

**Fee Deferral Policy**  
**Approved by Board on November 5, 2015**

The Greenbelt Homes, Inc. Board of Directors has established a Fee Deferral Program.

**Deferment**

This program allows deferral of the payment of that part of the monthly co-op fee associated with the cost of work done in the crawl spaces during the Homes Improvement Program.

Deferments will begin April, 2016. Deferments will end when the member's full share of the crawl space improvements has been deferred. *There is a \$100 origination fee if the member qualifies for deferral, but that can be included in the amount deferred at compounded interest if the member does not want to pay it up front.*

*Instead of the exact cost of the crawl space work, the member may choose to defer \$20 per month from April, 2016, through December, 2025. This will, however, mean that a larger amount is due when the deferred amounts are repaid.*

**Eligibility**

This fee deferral program is available to members who meet the following income requirements:

- If only one person is listed as "Member" on the Mutual Ownership Contract, documentation of a 2014 gross income of \$18,000 or less, or
- If only one person is listed as "Member" on the Mutual Ownership Contract and that person qualifies to file Federal Income Taxes as Head of Household or Married Filing Jointly, documentation of a 2014 gross income of \$24,000 or less, or
- If more than one person is listed as "Member" on the Mutual Ownership Contract, documentation of a combined 2014 gross income of \$24,000 or less for all persons listed as "Member" on the Mutual Ownership Contract.

**Application**

To be considered for the fee deferral program:

- Eligible member(s) must submit an application for fee deferral.
- Applying member(s) must provide requested documentation.
- **Application must be received by January 31, 2016**

**Documentation**

Documentation must be by the 2014 Federal Tax Return(s), if filed. If no Federal Tax Return was filed in 2014, total gross income may be documented by Social Security statements, pension statements, and/or other sources required by the GHI Director of Finance. Documentation from all sources of income must be provided. Submission of false or incomplete documentation will disqualify member from participation in the program.

### **Approval**

It is hoped that the co-op will be able to defer this portion of the co-op payment for all members who qualify. However, if the number of qualified applicants exceeds the funds available, this will not be possible. In this case, the percentage of actual income to the appropriate income ceiling (stated above) will be computed. The list of qualified applicants will be prioritized by this percentage (lowest to highest).

### **Interest**

Interest on the balance deferred will be compounded monthly at the rate of 4.5% for the first five years (2016-2020). Thereafter, the interest rate will be reset every five years. Rate will be equal to ~~1% over~~ the average rate earned from GHI's investment in corporate bonds as of August 31 of the relevant year (i.e., 2020, 2025, 2030, etc).

### **Payment**

The total amount deferred, plus compounded interest, **must** be paid upon the occurrence of any of the following:

- The membership is sold or otherwise transferred.
- The member obtains a recorded loan secured by equity in the unit.
- Member is found to have submitted false or incomplete documentation.

The total amount of the deferment, plus interest, may also be paid at any time the member wishes to make such payment.

**Suggested motion: I move that the Board of Directors adopt the Fee Deferral Policy as presented (amended) on November 5, 2015.**