



## DOWN PAYMENT ASSISTANCE FORGIVABLE LOAN PROGRAM

### GRANT AGREEMENT FIVE (5) YEAR RETENTION PERIOD

**Grantor (Lender):**  
**Grantee (Borrower):**  
**(Co-Borrower):**  
**Grant Amount: \$**  
**Property Address:**

This Agreement is executed by and between the above Grantor and Grantee.

#### WITNESSETH:

WHEREAS, Grantor is herewith making a first mortgage loan to Grantee to assist the Grantee to purchase a parcel of real estate more particularly described in the mortgage and located at the address shown above ("Property"); and

WHEREAS, to assist Grantee with the closing costs, homeownership counseling and/or down payment requirements associated with said loan, Grantor is advancing funds to Grantee under the terms of the HOME Consortium DPA Forgivable Loan Program; and

WHEREAS, under the terms of said program Grantee's receipt of the funds is conditioned on Grantee's agreement to restrictions on Grantee's ability to sell or refinance the Property, for the purpose of ensuring that the funds are used for the purchase of housing which is retained as Affordable Housing for at least five (5) years from the closing ("Retention Period"); and

WHEREAS, the parties intended to set forth the terms of Grantee's entitlement to such funds and corresponding obligation to reimburse Grantor for said funds in this Agreement.

NOW THEREFORE, in consideration of such grant the parties do agree as follows:

1. Grantor shall advance to Grantee the amount shown above ("Grant"), which amount shall be used to fund closing costs, homeownership counseling and/or down payment associated with the first mortgage loan being made by Grantor to Grantee.
2. Such Grant shall be deemed a grant to Grantee and shall not be considered a loan or extension of credit. Such Grant may be retained by Grantee without any obligation to repay such funds except as specifically provided in this Agreement.
3. Grantor or the HOME Consortium must be notified of any sale or refinancing of the Property that occurs prior to the end of the Retention Period.
4. Grantee shall be entitled to retain such funds provided the Grantee remains in both ownership and occupancy of the mortgaged premises for a period of five (5) years. In the event the Grantee terminates either ownership or occupancy of the premises within five (5) years, Grantee shall be required to reimburse the HOME Consortium an amount equal to the grant amount less a deduction equal to twenty percent (20%) thereof for each full year Grantee has owned and resided in the mortgaged premises, commencing on the date of the grant.

5. If Grantee sells the Property, Grantee is not required to repay an amount exceeding the net proceeds realized on the sale. Net proceeds are defined as the sales price minus closing costs and any non-HOME loan repayments. Net proceeds will be computed by Grantor based upon its review of the appropriate Closing Disclosures for the purchase and sale of the mortgage Property.
6. If Grantee refinances and the Property remains subject to the encumbrance created by this Agreement, then Grantee shall not be required to repay any portion of the Grant.
7. The obligations to repay this Grant shall terminate after the Property is foreclosed upon.
8. The term Grantee shall include all Grantees whether one or more, and the provisions hereof for reimbursement shall not apply as long as any named Grantee continues to both own and occupy the premises.
9. This obligation for repayment shall be secured by a mortgage executed by Grantee herewith, which is subordinate to the underlying first mortgage to Grantor.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

Grantor (Lender) \_\_\_\_\_

Grantee (Borrower) \_\_\_\_\_

Grantee (Co-Borrower) \_\_\_\_\_