



AFFORDABLE HOUSING PROGRAM

LONG TERM RETENTION DOCUMENTS

Projects that receive subsidy from the Affordable Housing Program (AHP) are required to meet long term retention requirements under the regulations promulgated by the Federal Housing Finance Board in 12 CFR Part 951 ("AHP Regulations"), and any amendments made thereto. In accordance with these requirements, the Federal Home Loan Bank of New York ("Bank") has developed standardized documents for use with projects awarded AHP subsidy. The set of documents to be used depends on the type of project and financial structure as described below:

ALL OWNER-OCCUPIED PROJECTS

The purchaser or existing owner-occupant of a unit receiving AHP subsidy provided through an owner-occupied project must execute the following:

- **Repayment Mortgage Note for Owner-Occupied Projects**
- **Repayment Mortgage for Owner-Occupied Projects**

These documents must be executed at the closing (the time of purchase for a household purchasing a unit or prior to the commencement of work for an existing homeowner receiving assistance to pay for rehabilitation work). The **Repayment Mortgage for Owner-Occupied Projects** must be recorded.

RENTAL PROJECTS EXCEPT THOSE USING FUNDING FROM SECTION 811, SECTION 202 OR LOW INCOME HOUSING TAX CREDITS

The sponsor of a rental project receiving AHP subsidy (except projects using funding from Section 811, Section 202 or Low Income Housing Tax Credits) must use the following documents:

- **Promissory Note for Rental Projects**
- **Security Agreement for Rental Projects**

These documents must be executed at the closing or prior to the final disbursement of AHP funds to the project sponsor. The **Security Agreement for Rental Projects** must be recorded.

RENTAL PROJECTS USING SECTION 811 OR SECTION 202 FUNDING

The sponsor of a rental project receiving AHP subsidy as well as funding from the United States Department of Housing and Urban Development's (HUD) Section 811 or Section 202 programs must use the following documents:

- **Promissory Note for Rental Projects With Section 811 or Section 202 Funding**
- **Security Agreement for Rental Projects With Section 811 or Section 202 Funding**
- **Rider to Lender's Security Agreement Rental Projects With Section 811 or Section 202 Funding (Exhibit B)**

These documents must be executed by the sponsor at the HUD closing or prior to the final disbursement of AHP funds to the project sponsor. HUD's authorized representative must sign the **Rider to Lender's Security Agreement (Exhibit B)** before AHP funds may be disbursed. The **Security Agreement for Rental Projects With Section 811 or Section 202 Funding** with the attached **Rider to Lender's Security Agreement Rental Projects With Section 811 or Section 202 Funding (Exhibit B)** must be recorded.

RENTAL PROJECTS USING LOW INCOME HOUSING TAX CREDITS

The sponsor and ownership entity of a rental project receiving AHP subsidy as well as equity raised through the sale of Low Income Housing Tax Credits must follow the enclosed **Instructions Regarding Long Term Retention Requirements for AHP Projects using Low Income Tax Credits** and use the following standardized documents:

- **Recapture Agreement for Rental Projects Using Low Income Housing Tax Credits**
- **Promissory Note for Rental Projects Using Low Income Housing Tax Credits**
- **Rider to Subordinate Mortgage for Rental Projects Using Low Income Housing Tax Credits**

In addition, several documents must be drafted by the project attorney as further described in the enclosed **Instructions Regarding Long Term Retention Requirements for AHP Projects using Low Income Tax Credits**.

All documents must be executed at the closing or prior to the final disbursement of AHP funds to the project sponsor. The **Rider to Subordinate Mortgage** must be executed by an authorized representative of the partnership and attached to the mortgage prepared by the project attorney. This mortgage, the rider and an Assignment of Mortgage prepared by the project attorney must be recorded.

Revised formatting – 2/3/03