

Exhibit 2  
**SONYMA Remodel New York Program  
 Consumer Tips Checklist**

SONYMA Loan Number: \_\_\_\_\_ Date: \_\_\_\_\_

Borrower Name(s): \_\_\_\_\_

***Some important facts about SONYMA Remodel New York Program loans are listed below. Please review each item in the checklist and discuss any questions with your lender.***

<b>G</b>	You do not receive any cash at the mortgage loan closing. The funds provided for rehabilitation are placed in an interest-bearing escrow account (Rehabilitation Escrow Account).
<b>G</b>	The lender requires that a contingency reserve be placed in the Rehabilitation Escrow Account to cover unforeseen repairs or deficiencies during the rehabilitation.
<b>G</b>	Funds in the Rehabilitation Escrow Account can only be used for approved rehabilitation.
<b>G</b>	When selecting a contractor, always review the contractor's references, licensing, and financial background. Ask the lender for a Contractor's Resume form to assist in your review.
<b>G</b>	You are responsible for negotiating any agreements or warranties with the contractor. The lender and/or SONYMA does not provide any warranty on the contractor's work.
<b>G</b>	You are responsible for overseeing the rehabilitation and ensuring that it is done as specified in the construction contract with the contractor. If work stops for an extended period of time, or there are problems with the work performed that may cause significant delays, you must contact the lender.
<b>G</b>	The lender and/or SONYMA does not warrant or guarantee the condition of the property being purchased or the rehabilitation.
<b>G</b>	You are responsible for making the mortgage payment each month, even if the rehabilitation is not satisfactorily completed.
<b>G</b>	Funds for the rehabilitation are paid in accordance with a schedule acceptable to you, the contractor, and lender. You will request these payments on a draw request form submitted to the lender.
<b>G</b>	After you and the lender review the rehabilitation and find it satisfactory, the funds will be provided in a check made payable jointly to both you and the contractor. Do not pay the contractor "up front" out of your own funds before the rehabilitation is satisfactorily completed. Do not accept unsatisfactory work.
<b>G</b>	The lender will withhold some of the funds from each Draw Request. These funds are paid to the contractor when the work is completed. This protects you from a contractor failing to complete the rehabilitation.
<b>G</b>	If funds remain in the Rehabilitation Escrow Account after the rehabilitation is completed, the funds are applied to reduce the principal balance of the mortgage, unless those funds were deposited separately by you. Any funds deposited separately by you may be applied to reduce the principal balance, or paid directly to you at your option.
<b>G</b>	If you would like to revise the original approved rehabilitation, you must submit a Change Order Request to the lender for approval, and deposit any additional required funds (including contingency reserve) in the Rehabilitation Escrow Account.
<b>G</b>	When the rehabilitation is completed, you and the contractor will sign a Completion Certificate and the lender will provide you an accounting for all distribution of funds in the Rehabilitation Escrow Account.
<b>G</b>	The construction contract with the contractor should include language that (1) all work will be done in accordance with all applicable building codes (including obtaining the necessary building permits) and zoning requirements, (2) contain a clause that provides procedures for obtaining and maintaining clear title to the property, and (3) in the event of an irreconcilable dispute between you and the contractor, both parties agree to resolution by means of binding arbitration presided over by the Construction Industry Arbitration Rules of the American Arbitration Association.

I acknowledge that I have read this Consumer Tips Checklist and that I understand them.

\_\_\_\_\_  
 Borrower's Signature

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Co-Borrower's Signature

\_\_\_\_\_  
 Date

The lender certifies the Borrower(s) has received this Consumer Tips Checklist.

\_\_\_\_\_  
 Lender's Signature

\_\_\_\_\_  
 Date