loans made hereunder shall be on a monthly reduction basis at the market rate of interest which shall be the then current rate of interest and closing costs then charged the general public, and the loan amortization period may not exceed thirty (30) years. The loan amortization shall be a standard (straight) monthly amortization using a 360 or 365 day year with no balloon payment arrangements or periods in which interest only is paid. **In the case of a refinanced mortgage, the amortization period may not exceed the remaining repayment period on the loan being refinanced.**
5. MORTGAGOR(S) who accept the University's home mortgage loan guarantee shall agree: (1) to enter into an arrangement whereby the University will have the first right of refusal to purchase properties on which the mortgage guarantee has been provided; (2) to enter into a payroll-deduction agreement with Denison

- University whereby Denison University shall deduct the monthly mortgage payment from said MORTGAGOR(S) regular paycheck and pay the mortgage payment directly to the lending institution; (3) to execute a statement acknowledging that the loan guarantee by Denison University is not an employment contract with Denison University and does not represent a promise on the part of Denison University to employ the MORTGAGOR(S) for the period covered by the loan guarantee.
6. All mortgages guaranteed by Denison University shall include the requirement that real estate and insurance premiums be placed in escrow and that each monthly mortgage payment shall include 1/12 of the annual real estate taxes on the real estate and 1/12 of the fire and casualty insurance premiums for coverage on the improvements on the real estate.
  7. The lending institution and the MORTGAGOR(S) shall agree, that in case of default on the mortgage, the lending institution shall, before taking any action to foreclose on the mortgage, notify Denison University, in writing, and give Denison University sixty (60) days to exercise the right to purchase all interests of the lending institution in the mortgage and note and obtain an assignment of the mortgage and the note secured by the mortgage by paying the lending institution the balance due on the said note including principal and accrued interest. This right to purchase the mortgage and note shall not preclude any other rights Denison University may have under the law. In the event that Denison University does not exercise its right to purchase the note and mortgage within the allotted sixty (60) days, and the note and mortgage remain in default for a period of ninety (90) days (beginning with the initial day of default) the lending institution agrees that it shall begin foreclosure proceedings against the MORTGAGOR (S).
  8. The University will not guarantee more than one loan per employee at a time. However, an eligible employee may have more than one loan guaranteed while in the employ of the University.
  9. The University must be provided with a copy of the appraisal or construction agreement, and drawings, prior to issuance of the guarantee. **(This is not necessary for a refinanced mortgage.)**
  10. The University will guarantee loans for eligible employees during the first ten years of employment only. The program expires for all otherwise eligible employees on the day after their tenth year anniversary date.

Now, therefore,

BE IT RESOLVED: That the Vice President for Finance and Management of Denison University be and he hereby is authorized to execute and deliver to participating Licking County, Ohio, lending institution any and all necessary instruments required in assisting qualified teaching and general faculty in participating in the aforesaid mortgage loan program.