



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

**MEMBER INSTITUTIONS ARE REQUIRED TO REVIEW AND CONFORM THE ATTACHED DOCUMENT TO SATISFY THE LEGAL REQUIREMENTS OF THE JURISDICTION IN WHICH THE AHP-ASSISTED UNIT IS LOCATED.**

**THE FEDERAL HOME LOAN BANK OF ATLANTA STRONGLY SUGGESTS THAT MEMBERS CONSULT LEGAL COUNSEL TO ENSURE FULL COMPLIANCE WITH RECORDING AND OTHER REQUIREMENTS OF ALL APPLICABLE LAWS. BY PROVIDING YOU WITH THESE DOCUMENTS, THE FEDERAL HOME LOAN BANK OF ATLANTA IS IN NO WAY PROVIDING LEGAL ADVICE OR MAKING ANY REPRESENTATION AS TO THE EFFECTIVENESS OF THE DOCUMENTS.**

**NO MODIFICATIONS TO THE SUBSTANTIVE PROVISIONS OF THESE DOCUMENTS ARE ALLOWED WITHOUT THE PRIOR WRITTEN AGREEMENT OF FHLBANK ATLANTA.**

**REQUIREMENTS LISTED HEREIN ARE FOR HOMEOWNERSHIP UNITS CLOSED WITH FHLBANK ATLANTA AHP HOMEOWNERSHIP SET-ASIDE FUNDS.**

**FEDERAL HOME LOAN BANK OF ATLANTA**  
**Affordable Housing Program – Owner-Occupied**

**NOTE**

**DATE:** «close\_date»

For value received,

«Borrower\_name(s)»

(hereinafter referred to as the “Borrower”), residing at

«property\_address», «property\_city», «property\_state»

(the “AHP-Assisted Unit”) promises to pay to the order of

«lender\_name»

(hereinafter referred to as the “Lender”), maintaining offices at

«headquarters\_street\_address», «headquarters\_city\_state\_zip»,

the AHP Subsidy of «AHP\_subsidy» Dollars (the “AHP Subsidy”) in lawful money of the United States of America.

**1. PAYMENTS**

The Borrower shall make all payments hereunder at such address as the Lender may provide the Borrower.

**2. BORROWER’S ACKNOWLEDGMENTS AND AGREEMENTS**

- A. The Borrower hereby agrees that the Lender and the Federal Home Loan Bank of Atlanta (“*FHLBank Atlanta*”) or its designee shall be given thirty (30) days prior written notice of a sale, refinancing, or transfer of the AHP-Assisted Unit (as defined in that certain **Subordinate Mortgage**, of even date herewith, executed by Borrower in favor of Lender (as amended from time to time, the “*Security Agreement*”) that secures this Note during the five-year term of this Note (such five-year period, the “*Retention Period*”).
- B. This Note implements requirements applicable to assistance furnished for the benefit of the Borrower to the Lender under FHLBank Atlanta’s Affordable Housing Program (“*AHP*”) as provided in the Affordable Housing Program Implementation Plan (as the same may be modified from time to time, the “*Implementation Plan*”), and AHP policies, procedures, guidelines, and instructions covering, among other things, feasibility, funding, monitoring and modifying affordable housing projects participating in FHLBank Atlanta’s AHP (together with the Implementation Plan, collectively, as the same may be modified from time to time, “*FHLBank Atlanta’s AHP Policies and Procedures*”; and together with the Federal Housing Finance Agency’s Affordable Housing Program Regulations 12 CFR Part 1291 et seq., as may be amended from time to time, the “*AHP Regulations*,” collectively, “*AHP Requirements*”).
- C. This Note, the Security Agreement, and any related documents to which the Borrower is a party have been or will be duly executed and delivered and are, or upon execution will be,

valid and legally binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms.

- D. The consummation of the transactions contemplated hereby and the execution, delivery and performance of this Note, the Security Agreement and any related documents by the Borrower will not violate or constitute or result in a material breach of or a default under any agreement, mortgage, deed of trust, lease, loan or security agreement, or any other instrument to which the Borrower is a party or by which it may be bound or affected.

### **3. REPAYMENT OBLIGATION PRIOR TO END OF RETENTION PERIOD.**

- A. The Borrower agrees that the AHP Subsidy will only be used for the purpose approved by FHLBank Atlanta under the AHP for the purchase of a home by the Borrower, which will be used as Borrower's primary residence.
- B. In the event of a sale or refinancing of the AHP-Assisted Unit prior to the end of the Retention Period, an amount equal to a pro rata share of the AHP Subsidy, reduced for every month the Borrower has owned the AHP-Assisted Unit, shall be repaid to FHLBank Atlanta from any net proceeds realized upon the sale or refinancing of the AHP-Assisted Unit unless:

(A) The AHP-Assisted Unit was assisted with a permanent mortgage loan funded by an AHP subsidized advance;

(B) The subsequent purchaser, transferee, or assignee is a low- or moderate-income household, as determined by FHLBank Atlanta. FHLBank Atlanta or its designee shall determine the household's income using one or more proxies that are reliable indicators of the subsequent purchaser's income, pursuant to applicable Finance Agency guidance, unless documentation demonstrating that household's actual income is available. FHLBank Atlanta and the Lender are not required to request or obtain such documentation, but must use it in lieu of a proxy if available;

(C) The amount of the AHP Subsidy that would be required to be repaid in accordance with the calculation in paragraph (a)(7)(v) of Section 1291.15 of the AHP Regulations is \$2,500 or less; or

(D) Following a refinancing, the AHP-Assisted Unit continues to be subject to a satisfactory and legally enforceable retention agreement or mechanism described in Section 1291.15(a)(7) of the AHP Regulations.

### **4. FORGIVENESS AT END OF RETENTION PERIOD.**

The Borrower hereby acknowledges and understands that the AHP Subsidy represents a reduction in the Borrower's purchase costs for the AHP-Assisted Unit, which shall be used as the Borrower's primary residence. The AHP Subsidy will be forgiven at the end of the Retention Period and no payment will be due on the AHP Subsidy or interest, if applicable.

## **5. CHANGES IN TERMS**

This Note 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.

## **6. APPLICABLE LAW**

This Note shall be governed by the laws of the United States and, to the extent federal law incorporates or defers to state law, the laws of the State where the AHP-Assisted Unit is located (excluding, however, the conflict of laws rules of such State). In the event that any portion of this Note conflicts with applicable law, such conflict shall not affect other provisions of this Note that can be given effect without the conflicting provision.

## **7. THIRD PARTY BENEFICIARY**

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

## **8. WAIVERS**

All parties to this Note, whether maker, principal, surety, guarantor, or endorser, hereby waive demand, notice, and protest.

## **9. SUCCESSORS AND ASSIGNS**

This Note shall be binding upon and inure to the benefit of the successors and permitted assigns of the Lender, the Borrower, and FHLBank Atlanta.

## **10. NOTICES**

All notices and other communications shall be in writing and mailed or sent by a nationally recognized overnight carrier, sent by facsimile transmission (with confirmation copy), or 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. 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 notice is deposited in the mail with first class postage prepaid, addressed as aforesaid; and notice sent by overnight carrier shall be effective the day following delivery to said carrier.

Federal Home Loan Bank of Atlanta  
1475 Peachtree Street, NE, Atlanta, Georgia 30309  
Attn: Community Investment Services

### **LENDER Contact and Address**

**11. CONFLICT**

To the extent the Lender and the Borrower have entered into any other agreements pertaining to the AHP-Assisted Unit, the terms of such agreements remain in full force and effect, provided *however*, in the event of any conflict between such agreements and this Note, unless otherwise expressly provided in this Note, the terms of this Note shall prevail.

**12. JOINT AND SEVERAL OBLIGATION**

If more than one person constitutes the Borrower, their obligations under this Note shall be joint and several, and references in this Note to “Borrower” shall be deemed to refer to each of such persons.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the date and year above set forth.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Borrower