



**FIRST HOME CLUB<sup>SM</sup> & HOMEBUYER DREAM PROGRAM<sup>TM</sup>**  
**AFFORDABLE HOUSING PROGRAM**  
**RETENTION DOCUMENTS**

**Declaration of Restrictive Covenant**

**FOR USE WITH FHA LOANS ONLY**

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

The Federal Home Loan Bank of New York requires that the following documents, in form fillable pdf format, be executed at the closing of an FHA-insured loan receiving a Federal Home Loan Bank of New York Affordable Housing Program Set-aside (“AHP”) subsidy. The Declaration of Restrictive Covenant replaces the Subordinate Mortgage that otherwise applies for an AHP subsidy.

- Declaration of Restrictive Covenant
- Certification of Intent to Record

**PARTICIPATING MEMBER INSTITUTIONS ARE REQUIRED TO COMPLETE AND RECORD THE ATTACHED DECLARATION OF RESTRICTIVE COVENANT.**

**BY PROVIDING MEMBER INSTITUTIONS WITH THE ATTACHED DOCUMENT, THE FEDERAL HOME LOAN BANK OF NEW YORK IS NOT PROVIDING LEGAL ADVICE TO PARTICIPATING MEMBER INSTITUTIONS. THE FEDERAL HOME LOAN BANK OF NEW YORK STRONGLY SUGGESTS THAT MEMBER INSTITUTIONS CONSULT LEGAL COUNSEL TO ENSURE FULL COMPLIANCE WITH RECORDING REQUIREMENTS AND ALL OTHER APPLICABLE LAWS, INCLUDING FHA-HUD REQUIREMENTS.**

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



Federal Home Loan Bank  
NEW YORK

**FIRST HOME CLUB<sup>SM</sup> & HOMEBUYER DREAM PROGRAM<sup>TM</sup>  
AFFORDABLE HOUSING PROGRAM**

**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 the document should be directed.
  - b. Fill in Introductory Paragraph.
  - c. Fill in information required by the third “Whereas” clause.
  - d. Fill in Member Institution name, address and contact information in section 1.b.
  - e. Type in Declarant(s)’ Name(s) under the signature lines.
  - f. Complete Notary Acknowledgement.
  - g. Attach Legal Description of the subject property.

NMLS ID #: \_\_\_\_\_

NMLS NAME: \_\_\_\_\_

**FIRST HOME CLUB<sup>SM</sup> & HOMEBUYER DREAM PROGRAM<sup>TM</sup>  
AFFORDABLE HOUSING PROGRAM**

**CERTIFICATION OF INTENTION TO RECORD  
DECLARATION OF RESTRICTIVE COVENANT**

**MEMBER:** \_\_\_\_\_

**DECLARANT:** \_\_\_\_\_ **FHC or HDP #** \_\_\_\_\_

**PROPERTY ADDRESS:** \_\_\_\_\_

Title Number: \_\_\_\_\_

Title Company: \_\_\_\_\_

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

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 Member**

\_\_\_\_\_  
**Signature of Authorized Representative**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Date:**

After Recording, Return to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**FIRST HOME CLUB<sup>SM</sup> & HOMEBUYER DREAM PROGRAM<sup>TM</sup>**  
**AFFORDABLE HOUSING PROGRAM**  
**DECLARATION OF RESTRICTIVE COVENANT**

**THIS DECLARATION OF RESTRICTIVE COVENANT** (“Declaration”) for the Federal Home Loan Bank of New York (“FHLBNY”) Affordable Housing Set-aside Program (“AHP”) funds is made on \_\_\_\_\_ (the “Closing Date”) 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 a participant in one of the Affordable Housing Programs (“AHP”), the First Home Club<sup>SM</sup> (“FHC”) or the Homebuyer Dream Program<sup>TM</sup> (“HDP”), of the FHLBNY whereby the FHLBNY provides, through its Members, a subsidy for down payment and closing cost assistance to an eligible first-time homebuyer purchasing a home;

**WHEREAS**, the FHLBNY is providing AHP funds to the Declarant through the Member for the purchase of a home by the Declarant, which shall be used as the Declarant’s primary residence;

**WHEREAS**, Declarant is indebted to the Member in the amount of \$\_\_\_\_\_, which are subsidy funds (the “Subsidy”) under the FHLBNY AHP Set-aside Program provided through the Member, for the purchase 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 \_\_\_\_\_, \_\_\_\_\_, 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 “Property”);

**WHEREAS**, the FHLBNY has agreed to provide the Subsidy to the Declarant through the Member pursuant to the AHP Implementation Plan, AHP policies, procedures, guidelines, and instructions, and the Federal Housing

Finance Agency's Affordable Housing Program Regulations (12 CFR Part 1291), as may be amended from time to time (the "AHP Regulations," and collectively, the "AHP Requirements");

**WHEREAS**, the Member has determined that the Declarant meets the definition of an eligible home buyer as defined by FHLBNY and as provided by the AHP Requirements;

**NOW, THEREFORE**, Declarant agrees to maintain ownership and reside in the Property as a primary residence for a period of five (5) years ("Retention Period") from the Closing Date and further agrees as follows:

1. The FHLBNY and the Member shall be given prompt written notice of a sale, refinancing, or transfer of the Property during the Retention Period.
  - a. Notice to the FHLBNY shall be provided by first-class mail to the following address: Federal Home Loan Bank of New York  
Attention: General Counsel  
101 Park Avenue  
New York, New York 10178
  - b. Notice to the Member shall be provided by first-class mail to the following address:  
  
\_\_\_\_\_
  
2. If the Property is sold or refinanced prior to the expiration of the five-year Retention Period or there is an otherwise breach of this Declaration, a pro rata portion of the Subsidy may need to be repaid from any *net gain* realized upon the sale or refinancing (the "Repayment Obligation"), unless:
  - a. The Property was assisted with a permanent mortgage loan funded by an AHP subsidized advance;
  - b. The Property was sold to a very low-, or low-or-moderate-income household as provided for in the AHP Requirements. The new purchaser is not subject to the Declaration and would not have any Repayment Obligation;
  - c. Following a refinancing, the Property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism;
  - d. In the absence of a net gain (e.g., rate and term), the Repayment Obligation hereunder is terminated at the time of the first refinancing by the Declarant;
  - e. In the case of a foreclosure or deed-in-lieu of foreclosure of the Property, or an assignment of the first mortgage with respect to the Property to the Secretary of HUD, the Declarant's Repayment Obligation hereunder is terminated; or
  - f. In the case of an inheritance of the Property to the heir(s) of the Declarant, the Repayment Obligation hereunder is terminated.

3. The Declarant and the Member each agree that the FHLBNY is an intended third party beneficiary of this Declaration and is entitled to rely upon all rights, representations, warranties, and covenants made by Declarant herein to the same extent as if FHLBNY were the Member hereunder.

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.

5. 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 Property.

**[SIGNATURE ON THE FOLLOWING PAGE]**

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

By: \_\_\_\_\_  
(Declarant)

By: \_\_\_\_\_  
(Declarant)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(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 \_\_\_\_\_

**EXHIBIT A**

**LEGAL ADDRESS OF PROPERTY:**

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