**FOR USE IN CT, MA, ME, NH, RI, and VT**

**RIDER MUST BE ATTACHED TO MORTGAGE AND RECORDED**

**Remove this notice before executing and recording this document.**

PLEASE CONSULT LEGAL COUNSEL TO ENSURE FULL COMPLIANCE WITH RECORDING AND OTHER REQUIREMENTS OF STATE LAW. BY PROVIDING YOU WITH THIS DOCUMENT, THE FEDERAL HOME LOAN BANK OF BOSTON (FHLBank Boston OR THE BANK) IS IN NO WAY PROVIDING LEGAL ADVICE OR MAKING ANY REPRESENTATION AS TO THE EFFECTIVENESS OF THIS DOCUMENT.

**THIS DOCUMENT MUST ONLY BE ATTACHED TO THE MORTGAGE AND SECURITY AGREEMENT FOR THE PERMANENT DEBT FUNDED THROUGH THE AHP SUBSIDIZED ADVANCE.**

**REMINDER:**

**DO NOT APPLY THIS DOCUMENT TO THE MORTGAGE SECURING THE AHP DIRECT SUBSIDY (GRANT).**

Pay particular attention to the following:

1. The parties identified in this document must reflect the parties, as applicable, to the executed AHP Agreement related to this transaction.
2. If this is a leasehold transaction, please update the document appropriately.
3. No modifications are allowed without agreement of FHLBank Boston prior to execution.
4. FYI FOR LOW INCOME HOUSING TAX CREDIT INITIATIVES ONLY:
* It is FHLBank Boston’s experience that LIHTC counsel or others may have multiple questions or concerns regarding the AHP Regulation and these legal documents. Please review all questions with your Community Investment Manager well in advance of closing to avoid any delays.

For more information, contact your Community Investment Manager at FHLBank Boston.

Classification: Public

# FEDERAL HOME LOAN BANK OF BOSTONAFFORDABLE HOUSING PROGRAMSUBSIDIZED ADVANCE RIDER TO MORTGAGE

Article 1.0

For purposes of this Rider the following terms are defined as follows:

**FHLBank Boston** shall refer to the Federal Home Loan Bank of Boston
**or the Bank**

**Lender** shall refer to

 (FHLBank Boston’s member institution’s name)

**Sponsor** shall refer to

 (the sponsor developer’s name)

**Borrower** shall refer to

 (the entity’s name that owns the property subject to the Mortgage (hereinafter defined))

**Project** shall refer to (the name and address of the property subject to the Mortgage)

Article 2.0

The Lender, the Borrower and the Sponsor agree that the Project subject to the mortgage to which this Rider is attached (as amended from time to time, the “Mortgage”) is a rental project subject to the regulations that govern FHLBank Boston’s administration of the Affordable Housing Program (the “AHP”) as promulgated by the Federal Housing Finance Agency in 12 CFR Part 1291 et seq., as amended from time to time (the “AHP Regulations”), and further agree that:

1. The Project’s rental units, or the applicable portion thereof, must remain occupied by and affordable for households with incomes at or below the levels committed to be served in the Affordable Housing Program Agreement For A Rental Project between FHLBank Boston, the Lender, the Borrower and the Sponsor (as amended from time to time, the “AHP Agreement”) for the duration of the Retention Period, as defined below in Subparagraph (b) of this Article 2.0.
2. FHLBank Boston and the Lender or their respective designees shall be given thirty (30) days prior written notice of any sale, transfer, assignment of title or deed, or refinancing of the Project occurring prior to the end of the fifteen-year (15) period from the date of completion of the Project as determined by FHLBank Boston in its sole discretion (the “Retention Period”).
3. The income eligibility and affordability restrictions applicable to the Project shall terminate after any foreclosure.
4. The Borrower and the Sponsor shall pay the Lender any amount imposed as a prepayment fee imposed by FHLBank Boston in the event the Loan becomes due and payable or prepayment is made prior to its originally scheduled maturity date for any reason, including, without limitation, by reason of acceleration by FHLBank Boston or the Lender.

Article 3.0

The Lender, the Borrower and the Sponsor acknowledge that the Loan, which is secured by the Mortgage, was funded by a subsidized advance from FHLBank Boston to the Lender subject to an interest rate subsidy from FHLBank Boston (the “Interest Rate Subsidy”) and they agree to repay the Interest Rate Subsidy in accordance with the AHP Regulations, the AHP Agreement and the following requirements:

1. In the case of a sale, transfer, assignment of title or deed, or refinancing of the Project prior to the end of the Retention Period, the full amount of the Interest Rate Subsidy received from the Borrower or Sponsor, based on the Interest Rate Subsidy imputed to the subsidized advance during the period the Borrower owned the Project prior to the sale or refinancing, shall be repaid to FHLBank Boston, unless:
2. the Project continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the income-eligibility and affordability restrictions committed to in the AHP Agreement for the duration of the Retention Period; or
3. If authorized by FHLBank Boston, in its sole discretion, the 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 retention mechanism incorporating the income-eligibility and affordability restrictions committed to in the approved AHP Application for the remainder of the Retention Period.
4. In the event the Project is not used in compliance with the terms of the AHP Agreement and consistent with the requirements of the AHP Regulations, the Borrower and/or Sponsor shall be obligated to repay the Lender an amount equal to 100 percent (100%) of the Interest Rate Subsidy (plus interest, if appropriate) or an amount, as determined by FHLBank Boston in its sole discretion, unless:
5. The Borrower and/or Sponsor cures the non-compliance within a reasonable period of time, as determined by FHLBank Boston in its sole discretion; or
6. The circumstances of non-compliance are eliminated through a modification of the terms of the AHP Agreement, subject to the written consent of the Lender and FHLBank Boston;

in each case, in accordance with 12 CFR Part 1291.60(b).

Article 4.0

The Borrower and the Sponsor agree to use the Loan in accordance with the terms of the AHP Agreement and the requirements of AHP Regulations.

Article 5.0

The Borrower, the Sponsor and the Lender agree that FHLBank Boston is an intended, third party beneficiary of the Mortgage and is entitled to rely upon all rights, representations, warranties, and covenants made by the Borrower therein to the same extent as if FHLBank Boston were the mortgagee thereunder.

**Borrower**

By:

Name:

Title:

**Sponsor**

By:

Name:

Title:

**Lender**

By:

Name:

Title: