

**Community Homeownership Impact Fund (Impact Fund)**  
**MORTGAGE NOTE (for Borrowers receiving owner-occupied rehabilitation assistance, or**  
**Affordability Gap with an underlying RD, VA, or conventional first mortgage)**

Amount \$ \_\_\_\_\_ Impact Fund Agreement # \_\_\_\_\_

Date: \_\_\_\_\_, Minnesota  
(City)

Property Address:

Minnesota

(Address)

(City)

(Zip Code)

**FOR VALUE RECEIVED**, the undersigned (hereinafter cumulatively referred to as the "Maker") jointly and severally agree to pay to the order of \_\_\_\_\_ (hereinafter referred to along with its successors and assigns as "Impact Fund Lender"), whose address is \_\_\_\_\_, Minnesota \_\_\_\_\_, the amount of \$ \_\_\_\_\_ in accordance with the repayment provisions contained in Section 2 herein, which such amount shall bear interest at the rate of 0% simple interest per annum until the Maturity Date, as such term is defined hereinbelow, and from and after such date at the lesser of 18% or the highest interest rate allowed by law in the State of Minnesota.

**1. DEFINITIONS.** Unless the context clearly indicates otherwise, the following terms shall have the meanings set forth below:

**Impact Fund Lender** means that entity referred to as Impact Fund Lender in the first paragraph of this Impact Fund Mortgage Note, its successors and assigns, or any subsequent holder of this Impact Fund Mortgage Note.

**Impact Fund Loan** means the loan from Impact Fund Lender to Maker that is evidenced by this Impact Fund Mortgage Note.

**Impact Fund Mortgage** means that certain Impact Fund Mortgage of even date herewith from Maker to Impact Fund Lender securing the repayment of this Impact Fund Mortgage Note.

**Impact Fund Mortgage Note** means this Impact Fund Mortgage Note, as such may be amended, modified, or restated from time to time.

**Event of Default** means those events delineated in Section 4 below.

**Maker** means all of the undersigned.

**Maturity Date** means the earliest to occur of one or more of the following dates.

(i) The date on which the Property ceases to be Maker's principal place of residence.

(ii) The date on which a Transfer occurs.

(iii) The date of repayment of the first mortgage, if co-terminus with this Impact Fund Mortgage Note.

(iv) The date of occurrence of an Event of Default.

(v) The date that is 30 years from the date of this Impact Fund Mortgage Note.

**Property** means the real estate that is referred to in the Impact Fund Mortgage and located at the property address specified hereinabove in the State of Minnesota, and all improvements situated thereon.

**Transfer** means a sale or transfer of all or any part of Maker's ownership interest in the Property, whether by lease, deed, contract for deed, or otherwise, whether for consideration or by gift, or in the event of death or otherwise, and whether voluntarily, involuntarily or by operation of law. Provided, however, the following events shall not be considered to be such a sale or transfer:

(i) A sale or transfer of any interest from one joint tenant or tenant in common to another joint tenant or tenant in common if the transferee agrees to assume all of the obligations of the transferor under this Impact Fund Mortgage Note and the Impact Fund Mortgage and executes whatever documents Impact Fund Lender may require in order to accomplish such assumption;

(ii) A sale or transfer that has been consented to, in writing, by Impact Fund Lender;

(iii) A taking by eminent domain of a portion of the Property that does not materially affect Maker's continued use of the Property as Maker's principal place of residence;

(iv) The creation of a lien or encumbrance to which Impact Fund Lender has consented to, in writing;

(v) The creation of a purchase money security interest for personal property that will be situated and maintained on the Property; or

(vi) Any transfer that is required by law.

## 2. **PAYMENT AND PREPAYMENT.**

2.1 The total and outstanding unpaid principal balance of this Impact Fund Mortgage Note shall become due and payable in a single lump sum payment on the Maturity Date. All of the payments required hereunder shall be made to Impact Fund Lender at its address shown hereinabove, or at such other place as Impact Fund Lender may direct in writing.

2.2 This Impact Fund Mortgage Note may be prepaid in full or in part at any time without penalty.

3. **MAKER'S REPRESENTATIONS AND WARRANTIES.** To induce Impact Fund Lender to make the mortgage loan evidenced by this Impact Fund Mortgage Note, Maker hereby makes the following representation and provides the following warranties to Impact Fund Lender.

3.1 Maker will be the record owner of the Property.

3.2 Maker will occupy the Property as their primary and permanent residence.

3.3 The facts provided by Maker to Impact Fund Lender in connection with its application for the Impact Fund Loan are all true and correct as of the date hereof.

3.4 Maker will cooperate fully with Impact Fund Lender in obtaining and furnishing all information with respect to Maker's qualification for the Impact Fund Loan as Impact Fund Lender may reasonably request, and will further enter into and execute any and all documents needed to further document and secure the repayment of the Impact Fund Loan as Impact Fund Lender may reasonably request.

4. **EVENTS OF DEFAULT.** The occurrence of any one or more of the following events shall be an Event of Default under this Impact Fund Mortgage Note that will allow Impact Fund Lender to accelerate the repayment of the Impact Fund Loan.

4.1 Any information or data that Maker provided to Impact Fund Lender in order to qualify for the Impact Fund Loan is false or misleading in any material respect.

4.2 Any representation made by Maker hereunder or in the Impact Fund Mortgage is incorrect, or is misleading in any material respect.

4.3 Maker fails to comply with any term, condition, requirement, provision, warranty or covenant contained herein or in the Impact Fund Mortgage.

5. **MISCELLANEOUS.**

5.1 The repayment of the obligation evidenced by this Impact Fund Mortgage Note is secured by the Impact Fund Mortgage and is the Impact Fund Mortgage Note referred to therein. All of the terms and conditions of the Impact Fund Mortgage are incorporated herein by reference and are hereby made a part of this instrument to the same extent as if fully set forth herein.

5.2 Maker and all others who may become liable under this Impact Fund Mortgage Note agree hereby to be jointly and severally bound and jointly and severally waive demand, protest, notice of nonpayment and any and all lack of diligence or delays in collection or enforcement hereof, and specifically consent to any extension of time, or release of any party liable hereunder, including any maker, or acceptance of other security therefore. Any such extension or release

may be made without notice to said party and without in any way affecting the liability of such party.

5.3 If any payment due under this Impact Fund Mortgage Note is not paid when due, and this Impact Fund Mortgage Note is placed in the hands of any attorney or attorneys for collection or foreclosure of the Impact Fund Mortgage or enforcement of any other security instrument securing payment hereof, Maker promises to pay, in addition to the amount due hereon, the reasonable costs and expenses of collection of the amounts due hereunder and the foreclosure of the Impact Fund Mortgage (including attorneys' fees), and all such costs and expenses shall be secured by the Impact Fund Mortgage.

5.4 This Impact Fund Mortgage Note is not assumable.

5.5 No failure or delay by Impact Fund Lender to exercise any right or remedy under this Impact Fund Mortgage Note shall waive such right or remedy.

5.6 Any notice that must be given under this Impact Fund Mortgage Note shall be given by delivering or mailing, by certified mail, such notice to the address shown above for Impact Fund Lender and to the Property Address shown above for Maker, or such other address as IMPACT FUND Lender or Maker may designate in writing.

5.7 This Impact Fund Mortgage Note shall be construed and enforced according to the laws of the State of Minnesota.

5.8 This Impact Fund Mortgage Note shall be binding upon and shall extend to the parties hereto and their respective successors and permitted assigns.

5.9 Maker acknowledges receipt of a copy of this Impact Fund Mortgage Note.

**IN WITNESS WHEREOF**, Maker has caused this Impact Fund Mortgage Note to be executed as of the day and year first above written.

**Maker(s):**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Type name of Borrower)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Type name of Borrower)

Pay to the order of  
**Minnesota Housing Finance Agency**  
without recourse

IMPACT FUND Program Administrator

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Authorized Signature

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Title

**TIL and NMLSR ID**

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Loan Originator Company Name

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Loan Originator Individual Name  
(as name appears on NMLSR)

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Loan Originator Company NMLSR ID

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Loan Originator Individual NMLSR ID (if  
applicable)