



AFFORDABLE HOUSING PROGRAM SUBORDINATE MORTGAGE FOR OWNER-OCCUPIED PROJECTS

THIS SUBORDINATE MORTGAGE, made for the benefit of the Federal Home Loan Bank of New York (“FHLBNY”), is effective on _____ (the “Closing Date”), and is between _____ (the “Borrower”) residing at _____ and _____, and its successors or assigns, a member of the FHLBNY (the “Member”).

WHEREAS, Borrower is a participant in the FHLBNY Affordable Housing Program (“AHP”) whereby the FHLBNY is providing, through the Member, a subsidy in the amount of \$ _____ (the “Subsidy”) for the purchase, purchase in conjunction with rehabilitation or construction of certain real property located at _____, in the city/town of _____, County of _____, State of _____, Zip Code _____ (the “Property”), as more particularly described in the Legal Description, attached hereto as Exhibit A.

WHEREAS, the FHLBNY is providing the AHP Subsidy to the Borrower, through the Member, for the purchase, purchase in conjunction with rehabilitation or construction of the Property, which will be used as the Borrower’s primary residence;

WHEREAS, the FHLBNY is providing the AHP Subsidy to the Borrower, 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”); and

WHEREAS, the Member has determined that the Borrower meets the AHP Requirements.

NOW THEREFORE, Borrower agrees to maintain ownership and reside at 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. Notice. The FHLBNY and the Member shall be given prompt written notice of a sale, transfer, assignment of title or deed, or refinancing 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. Repayment of Subsidy; Exceptions. Pursuant to the AHP Requirements, if the Borrower sells, transfers, assigns the title or deed, or refinances the Property during the Retention Period, a portion of the AHP Subsidy may need to be repaid to the FHLBNY. However, if any one of the following conditions outlined in the AHP Requirements are met, a portion of the Subsidy may not be required to be repaid:
- a. The Property was assisted with a permanent mortgage loan funded by an AHP subsidized advance.
 - b. The subsequent purchaser, transferee, or assignee is a low-or moderate- income household, as determined by the FHLBNY pursuant to the AHP Requirements.
 - c. The portion of the AHP Subsidy required to be repaid under the AHP Requirements is \$2,500 or less.
 - d. Following a refinancing, the Property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism in compliance with the AHP Requirements.
 - e. Following an event of foreclosure, transfer by deed-in-lieu of foreclosure, an assignment of a Federal Housing Administration first mortgage to HUD, or death of the AHP-assisted homeowner.
3. Calculation of the AHP Subsidy. If a repayment of a portion of the AHP Subsidy is required, the FHLBNY shall be repaid the lesser of:
- a. The AHP Subsidy, reduced on a pro rata basis per month until the Property is sold, transferred, or its title or deed transferred, or is refinanced, during the AHP five-year Retention Period; or
 - b. As calculated by the FHLBNY pursuant to the AHP Requirements, any net proceeds, from the sale, transfer, or assignment of title or deed of the Property, or the refinancing, as applicable, minus the AHP-assisted household's investment.
4. FHLBNY as Third-Party Beneficiary. The Borrower and the Member each agree that the FHLBNY is an intended third party beneficiary of this Subordinate Mortgage and is entitled to rely upon all rights, representations, warranties, and covenants made by Borrower herein to the same extent as if FHLBNY were the Member under this Mortgage.

[SIGNATURE ON FOLLOWING PAGE]

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:

