Real Estate Retention Agreement

Affordable Housing Program

Grant Award

**(****Homeownership)**

AHP Project No.:

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

“FHLBI” or “the Bank” shall refer to the Federal Home Loan Bank of Indianapolis.

“Member” shall refer to**,** (The Bank’s Member institution), located at .

“Borrower(s)” shall refer to.

For and in consideration of receiving direct subsidy funds (the “Subsidy”) in an amount not to exceed $  under the Affordable Housing Program (“AHP”) of the Bank through the Member, with respect to that certain real property located at, in the city/town of, County of, State of, which is more fully described as follows, or as attached hereto as *Exhibit A* and made a part hereof.

Borrower(s) hereby agree that they shall maintain ownership and reside in this property as their primary residence for a period of five (5) years (“Retention Period”) from the date of closing and further agrees with the Member that:

1. The FHLBI, whose mailing address is 8250 Woodfield Crossing, Indianapolis, Indiana 46240, Attention: Community Investment Division, is to be given immediate written notice of any sale or refinancing of this property occurring prior to the end of the Retention Period;
2. In the case of a sale, transfer, or assignment of the title/deed prior to the end of the Retention Period, an amount calculated by the Bank, equal to the lesser of: (a) the Subsidy, reduced on a pro rata basis per month until the unit is sold, transferred, or its title or deed transferred, during the Retention Period; or (b) any net proceeds from the sale, transfer, or assignment of title or dee of the unit, minus the AHP-assisted household’s investment, shall be repaid to the Member for reimbursement to the Bank, unless 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, the unit was assisted with a permanent mortgage loan funded by a AHP subsidized advance and not a direct subsidy, or the amount of Subsidy required to be repaid pursuant to this paragraph is $2,500 or less. For purposes of determining whether a subsequent sale, transfer or assignment of the unit is to a purchaser that qualifies as a very low, low-, or moderate-income household, the Bank shall determine the purchaser’s income using one or more proxies that are reliable indicators of the subsequent purchaser’s income, and which shall be selected by the Bank prior to such determination and stated in the Bank’s AHP Implementation Plan, unless documentation demonstrating that household’s actual income is made available to the Bank;
3. In the case of a refinancing prior to the end of the Retention Period, an amount equal to the lesser of: (a) the Subsidy, reduced on a pro rata basis per month until the unit is refinanced, during the Retention Period; or (b) any net proceeds from the refinancing of the unit, minus the AHP-assisted household’s investment, shall be repaid to the Member for reimbursement to the Bank, unless the property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, incorporating the requirements of clauses (i), (ii), (iii) and (iv) contained herein, or the unit was assisted with a permanent mortgage loan funded by a AHP subsidized advance, or the amount of Subsidy required to be repaid pursuant to this paragraph is $2,500 or less; and
4. In the case of a foreclosure, the obligation to repay the Subsidy to the Member (and the Member to the Bank) shall terminate upon final settlement, once foreclosure action is completed. Otherwise, the covenants contained herein shall continue until release by the Member in writing or the expiration of the Retention Period, whichever should first occur.
5. Upon the death of the AHP-assisted sole owner, or owners in the case of multiple title holders, the AHP Retention Agreement terminates and there is no obligation to repay the AHP Subsidy.

IN WITNESS WHEREOF, the Borrower(s) and the Member, by its duly authorized representative, have executed this Agreement as of this  day of,.

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Witness: |  | Borrower: |
|  |  |  |
| Witness: |  | Borrower: |

State of ()

) SS:

County of ()

The foregoing instrument was acknowledged before me this  day of**,** by.

|  |  |  |  |
| --- | --- | --- | --- |
| My Commission Expires: |  |  |  |
|  | |  | Notary Public |
| My County of Residence: |  |  |  |
|  |  |  | (Printed) |

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | | |
| (Member) |  | | |
|  |  | By: |  |
| (Witness) |  |  | (Member Representative) |
|  |  |  |  |
| (Printed Name Witness) |  |  | (Printed Name and Title of Member) |

State of ()

) SS:

County of ()

The foregoing instrument was acknowledged before me this  day of**,** by.

|  |  |  |  |
| --- | --- | --- | --- |
| My Commission Expires: |  |  |  |
|  | |  | Notary Public |
| My County of Residence: |  |  |  |
|  |  |  | (Printed) |

|  |  |
| --- | --- |
| This Instrument prepared by  (Upon recording, to be returned to) |  |
| Attorney at Law |
|  |
|  |
|  |
| (Mailing Address) |

|  |  |
| --- | --- |
| I affirm, under the penalties for perjury, that I have taken reasonable care to redact each social security number in the document, unless required by law.  (Required in Indiana only) |  |
| (Member Representative) |
|  |
| (Printed Name and Title) |
|  |

Rev. 9/2020