SUGGESTED FOR PROPERTY LOCATED IN MA, RI, NH, ME, AND VT

SUBJECT TO ANY ADDITIONAL STATE LAW REQUIREMENTS.

**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 THESE DOCUMENTS, THE FEDERAL HOME LOAN BANK OF BOSTON (FHLBank Boston) IS IN NO WAY PROVIDING LEGAL ADVICE OR MAKING ANY REPRESENTATION AS TO THE EFFECTIVENESS OF THE DOCUMENTS.**

**No modifications are allowed without agreement of FHLBank Boston prior to execution. The original and recorded documents should be provided to the lender and not FHLBank Boston.**

**FEDERAL HOME LOAN BANK OF BOSTON**

# Equity Builder Program SUBORDINATE MORTGAGE

THIS SUBORDINATE MORTGAGE (this “Mortgage”) for Equity Builder Program (“EBP” or the “Program”) funds is made on **«close\_date»** (the “Closing Date”) by **«borrower\_name(s)»** (the “Borrower”) residing at **«property\_address», «property\_city», «property\_state»** to **«lender\_name»** (the “Lender”), maintaining offices at **«headquarter\_street\_address», «headquarter\_city\_state\_zip»**.

WHEREAS, the Federal Home Loan Bank of Boston (the “FHLBank Boston”) is providing Program funds to the Borrower through the Lender for down-payment, counseling, or rehabilitation and/or closing costs assistance in connection with the purchase or rehabilitation of a home by the Borrower, which shall be used as the Borrower’s primary residence;

WHEREAS, the Lender has determined that the Borrower meets the definition of an eligible home buyer as defined by FHLBank Boston;

WHEREAS, the Lender has determined at the time of the Borrower’s enrollment in the Program that the Borrower had a total household income of no more than 80 percent of the median income for the area in which the Property (as defined below) is located, adjusted for family size, as defined by FHLBank Boston, and agreed upon by the Lender;

WHEREAS, FHLBank Boston and the Lender entered into the Homeownership Assistance Agreement (as amended from time to time, the “Program Agreement”) to issue funds to the Borrower through the Lender pursuant to the Program for 2025; and

WHEREAS, the Borrower is indebted to the Lender in the amount of **«EBP\_subsidy\_amount»** Dollars (the “EBP Subsidy”), which indebtedness is evidenced by the Borrower’s promissory note of even date herewith(as amended from time to time, the “Note”).

NOW THEREFORE, TO SECURE TO LENDER (a) the repayment of the indebtedness evidenced by the Note, and (b) the performance of the covenants and agreements of the Borrower herein contained, the Borrower does hereby mortgage, grant, convey, and assign to Lender the Property described below.

1. MORTGAGE AS SECURITY
2. This Mortgage secures to the Lender: (i) the repayment of the EBP Subsidy; and (ii) the performance of the Borrower’s covenants and agreements under this Mortgage and the Note. For this purpose, the Borrower does hereby mortgage, grant and convey to Lender, with Mortgage Covenants upon the Statutory Condition and, to the extent permitted by applicable law, the Statutory Power of Sale, the following described property:

County of **«property\_county»**, and State/Commonwealth of **«property\_state»**, specifically described as follows:

Property Address: **«property\_address», «property\_city», «property\_state», «property\_zip»**

Section No.: **«sect\_no»** Block No.: **«block\_no»** Lot No.: **«lot\_no»**

Which is more particularly described in the Legal Description attached hereto and made a part hereof as Exhibit A (the “Property”).

1. This Mortgage is subject and subordinate to mortgage(s) recorded against the Property dated as of the Closing Date.
2. EBP SUBSIDY

The Borrower hereby acknowledges and agrees that the EBP Subsidy represents a reduction in the Borrower’s down payment, closing, counseling, or rehabilitation costs for the acquisition or rehabilitation of the Property, and that the Property will be used as the Borrower’s primary residence. Provided repayment by the Borrower is not triggered pursuant to the terms of Section 4 hereof, the EBP Subsidy will be forgiven at the end of the Retention Period and no payment will be due on the EBP Subsidy. As used in this Mortgage, “Retention Period” shall mean the period from the Closing Date through five (5) years from the Closing Date.

1. NOTICE OF A SALE, TRANSFER, ASSIGNMENT OF TITLE OR DEED, OR REFINANCING

The Borrower hereby agrees that the Lender, FHLBank Boston and, in FHLBank Boston’s discretion, its designee, shall be given thirty (30) days prior written notice of any sale, transfer, assignment of title or deed, or refinancing of the Property during the Retention Period.

All notices and other communications shall be mailed, sent by facsimile transmission (with confirmation copy), served personally on a party at the address indicated below, or at such other address as shall be designated by a party by future written notice to the other parties, or sent by electronic mail (“email”) with notice by one of the other delivery methods set forth in this section to promptly follow. Notice sent by facsimile transmission shall be effective on the date transmitted; notice sent by personal service shall be effective on the date of delivery; notice sent by U. S. mail shall be effective three (3) business days after such communication is deposited in the mail with first class postage prepaid, addressed as aforesaid, and notice sent by email shall be effective upon the recipient’s confirmation of receipt.

Notice to FHLBank Boston shall be sent to the following address, or such other location that becomes FHLBank Boston’s primary place of business (provided that FHLBank Boston shall notify the parties in writing prior to such change):

Federal Home Loan Bank of Boston  
800 Boylston Street 6th floor  
Boston, MA 02199  
Attention: Housing and Community Investment Department

1-800-357-3452 (Option 5)

Email: [housing@fhlbboston.com](mailto:housing@fhlbboston.com)

Notice to the Lender shall be sent to:

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

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

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

Email:

1. REPAYMENT OBLIGATION

In the case of a sale, transfer, assignment of title or deed, or the refinancing prior to the end of the Retention Period, the Borrower agrees to repay to FHLBank Boston the lesser of: (x) the EBP Subsidy, reduced on a pro rata basis per month or days (in favor of Borrower) for the period the Property is owned, and (y) any net proceeds from the sale, transfer, or assignment of title or deed of the unit, or the refinancing, as applicable, minus the EBP-assisted household’s investment, unless one of the following conditions apply:

1. The subsequent purchaser, transferee, or assignee is a low- or moderate-income household, as defined by the Federal Housing Finance Agency’s (FHFA) Affordable Housing Program Regulations 12 C.F.R. Part 1291 et seq. (as amended from time to time, the “AHP Regulations”). Neither FHLBank Boston nor its designee is required to request or obtain the subsequent purchaser’s income. The subsequent purchaser, transferee, or assignee does not have any obligation to provide any income documentation; however, if FHLBank Boston or its designee has documentation demonstrating the subsequent purchaser’s actual income, FHLBank Boston may not apply the value limits proxy or any other proxy to determine subsequent purchaser’s income. When the subsequent purchaser’s, transferee’s, or assignee’s actual income documentation is not available, the Lender and FHLBank Boston shall determine that the subsequent purchaser, transferee, or assignee is a low- or moderate-income household, as defined by the AHP Regulation, by using the HUD Home Investment Partnership Program (HOME) and the Housing Trust Fund (HTF) value limits of the subject property’s location (the “proxy”). The limits are posted annually on the HUD website and will be available on the FHFA website. FHLBank Boston will confirm the subject property address against the HOME and HTF value limits prior to the sale, determining whether the repayment process will need to be fully executed.
2. Following a refinancing, the Property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the covenants set forth in Sections 2, 3, and 4 contained herein and subject to the consent of FHLBank Boston; or
3. The amount of EBP Subsidy that would be required to be repaid in accordance with the calculation in this Section 4 is $2,500 or less.

The Lender shall be entitled to collect the portion of the EBP Subsidy owed by the Borrower as determined by this Section 4 by taking the following actions:

1. The Lender shall give notice to the Borrower following the Borrower’s breach of any covenant or agreement in this Mortgage, specifying the nature of said breach and the action and time within which to cure the default.
2. If the default is not cured on or before the date specified in the notice, the Lender, at its option and in its sole discretion, may require immediate payment of all sums secured by this Mortgage without further demand and may invoke any remedies permitted by applicable law. The Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided herein including but not limited to, reasonable attorney’s fees and costs of title evidence. If the Lender invokes the STATUTORY POWER OF SALE, the Lender shall provide notices in the manner prescribed by applicable law.

Additional information is available at [www.fhlbboston.com](http://www.fhlbboston.com) under Equity Builder Program or by contacting FHLBank Boston at the phone number listed in Section 3 of this Mortgage.

1. THIRD PARTY BENEFICIARY

The Borrower agrees that FHLBank Boston is an intended, third-party beneficiary of this Mortgage and is entitled to rely upon all rights, representations, warranties, and covenants made by the Borrower herein to the same extent as if FHLBank Boston were the Lender hereunder.

1. REPORTING REQUIREMENTS

FHLBank Boston has established policies and is committed to implementing and maintaining processes and controls to discover and report suspicious activity, including, but not limited to, fraud and money laundering. The Borrower and Lender are each expected to support FHLBank Boston's efforts in identifying suspicious activity by immediately providing written notification of any suspicious activity in relation to their dealings with FHLBank Boston. Should the Borrower or Lender believe there is suspicious activity related to a FHLBank Boston business transaction, such party must notify FHLBank Boston immediately. The Borrower and Lender will also provide FHLBank Boston with all information, documentation and assistance reasonably requested by FHLBank Boston in response to FHLBank Boston’s receipt of any such notice from the Borrower or Lender.

1. MISCELLANEOUS
2. The Borrower acknowledges and agrees that the EBP Subsidy is subject to the terms and conditions of this Mortgage, the Note, the Program Agreement, and the AHP Regulations.
3. The Borrower agrees to the terms and conditions of this Mortgage and certifies that its representations contained in its Program application are true and accurate as of the date hereof.
4. The Borrower agrees to be responsible for all tax issues (including, but not limited to, reporting and payment) arising from receipt of the funds secured hereunder.
5. To the extent the Lender and the Borrower have entered into any other agreements pertaining to the Property, the terms of such agreements remain in full force and effect, provided *however,* in the event of any conflict between such agreements and this Mortgage, unless otherwise expressly provided in this Mortgage, the terms of this Mortgage shall prevail.
6. The Borrower acknowledges receipt of a true copy of this Mortgage.
7. This Mortgage shall be governed by the laws of the United States and, to the extent federal law incorporates or defers to state law, the law of the State/Commonwealth where the Property is located (excluding, however, the conflict of law rules of such State/Commonwealth).
8. In the event that any portion of this Mortgage conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage that can be given effect without the conflicting provision, and to this end the provisions of this Mortgage are declared to be severable.
9. The Borrower’s obligations hereunder shall terminate: (I) after any foreclosure, transfer by deed-in-lieu of foreclosure, or assignment of a Federal Housing Administration first mortgage to HUD, or (II) upon the death of the EBP-assisted homeowner.
10. This Mortgage shall inure to the benefit of the successors and assigns of the Lender and FHLBank Boston.
11. This Mortgage may not be changed orally but may be changed only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

[SIGNATURES ON NEXT PAGE.]

IN WITNESS WHEREOF, the undersigned Borrower executes this Mortgage on the day and year first above written:

WITNESS:

Borrower

Borrower

**[FOR MA]**

COMMONWEALTH OF MASSACHUSETTS

, ss.

On this day of 20 , before me, the undersigned notary public, personally appeared , of , proved to me through satisfactory evidence of identification, which was [check one]: photo identification; credible witness; or personal knowledge, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she/they signed it voluntarily for its stated purpose.

Notary Public

My commission expires:

Corporate Seal

**[FOR ME, NH, RI, AND VT]**

STATE OF, COUNTY OF ss.:

On **«close\_date»,** before me, the undersigned, a Notary Public in and for said State, personally appeared **«borw\_list»**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in her/his/their capacity, and that by his/her/their signature on the instrument, the individual(s) or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

My Commission Expires:

EXHIBIT A  
  
LEGAL DESCRIPTION