

**HOME Homeowner Entry Loan Program ("HOME HELP")  
Downpayment Assistance Program  
MORTGAGE NOTE**

Date: \_\_\_\_\_ Maturity Date: \_\_\_\_\_

HOME HELP Downpayment Assistance:  \$5,000  \$10,000  \$14,999

**BORROWER NAME**

\_\_\_\_\_  
**Last** **First** **MI**

**CO-BORROWER NAME**

\_\_\_\_\_  
**Last** **First** **MI**

The above listed borrower and co-borrower, if any, are cumulatively referred to in this Mortgage Note as the "Borrower."

**PROPERTY ADDRESS**

\_\_\_\_\_  
**Street** **City**

\_\_\_\_\_  
**County** **Zip**

The land at the above listed address along with the residential dwelling unit currently located thereon or to be constructed thereon is cumulatively referred to in this Mortgage Note as the "Property."

For Value Received, Borrower agrees to pay  
\_\_\_\_\_  
(Lender) the principal sum of

(\_\_\_\_\_) (the "Principal Amount") with simple interest at the rate of zero percent (0%) per annum.

1. Security.

1.1. This Mortgage Note is secured by that certain HOME HELP Downpayment Assistance Program Mortgage of even date herewith entered into and issued by Borrower in favor of Lender, as such may be

amended, modified, restated, or replaced from time to time (cumulatively the "Mortgage"). All of the terms, covenants, conditions, provisions and agreements of the Mortgage are hereby made a part of this instrument of the same extent and with the same force and effect as if fully set forth herein.

2. Reduction in Principal Amount.

2.1. The Principal Amount of the loan for five (5) years after the date of this Mortgage Note shall be one hundred percent (100%) of the amount borrowed. The Principal Amount shall be reduced to thirty percent (30%) of the amount borrowed after the fifth anniversary of this Mortgage Note. Borrower is advised that such forgiveness of the Loan may have adverse tax consequences and therefore, Borrower may wish to consult an attorney or tax advisor regarding this matter.

3. Payment.

3.1. Upon the occurrence of an Event of Default under the Mortgage Borrower shall repay Lender the Principal Amount as described in Paragraph 2.

3.2. The Principal Amount described in Paragraph 2 shall be due and payable, without interest, in one single and final payment on the Maturity Date. The Maturity Date is \_\_\_\_\_.

3.3. The Principal Amount of this Mortgage Note, as described in Paragraph 2, may be paid by Borrower in full without penalty at any time.

3.4. In the event the Property is sold, voluntarily or involuntarily, the payment amount required under "3. Payment" shall be further limited and not exceed the lesser of the amount required in 3.1 through 3.3, as applicable, or the Net Proceeds. "Net Proceeds" means the sales price of the property minus superior loan repayment and any closing costs.

4. Default.

4.1. Upon the occurrence of an Event of Default under the Mortgage, Lender may declare the balance of the Principal Amount as stated under 2.1 above immediately due and payable without notice. Failure by Lender to declare the balance of the Principal Amount payable by reason of an Event of Default shall not waive its right to make such a declaration upon the subsequent occurrence of the same or any other Event of Default.

5. Miscellaneous.

- 5.1. Borrower's interest in this Mortgage Note may not be assigned without the express prior written consent of Lender. Provided, however, Lender may assign its rights under this Mortgage Note at any time and without Borrower's consent.
- 5.2. No amendment or modification of this Mortgage Note shall be effective unless it is in writing and signed by the party against whom such amendment or modification is sought to be enforced.
- 5.3. No waiver by Lender of any term or condition of this Mortgage Note shall be valid unless it is in writing and signed by Lender, nor shall any such waiver be deemed a continuing waiver of such term or condition.
- 5.4. This Mortgage Note shall be binding upon and shall extend to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.
- 5.5. The Borrower and others who may become liable for all or any part of this obligation, hereby agree to be jointly and severally bound by this Mortgage Note 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, release of any party liable for this obligation, including any maker, or acceptance of other security therefor. Any such extension or release may be made without notice to said party and without in any way affecting the liability of such party.
- 5.6. If any payment due under this Mortgage Note is not paid when due, and this Mortgage Note is placed in the hands of any attorney or attorneys for collection, Borrower promises to pay, in addition to the amount due hereon, the reasonable costs and expenses of collection (including attorneys' fees), which amount shall be secured by the Mortgage.
- 5.7. No failure or delay by Lender to exercise any right or remedy under this Mortgage Note shall waive such right or remedy.
- 5.8. The obligation of Borrower hereunder is independent of any other obligation Borrower may have to Lender as a result of other indebtedness and Borrower shall have no right of set-off thereunder or hereunder.
- 5.9. This Mortgage Note is made and delivered in the State of Minnesota, and accordingly the clauses and provisions of this Mortgage Note and the rights, payments, charges, indebtedness and other items hereby secured shall be construed and enforced according to the laws of the State of Minnesota.

5.10. If any provision (or any part of any provision) contained in this Mortgage Note shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision (or remaining part of the affected provision) of this Mortgage Note, but this Mortgage Note shall be construed as if such invalid, illegal, or unenforceable provision (or part thereof) had never been contained herein, but only to the extent it is invalid, illegal, or unenforceable.

**BORROWER(S)**

\_\_\_\_\_  
\_\_\_\_\_

State of Minnesota }  
County of \_\_\_\_\_ } ss.

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_ , by \_\_\_\_\_ .

\_\_\_\_\_  
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:  
Minnesota Housing Finance Agency  
400 Sibley Street - Suite 300  
Saint Paul, Minnesota 55101

**ENDORSEMENT TO MHFA**

Without recourse, pay to the order of the Minnesota Housing Finance Agency.

Lender: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_