

Condominium Association Loan Questions & Answers

Two most often asked questions:

Will the unit owner be responsible for the loan?

No, this is a commercial loan made to the Condominium Association, a corporation.

Will the Bank put a lien on my unit as collateral?

No, the bank takes an assignment of common fees and assessments as collateral.

Other Details:

The loan can begin as a Line of Credit and then convert to a fully amortizing fixed rate loan.

Rate: Since this is a commercial loan, the rate is set at the time of commitment. The Milford Bank will provide the current rate at the time of application and it may vary slightly depending on the Bank's cost of funds, at approval.

The Milford Bank's Condo Association Loan Program does not have a *prepayment penalty*.

There is no *application* or **points** charged on this loan.

The by-laws and declaration must be free of any prohibition to borrow funds or assign common fees as collateral.

Approval of the loan will be based on the financial information submitted to the Bank.