



AFFORDABLE HOUSING PROGRAM SUBORDINATE MORTGAGE FOR OWNER-OCCUPIED PROJECTS

AHP PROJECT #:

THIS MORTGAGE is made on _____, between _____ (the “Borrower”) residing at _____ and _____ (the “FHLBNY Member Financial Institution Financial Institution”), and all legal successors, a banking organization, organized and existing under the laws of _____, with principal offices at _____.

For and in consideration of receiving direct subsidy funds (the “Subsidy”) in an amount not to exceed \$ _____ under the Affordable Housing Program (“AHP”) of the Federal Home Loan Bank of New York (“FHLBNY”), through the FHLBNY Member Financial Institution, with respect to that certain real property located at _____, in the city/town of _____, County of _____, State of _____, Zip Code of _____, also more particularly described in the Legal Description, attached hereto as *Exhibit A* and made a part hereof:

Borrower agrees to maintain ownership and reside in this property as a primary residence for a period of five (5) years (“Retention Period”) from the date of closing and further agrees with the FHLBNY Member Financial Institution that:

- (i.) The FHLBNY, whose mailing address is 101 Park Avenue, New York, New York 10178, is to be given immediate written notice of any sale or refinancing of this property occurring prior to the end of the Retention Period; If an owner-occupant decides to sell or refinance his or her AHP-assisted unit during the recapture period, a pro rata portion of the AHP subsidy may need to be repaid to the FHLBNY from any *net gain* realized upon the sale or refinancing, unless:
 - a. The sale by the household to a low-or moderate income household, defined as having an AMI \leq 80%, the household has fulfilled the conditions of the AHP Subordinate Mortgage, which terminates the agreement. The new purchaser is not subject to the AHP Subordinate Mortgage and does not have any AHP subsidy repayment obligations;
 - b. The AHP Subordinate Mortgage terminates at the time of the first refinancing by the AHP assisted household, in the absence of a net gain. (E.g. rate and term refinance);
 - c. Inheritance of an AHP assisted home by the heirs of an AHP assisted owner(s) of the home does not constitute a “sale” or “refinancing” of the home. Upon the death of the AHP assisted owner, the AHP Subordinate Mortgage terminates and there is no obligation to repay; or
 - d. Following a refinancing, the unit remains subject to a standard, legally enforceable AHP retention agreement.
 - e. A foreclosure or deed-in-lieu of foreclosure terminates the obligation to repay the subsidy. In addition, when an AHP assisted home is financed with an FHA-insured first mortgage, an assignment of the mortgage to the Secretary of HUD terminates the household’s obligation to repay.
 - i. If authorized by the FHLBNY, in its discretion, the projects households are relocated, due to the exercise of eminent domain, or for expansion of housing or services, to another property that is made subject to a deed restriction or other legally enforceable AHP Subordinate Mortgage or mechanism incorporating the income-eligibility and affordability restrictions committed to in the approved AHP application for the remainder of the retention period.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the date and year above set forth.

By: _____
(Borrower)

(Print Name)

By: _____
(Borrower)

(Print Name)

STATE/Commonwealth of _____

ss.:

County of _____

On the _____ day of _____ in the year _____ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

WITNESS my hand and official seal,

Notary Expires:

State of _____ County of _____

FHLBNY Member Financial Institution Mailing Address:

