



**First Home ClubSM
Declaration of Restrictive Covenant**

FOR USE WITH FHA LOANS ONLY

FHLBNY requires the following documents be executed at the closing of a FHC household when FHLB funds are used in conjunction with FHA-insured loans. The FHC Declaration of Restrictive Covenant replaces the FHC Subordinate Mortgage.

- **First Home Club Declaration of Restrictive Covenant**
- **First Home Club Certification of Intent to Record**

These documents are in form fillable pdf format, which allows the completion of only the applicable information.



Federal Home Loan Bank
NEW YORK

**FIRST HOME CLUBsm
DECLARATION OF RESTRICTIVE COVENANT
FEDERAL HOME LOAN BANK OF NEW YORK**

REMOVE THIS NOTICE AND THE INSTRUCTION PAGE BEFORE EXECUTING AND RECORDING THIS DOCUMENT

FIRST HOME CLUBsm (“FHC”) PARTICIPATING MEMBER INSTITUTIONS ARE REQUIRED TO COMPLETE THE ATTACHED DOCUMENT TO SATISFY THE LEGAL REQUIREMENTS OF THE JURISDICTION IN WHICH THE FHC-ASSISTED UNIT IS LOCATED.

THE FEDERAL HOME LOAN BANK OF NEW YORK STRONGLY SUGGESTS THAT MEMBER INSTITUTIONS CONSULT LEGAL COUNSEL TO ENSURE FULL WITH RECORDING REQUIREMENTS AND ALL OTHER APPLICABLE LAWS, INCLUDING FHA-HUD REQUIREMENTS.

BY PROVIDING MEMBER INSTITUTIONS WITH THIS DOCUMENT, THE FEDERAL HOME LOAN BANK OF NEW YORK IS IN NO WAY PROVIDING LEGAL ADVICE OR MAKING ANY REPRESENTATION AS TO THE EFFECTIVENESS OF THE DOCUMENT NOR AS TO THE EFFICACY OF THE DOCUMENT IN RELATION TO FHA-INSURED MORTGAGE LOANS.

NO MODIFICATIONS TO THIS DOCUMENT ARE PERMITTED WITHOUT THE PRIOR WRITTEN CONSENT OF THE FEDERAL HOME LOAN BANK OF NEW YORK.

FIRST HOME CLUBsm
DECLARATION OF RESTRICTIVE COVENANT
FEDERAL HOME LOAN BANK OF NEW YORK

INSTRUCTIONS

1. Complete the “Certification of Intention to Record” the Declaration of Restrictive Covenant.
2. Declaration of Restrictive Covenant:
 - a. Top of First Page: Fill in Member Name, Address, and name of person to whom document should be directed.
 - b. Fill in Introductory Paragraph.
 - c. Fill in information required by first “Whereas” clause.
 - d. Fill in Dollar amount in fifth “Whereas” clause.
 - e. Type in Declarant(s)’ Name(s) under the signature lines.
 - f. Complete Notary Acknowledgement.
 - g. Attach Legal Description of the premises.

NMLS ID #: _____

NMLS NAME: _____

**FIRST HOME CLUBsm
DECLARATION OF RESTRICTIVE COVENANT
FEDERAL HOME LOAN BANK OF NEW YORK
CERTIFICATION OF INTENTION TO RECORD**

MEMBER: _____

DECLARANT: _____ **FHC #** _____

PREMISES: _____

Title Number: _____

Title Company: _____

Attached is a copy of a Declaration of Restrictive Covenant that encumbers the above-referenced premises.

The original of this Declaration of Restrictive Covenant is being taken from the closing for public recording on

Date

Name of Title Company, Law Firm or
Federal Home Loan Bank of New York Stockholder

Signature of Authorized Representative

Printed Name

Date:

After Recording, Return to:

**FIRST HOME CLUBsm
DECLARATION OF RESTRICTIVE COVENANT
FEDERAL HOME LOAN BANK OF NEW YORK**

THIS DECLARATION OF RESTRICTIVE COVENANT (“Declaration”) is made as of the _____ day of 20__ by _____ (the “Declarant”), residing at _____, in favor of _____ (the “Member”), organized and existing under the laws of _____, with an office located at _____.

WITNESSETH

WHEREAS, Declarant is the owner of certain real property located in the County of _____, City of _____, State/Commonwealth of _____, and Zip Code _____ which property is designated as Block _____, Lot _____ on the Tax Map for such County and is also known by the street address of _____, all as more particularly described in Exhibit A attached hereto (such real property together with all improvements now or hereafter erected thereon, being hereinafter referred to as the “Premises”); and

WHEREAS, Declarant is a first-time homebuyer who is purchasing the Premises;

WHEREAS, Declarant is a participant in the First Home Clubsm Program (“FHC”) of the Federal Home Loan Bank of New York (“FHLBNY”) whereby the FHLBNY provides, through its Members, a grant for down payment and closing cost assistance to an eligible first-time homebuyer purchasing a home (“Subsidy Amount”);

WHEREAS, upon enrollment into the FHC, the Declarant has an income of 80% or less of the area median income for their current place of residence, adjusted for household size, as defined by the FHLBNY and agreed upon by the Member in the Enrollment Period Report;

WHEREAS, the FHLBNY has allocated the Subsidy Amount of _____ Dollars (\$_____) for Declarant’s use in conjunction with purchasing the Premises to be distributed by the Member pursuant to FHC terms; and

WHEREAS, as a condition precedent to the disbursement of the Subsidy Amount, the Declarant has agreed to execute, deliver and perform its obligations under FHC terms and this Declaration.

NOW, THEREFORE, Declarant agrees to maintain ownership and reside in the Premises as a primary residence for a period of five (5) years (“Retention Period”) from the date of closing and further agrees as follows:

1. 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 the Premises occurring prior to the end of the Retention Period.
2. If the Declarant decides to sell or refinance the Premises during the Retention Period, a pro rata portion of the Subsidy Amount may need to be repaid to the FHLBNY from any *net gain* realized upon the sale or refinancing, *unless*:
 - a. The sale by the Declarant is to a low-or moderate income household, defined as having an AMI \leq 80%, and the Declarant has fulfilled the conditions of the Declaration, which terminates the Declaration. The new purchaser is not subject to the Declaration and does not have any FHC subsidy repayment obligations;
 - b. The Declaration terminates at the time of the first refinancing of the Premises by the Declarant, in the absence of a net gain (E.g. rate and term refinance);
 - c. Inheritance of the Premises by the heirs of Declarant does not constitute a “sale” or “refinancing” of the Premises. Upon the death of Declarant, this Declaration terminates and there is no obligation to repay; or
 - d. Following a refinancing, the unit remains subject to a standard, legally enforceable declaration of restrictive covenant or retention agreement.
3. A foreclosure or deed-in-lieu of foreclosure terminates the obligation to repay the subsidy. In addition, when the Premises 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.
 - a. If authorized by the FHLBNY, in its discretion, the Declarant may be 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 declaration or mechanism incorporating the income-eligibility and affordability restrictions committed to in the approved FHC application for the remainder of the retention period.
4. This Declaration shall become effective upon execution by Declarant and shall terminate upon expiration of the 5-year Retention Period unless the Declaration is otherwise terminated.

All provisions of this Declaration are hereby declared covenants running with the land and are fully binding on Declarant and its successors, heirs, assigns, legal representatives, lessees and transferees, including, without limitation, any owners and/or users of the Premises.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year set forth above.

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 _____

Member Mailing Address:

EXHIBIT A

LEGAL ADDRESS OF PREMISES:

**LEGAL DESCRIPTION OF PREMISES
(SEPARATE ATTACHMENT)**