

INTRODUCING



**Oak Park
Equity Assurance**

**A New
Protection Program
for Single
Family Home
Owners**

What Is It?

Equity Assurance is an insurance program that protects your home investment.

What Sort Of Protection Does It Offer?

If, after five years, your home is sold at a price lower than the original appraised valuation, as determined at the time of your entry into the program, you will be reimbursed for 80% of the loss—assuming, of course, the condition of your home has been maintained.

For example, if your home was appraised at \$50,000, and the highest bid is only \$45,000, as a member of the Equity Assurance Program, you would receive \$4,000—80% of the difference.

Why The Five Year Waiting Period?

The program is intended to provide stability—to afford protection to people who settle in Oak Park as a long term commitment.

While you may certainly sell your home within the five year waiting period, your coverage under Equity Assurance will not be in effect.

Who May Join?

Any single-family homeowner in the Village, as long as he or she is living in the home being insured under the Equity Assurance Program.

What Will It Cost?

The one time fee for those enrolling is \$90.00, which includes the cost of an appraisal on the home, plus a small administrative cost. Appraisals will be prepared by one of the group of independent certified appraisers provided by the Equity Assurance Commission. All appraisals will be kept confidential, and made available only to the individual homeowner, members and staff of the Equity Assurance Commission.

Can My Home Be Reappraised In The Future?

If you make substantial improvements in your home, and want a reappraisal in order to increase the valuation listed on the policy, an improvement reappraisal will be offered. This reappraisal is available at one-half the cost of the standard appraisal, and is intended to encourage property improvement.

Also, a member may request a reappraisal to reflect an increase in market values. However, in this case the full appraisal fee must be paid by the member. In both instances, coverage in the amount of the new appraised valuation begins five years from the date of the reappraisal. All former appraised valuations will remain in force until the new five year waiting period has elapsed and coverage in the amount of the reappraised value is in effect.

If The Homeowner Objects To The Appraiser's Valuation, Does He Have To Accept It?

No, an arbitration process is part of the program, and may be used by anyone who chooses to do so. Arbitration procedures are spelled out in detail in the Ordinance creating the program. Additional information can also be obtained from the Program Director.

What Are The Sale Procedures?

Should you sell a home protected under the Equity Assurance Program at any time after the five year waiting period, your coverage is activated by notifying the Equity Assurance Commission as soon as the property has been placed on the market. Evidence of the intended sale, such as an advertisement in a newspaper if you are selling the home yourself or a listing agreement with a real estate broker, must also be provided to the Commission.

If, after being on the market for 60 days you have not received an offer for the purchase of your home at or above the appraised valuation, you must list your home with the Oak Park-River Forest Board of Realtor's Multiple Listing Service, or an agency with comparable sales coverage in Oak Park, for not less than 60 days. After 75 days on the market, the Commission will have the residence reappraised to determine whether the property has been allowed to deteriorate since the original appraisal. If deterioration has occurred, the homeowner may choose to either restore the property to its earlier condition or accept a proportionately lower amount of coverage. After 90 days, the participating member presents the Commission with each offer made. All contracts should be signed by the buyer, but not the seller.

The Commission will either agree that you should go ahead with the sale at the offered price, or the Commission can buy the property at the offered price. In either case, you receive 80% of the difference between the original Equity Assurance valuation and the price of the sale. A third option of the Commission is to instruct you to continue showing your home to prospective purchasers. However, if after 120 days one or more offers for purchase have been made, but not accepted by the Commission, the Commission will purchase your home at the amount of the highest offer and pay you 80% of the difference between the original Equity Assurance appraised valuation and the sale price.

Are There Limitations To The Program?

There is one set of conditions to which Equity Assurance does not apply. Since the purpose of the program is to support a healthy economic environment in the community, Equity Assurance cannot protect against an extended decline in the Chicago-Cook County-Metropolitan Area single-family home market. In the event of such a prolonged decline, the Trustees of the Village reserve the right to review, revise and possibly suspend payouts under the Equity Assurance program.

How Is The Program Financed?

Equity Assurance is financed by a modest tax levy of all property owners within the Village.

Are There Any Other Sources Of Revenue For This Program?

Yes, \$57,349 in seed money has come from the Ford Foundation and from the Urban Reinvestment Task Force—solid indications of their interest and support of the program.

How Is The Program Administered?

The Village Board of Trustees has appointed a nine member Equity Assurance Commission to oversee the program. This Commission is responsible for the day-to-day operation of the program. It will also establish policies and procedures, and set the fee for appraisals. The duties of the Commission are spelled out in detail in the ordinance creating it, which is available at the Office of the Village Clerk.

If you wish to become a member of the Oak Park Equity Assurance Program, please complete the attached application for membership and return it to the Oak Park Village Hall, 1 Village Hall Plaza, Oak Park, Illinois 60302. For further information about the program, you may call Darryl Kowalczyk, Program Director, 383-6400.

**Oak Park
is the first
community in
the nation
to offer this
innovative
program.**

The Oak Park Equity Assurance Program (EAP) is the result of five years of research, consultation and planning. Involved in the development have been individual citizens, Village staff, the Urban Reinvestment Task Force, Drake University and the Ford Foundation. The Equity Assurance Program is designed to further strengthen Oak Park's housing market. While other cities have investigated such a program, Oak Park is the first community to solve the complex problems of presenting a home equity assurance program to its citizens.

The details of this plan are presented in this brochure.