

**MORTGAGE**

**Document Number:** \_\_\_\_\_

**Return Address:** \_\_\_\_\_

\_\_\_\_\_

**Parcel I.D. Number:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Mortgagor:** \_\_\_\_\_

**Mortgagee:** \_\_\_\_\_

**Mortgage Amount:** \$ \_\_\_\_\_

Mortgagor(s) mortgage(s) to Mortgagee, for the consideration in the amount shown above, the following tract of land:

This mortgage is granted by Mortgagor(s) to secure a grant agreement executed herewith and the terms thereof are incorporated herein.

In the event of foreclosure, Mortgagee shall be entitled to elect to proceed under the accelerated redemption periods of Sections 846.101 or 103, Wisconsin Statutes.

In Witness Whereof, the said Mortgagor(s) have hereunto set their hands and seals the above date.

\_\_\_\_\_  
(Seal)  
**Mortgagor**

\_\_\_\_\_  
(Seal)  
**Mortgagor**

STATE OF WISCONSIN )

:SS.

\_\_\_\_\_ COUNTY)

Personally came before me this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the above-named \_\_\_\_\_ to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.

\_\_\_\_\_  
**Notary Public**  
\_\_\_\_\_ County, Wisconsin

My commission expires: \_\_\_\_\_

This instrument was drafted by:

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

**Grantor: (Member Institution)** \_\_\_\_\_  
**Grantee: (Borrower)** \_\_\_\_\_  
**(Co-Borrower)** \_\_\_\_\_  
**Grant Amount: \$** \_\_\_\_\_  
**Mortgage Premises:** \_\_\_\_\_

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

WITNESSETH:

**WHEREAS**, Grantor is herewith making a loan to Grantee to assist Grantee to purchase or renovate 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 costs associated with said Property, Grantor is advancing funds to Grantee under the terms of the Federal Home Loan Bank of Chicago’s Affordable Housing Program; and

**WHEREAS**, under the terms of said program Grantee’s receipt of the funds are conditioned on Grantee’s agreement to restrictions on Grantee’s ability to sell or refinance the Property for at least five (5) years from: (i) the closing , or (ii) in cases where the funds finance only renovation costs to the property, the date this Agreement is executed (“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 costs associated with the purchase or renovation of the Property.
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. Grantee must notify Grantor and the Federal Home Loan Bank of Chicago (“FHLBC”) of any sale or refinancing of the Property that occurs prior to the end of the Retention Period.

Grantee shall be entitled to retain the Grant provided Grantee retains ownership of the Property for a period of five (5) years. Except as set forth herein, if Grantee sells or refinances the Property, resulting in a net gain, prior to the end of the Retention Period, Grantee must repay to Grantor all or a portion of the Grant, determined as follows: an amount equal to the Grant, less a deduction equal to 1/60<sup>th</sup> thereof for each full month Grantee has owned the Property, commencing with the date of closing.

4. If Grantee sells or refinances the Property prior to the end of the Retention Period, Grantee is not required to repay an amount exceeding the net gain realized on the sale or refinancing, as defined by

the FHLBC's repayment policy at the time of sale or refinancing of the Property. Net gain will be computed by Grantor based upon its review of the appropriate H.U.D. Settlement Statements for the purchase and sale of the Property or loan documents for the refinancing of the Property.

5. If Grantee sells the Property to a person or family whose income meets the eligibility requirements for participation in the Affordable Housing Program, then Grantee shall not be required to repay any portion of the Grant.

6. If Grantee refinances and the Property remains subject to the encumbrance created by this Agreement, or another legally enforceable retention agreement or mechanism as permitted under the Affordable Housing Program, then Grantee shall not be required to repay any portion of the Grant.

7. If Grantee sells or refinances the Property, and such Property was assisted with a permanent mortgage loan funded by an Affordable Housing Program subsidy advance, the obligations to repay this Grant shall terminate.

8. The obligations to repay this Grant shall terminate if the Property is foreclosed upon or conveyed by deed in lieu of foreclosure, or if the FHA-insured first mortgage on the Property is assigned to the Secretary of the U.S. Department of Housing and Urban Development.

9. The term Grantee shall include all Grantees, whether one or more, and the provisions hereof for repayment shall not apply as long as any named Grantee continues to own the Property.

Grantee agrees to provide Grantor all and any information that Grantor or the FHLBC deems to be necessary to release Grantee from its repayment obligations as defined in this Agreement.

10. 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** \_\_\_\_\_

**Grantee** \_\_\_\_\_

**Grantee** \_\_\_\_\_