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**REAL ESTATE RETENTION AGREEMENT**

This Real Estate Retention Agreement (the "Agreement") is made, entered into and effective on the date of its execution by the last of the parties hereto to execute the same (the "Effective Date").

Project type :       AHP Owner-Occupied, Homeownership Set-Aside Program (HSP), or HSP +  
                          Homeownership Possibilities Expanded (HOPE)

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

"FHLBank" shall refer to Federal Home Loan Bank of Topeka, located at 500 SW Wanamaker, Topeka, KS 66606.

"Member" shall refer to \_\_\_\_\_ (FHLBank's Member),  
located at \_\_\_\_\_.

"Borrower(s)" shall refer to \_\_\_\_\_.

For and in consideration of receiving direct subsidy funds in this amount:

\_\_\_\_\_ Dollars  
(\$ \_\_\_\_\_) (the "Subsidy") under the Affordable Housing Program (the "AHP"), in accordance with 12 U.S.C. 1430(j), 12 CFR Part 1291, the AHP Implementation Plan, and Community Support Program and Targeted Lending Plan (the "Rules"), with

respect to certain real property located at \_\_\_\_\_, in  
the City/Town of \_\_\_\_\_, State of \_\_\_\_\_, ZIP Code of \_\_\_\_\_,

which is more fully described as follows:

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

Borrower hereby agrees to maintain ownership of the Property for a period of five years (60 months) (the "Retention Period") from the closing date for the purchase of the Property as evidenced by the closing disclosure. Borrower further agrees that:

1. FHLBank, at P.O. Box 176, Topeka, KS 66601-0176, Attention: Housing and Community Development, is to be given immediate written notice of any sale, transfer, assignment of title or deed, or refinancing of this Property occurring before the end of the Retention Period.
2. Any repayment of the Subsidy shall be made to FHLBank.
3. Repayment of AHP, HSP, and HSP+.
  - a. In the case of the sale, transfer, assignment of title or deed, or refinancing 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 the amount of AHP subsidy calculated in accordance with subsection 3(b) below unless:
    - (i) the Property was assisted with a permanent mortgage loan funded by an AHP-subsidized advance; (ii) the subsequent purchaser, transferee, or assignee is a low-, or moderate-income household, or proxy for such household, as defined in the AHP Implementation Plan (IP); (iii) the amount of the AHP subsidy that would be required to be repaid is \$2,500 or less; or (iv) following a refinancing, the Property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism as required by the Rules
  - b. In the case of a sale, transfer, assignment of title or deed, or refinancing of the Property before the end of the Retention Period, the amount of AHP subsidy the Borrower is required to repay shall be the lesser of:
    - The AHP subsidy, reduced on a pro rata basis per month until the unit is sold, transferred, or its title or deed transferred, or is refinanced, during the AHP five-year retention period; or (ii) Any Net Proceeds, as defined in the AHP IP, from the sale, transfer, or assignment of title or deed of the unit, or the refinancing, as applicable, minus the AHP-assisted Household's Investment, as defined in the AHP IP.
  - c. In the case of a foreclosure, transfer by deed-in-lieu of foreclosure, or assignment of a Federal Housing Administration 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, transfer by deed-in-lieu of foreclosure, or assignment, or death of the Borrower. Upon the death of Borrower, this Agreement terminates and there is no obligation to repay the Subsidy.
4. Repayment of HOPE Subsidy
  - a. In the case of sale, transfer, assignment of title or deed, or refinancing of the unit by a household during the retention period, the household is required to repay the HOPE subsidy, reduced on a pro

rata per month basis until the unit is sold, transferred, or its title or deed transferred, or is refinanced, during the HSP five-year retention period.

5. The Subsidy is provided to Borrower as a grant, subject to the Retention Period. There is no obligation to repay the Subsidy, except as described in this Agreement, and there shall be no interest charged on this Subsidy.
6. Borrower agrees to properly record this Agreement with respect to the Property at Borrower's expense.
7. Upon request and satisfaction of the terms required by this Agreement, FHLBank agrees to release this Agreement without charging a processing fee. Borrower agrees to record the release of this Agreement at Borrower's expense.
8. 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.
9. Borrower acknowledges FHLBank may request additional documentation to assist with finalizing any refinancing or disposition of the Property that occurs during the Retention Period. Borrower is advised to maintain documentation of the cost of any capital improvements made after the household's purchase of the unit until the time of the subsequent sale, transfer, assignment of title or deed, or refinancing; and the amount of principal on any mortgage senior to the AHP subsidy lien or other legally enforceable AHP subsidy repayment obligation repaid by the household. Borrower agrees to reasonably comply with any requests for additional documentation.
10. If any part of this Agreement is or shall be deemed violative of any applicable laws, rules or regulations, such legal invalidity shall not void this Agreement, or affect the remaining terms and provisions of this Agreement, and this Agreement shall be construed and interpreted to comport with all such laws, rules or regulations to the maximum extent possible.

**Borrower:**  
 Signature: \_\_\_\_\_  
 Printed Name: \_\_\_\_\_  
 Date: \_\_\_\_\_

**Borrower:**  
 Signature: \_\_\_\_\_  
 Printed Name: \_\_\_\_\_  
 Date: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
 COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by \_\_\_\_\_.

\_\_\_\_\_  
 Signature (Notary Public)

**(seal)**

\_\_\_\_\_  
 Typed or Printed Name  
 My Commission Expires: \_\_\_\_\_