



**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:

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