



AFFORDABLE HOUSING PROGRAM SUBORDINATE MORTGAGE FOR RENTAL PROJECTS

AHP PROJECT #:

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

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 _____, also more particularly described in the Legal Description, attached hereto as *Exhibit A* and made a part hereof:

Sponsor, for itself and all successors to the property, agrees with the FHLBNY Member Financial Institution that:

- (i.) The rental units contained in _____ ("Project"), or applicable portion thereof, must be used for the purpose originally intended, remain occupied by and affordable for households with incomes as committed to in the AHP Application, or as modified and approved by the FHLBNY, for a period of fifteen (15) years ("Retention Period") from the date of the completion of the project (unless otherwise extended in a modification agreement due to unforeseen circumstances);
- (ii.) 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;
- (iii.) To preclude potential windfall profits from the premature sale of rental projects which were either developed or rehabilitated with AHP subsidy, FHLBNY Member Financial Institutions are required, in the event of such a sale or transfer, to provide the FHLBNY with:
 - a. Evidence that a deed restriction or other legally enforceable retention mechanism is in place that ensures ongoing affordability and that the rental property will continue to be used for the purpose originally intended;
 - b. Evidence if the project is refinanced that the project continues to be subject to a deed restriction or other legally enforceable AHP Subordinate Mortgage and the successor sponsor or FHLBNY Member Financial Institution agrees to continue monitoring reporting for the remainder of the project; or
 - c. Reimbursement of the full amount of the AHP subsidy provided to the project.
- (iv.) 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.
 - a. 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.

WITNESS:

(Sponsor name)

(Signed)

(Printed name of authorized representative)

(Title)

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:

