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Real Estate Retention Agreement

For purposes of this Agreement, the following terms shall have the meanings set forth in this document:

“FHLBank” shall refer to the Federal Home Loan Bank of Topeka, located at One Security Benefit Pl, Suite 100, Topeka, KS 66606.

“Member” shall refer to _____ (FHLBank’s Member),
located at _____.

“Borrower” shall refer to _____,
located at _____.

For and in consideration of receiving direct funds in this amount

_____ Dollars

(\$_____) (the “Subsidy”) under the Affordable Housing Program (AHP), which is governed by 12 U.S.C 1430(j), 12 CFR Part 1291, and the AHP Implementation Plan (the Rules). The Subsidy is provided to Borrower as a grant, subject to the five-year retention described herein. There is no obligation to repay the Subsidy, except as further described in this Agreement and there is no interest on this grant.

This Agreement shall be properly recorded, at Borrower's expense, with respect to:

(or as attached hereto as Exhibit A and made a part hereof) (the "Property".)

Borrower hereby agrees to maintain ownership of and reside in the Property as primary residence for a period of five years ("Retention Period") from the closing date for the purchase of the Property as evidenced by the settlement statement, or, for owner-occupied rehabilitation projects, this agreement shall be effective as of the date of the final, signed cost certification, and further agrees that:

1. FHLBank, at PO Box 176, Topeka, KS 66601-0176, Attention: Housing and Community Development, is to be given immediate written notice of any sale or refinancing of this property occurring before the end of the Retention Period.
2. In the case of the sale of the Property before the end of the Retention Period (including a transfer or assignment of the title or deed to another owner, subject to certain exceptions outlined herein), Borrower shall repay to FHLBank from any net gain realized upon the Property after deduction for sales expenses, an amount equal to the pro rata share of the Subsidy that financed the purchase, construction, or rehabilitation of the Property reduced for every month the Borrower/Seller occupied the unit, as calculated by FHLBank per the methodology found on FHLBank's website. If the purchaser is a very low, low-, or moderate-income household, which is defined as having not more than 80% of the area median income, no repayment is required.
3. In the case of a refinancing before the end of the Retention Period, an amount equal to a pro rata share of the direct Subsidy that financed the purchase, construction, or rehabilitation of the property, reduced for every month the Borrower occupied the unit, as calculated by FHLBank per the methodology found on FHLBank's website, shall be repaid to FHLBank from any net gain realized upon the refinancing, unless the property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism as required by the Rules.
4. In the case of a foreclosure, deed-in-lieu of foreclosure, or assignment of the first mortgage to the Secretary of HUD, FHLBank must be given notice of such events, and the obligation to repay the direct Subsidy to FHLBank shall terminate upon the final settlement or disposition of the foreclosure, deed-in-lieu of foreclosure, or assignment. Upon the death of the Borrower, this terminates and there is no obligation to repay the Subsidy.
5. Upon request and satisfaction of the terms required by this Agreement, FHLBank agrees to the release of this Agreement, without charge to the Borrower.
6. Borrower waives the rights of presentment and notice of dishonor. Presentment means the right to require FHLBank to demand payment of amounts due. Notice of dishonor means the right to require FHLBank to give notice to other persons that amounts due have not been paid.

