Emergency and Accessibility Loan Program
MORTGAGE

TIL and NMLSR ID

_____	_____
Loan Originator Company Name	Loan Originator Individual Name (as name appears on NMLSR)
_____	_____
Loan Originator Company NMLSR ID	Loan Originator Individual NMLSR ID (if applicable)

THIS MORTGAGE (hereinafter referred to as the "Mortgage") is made and executed this _____ by _____ Other: (type of this text) (hereinafter collectively referred to as "Borrowers"), and _____ (hereinafter collectively referred to as "Accommodation Parties"), and given to _____ whose address is _____ (hereinafter referred to as the "Lender").

WHEREAS, the Lender has made a loan to Borrowers, or for Borrowers' benefit, in an amount of _____ (_____) (hereinafter referred to as the "Loan").

WHEREAS, Borrowers are obligated, at the time of occurrence of certain events, to repay to the Lender the Loan all in accordance with the provisions set forth in that certain Emergency and Accessibility Loan Program Note (hereinafter referred to, along with any amendments, modifications, renewals, extensions, substitutions, or restatements thereof, as the "Note").

WHEREAS, the Accommodation Parties, if any possess an ownership interest in the real property hereinafter described and consent to the placement of a mortgage lien thereon to secure the repayment of the Loan.

NOW, THEREFORE, in consideration of the foregoing premises and to secure (i) the repayment of indebtedness evidenced by the Note, (ii) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and (iii) the performance of the covenants and agreements of Borrowers and Accommodation Parties under this Mortgage and the Note, Borrowers and Accommodation Parties do hereby grant, bargain, sell and convey to the Lender and its successors and assigns, forever and with a power of sale, all of their interests in the following described real property located in the County of _____, State of Minnesota:

which has the address of

_____

(hereinafter referred to as "Property Address");

TOGETHER with all improvements now or hereafter erected on such property, and all easements, rights, hereditaments, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock thereto, and all fixtures now or hereafter a part of such property. All of Borrowers' and Accommodation Parties' interest in any and all replacements and additions to such items shall also be covered by this Mortgage. All of the foregoing, including said real property, are hereinafter referred to in this Mortgage as the "Mortgaged Property."

1. **COVENANTS AND WARRANTIES.** Borrowers and Accommodation Parties hereby make the following warranties, representations and covenants regarding their collective ownership of the Mortgaged Property, liens and/or encumbrances thereon, and use thereof, and all of such warranties, representations and covenants shall survive the foreclosure of this Mortgage:

   A. They are cumulatively lawfully seized in fee simple of that portion of the Mortgaged Property that is real property as described hereinabove and cumulatively are the absolute owners of that portion of the Mortgaged Property that is personal property;

   B. They have the right and power to mortgage and convey the Mortgaged Property;

   C. They are in full compliance with all of the terms, conditions, covenants and warranties contained in any and all mortgages, deeds of trust, leases, or other security agreements that create a lien that has a priority over the lien created by this Mortgage;

D. All real estate taxes and special assessments that apply to the Mortgaged Property have been paid to date and are current;

E. All buildings, improvements, and fixtures now or hereafter located on the real property described hereinabove are, or will be, located entirely within the boundaries of such real property, and

F. Borrowers will fully comply with all the terms and conditions of the Note.

2. **Payment of Principal and Interest.** Borrowers shall promptly pay to the Lender, or its successor and assigns, when due according to the terms and conditions of the Note, the principal of and interest, if any, on the indebtedness evidenced by the Note. If the Note becomes payable in full, then such payment shall be due on or before _____. Accommodation Parties have no obligation to pay and are not liable for the payment of any portion of the indebtedness evidenced by the Note.

3. **Application of Payments.** Unless applicable law provides otherwise, any payments received by the Lender under Section 2 hereof shall be applied first to any amounts that the Lender has paid and/or advanced hereunder, second to interest due and payable on the Loan, if any, and last to principal due and owing on the Loan.

4. **Compliance with Superior Liens and Payment of Taxes and Assessments.** Borrowers and Accommodation Parties shall fully comply with all of the terms, conditions, covenants and warranties contained in any and all mortgages, deeds of trust, leases, or other security agreements that create a lien which has, or will have, a priority over the lien created by this Mortgage, and shall pay all taxes, assessments, charges, fines and impositions attributable to the Mortgaged Property which may attain a priority over the lien created by this Mortgage, and leasehold payments or ground rents, if any, relating to their ownership or use of the Mortgaged Property. Borrowers and Accommodation Parties shall pay these obligations by making payment, when due, directly to the persons owed such payment. Borrowers shall promptly furnish to the Lender all notices of amounts due under this Section, and receipts evidencing such payments.

5. **Hazard Insurance.** Borrowers and Accommodation Parties shall keep the improvements that are now a part of or hereafter become a part of the Mortgaged Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards for which the Lender may require insurance. This insurance shall be maintained in the amounts and for the periods the Lender may designate. The insurance carrier providing the insurance must be licensed to do business in the State of Minnesota.

   All insurance policies and renewals must be in a form that is generally used in the State of Minnesota and acceptable to mortgage lenders who make mortgage loans in the State of Minnesota, and shall include a standard mortgage clause in favor of the Lender. If the Lender requires, Borrowers shall promptly give to the Lender evidence of the existence and payment in full of such insurance. In the event of loss, Borrowers shall give prompt notice thereof to the insurance carrier and the Lender. The Lender may make proof of loss if not made promptly by Borrowers.

   Unless the Lender, Borrowers and Accommodation Parties otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Mortgaged Property if such restoration or repair is economically feasible and the Lender's security is not diminished. If such restoration or repair is not economically feasible or the Lender's security would be diminished, then the insurance proceeds shall be applied to the sums secured by this Mortgage, whether due or not, with any excess paid to Borrowers. If Borrowers abandons the Mortgaged Property or does not answer a notice from the Lender that the insurance carrier has offered to settle a claim within thirty (30) days from the Lender’s placing such notice

in the mail with proper postage attached, then the Lender may collect the insurance proceeds and may use such proceeds to repair or restore the Mortgaged Property or to pay sums secured by this Mortgage, whether or not then due.

Unless the Lender, Borrowers, and Accommodation Parties otherwise agree in writing, any application of insurance proceeds to principal shall not extend or postpone the due date referred to in Section 2. If under Section 18 the Mortgaged Property is acquired by the Lender, Borrowers' and Accommodation Parties' rights to any insurance policies and proceeds resulting from damage to the Mortgaged Property prior to the acquisition shall pass to the Lender to the extent of the sums secured by this Mortgage immediately prior to such acquisition.

The right of the Lender under this Section 5 is subject and subordinate to the rights of any holder of a mortgage, deed of trust, lease, or other security agreement that creates a lien that has a priority over the lien created by this Mortgage.

6. **Preservation and Maintenance of Property; Leaseholds; Condominiums; and Planned Unit Developments.** Borrowers and Accommodation Parties shall keep the Mortgaged Property in good repair, and shall not destroy, damage or substantially change the Mortgaged Property, allow the Mortgaged Property to deteriorate, commit waste, or permit impairment or deterioration of the Mortgaged Property. Borrowers and Accommodation Parties shall further comply with the provisions of any lease if this Mortgage is on a leasehold estate. If this Mortgage is on a unit in a condominium or a planned unit development, then Borrowers and Accommodation Parties shall further perform all of its obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and all constituent documents.

7. **Protection of Lender's Security.** If Borrowers or Accommodation Parties fail to perform the covenants and agreements contained in this Mortgage, or if there is any legal proceeding that may significantly affect the Lender's interest in the Mortgaged Property (such as a proceeding in bankruptcy, probate, condemnation, or to enforce laws or regulations), then the Lender may, at its sole option and discretion, do and pay for whatever is necessary to protect the value of the Mortgaged Property and the Lender's rights in the Mortgaged Property. The Lender's actions may include paying any sums secured by a lien that has priority over the lien created by this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Mortgaged Property to make repairs.

   Any amounts disbursed by the Lender under this Section 7 shall become additional debt of Borrowers due under the Note and shall be secured by this Mortgage. Unless Borrowers and the Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at an interest rate equal to the lesser of eighteen percent (18%) per annum or the highest interest rate permissible under applicable law, and such additional debt, along with interest thereon, shall be immediately due and payable upon notice from the Lender to Borrowers demanding such payment.

   Any action taken or expense incurred by the Lender hereunder shall be at its sole option and discretion and nothing contained herein, including but not limited to this Section 7, shall require the Lender to take any action or to incur any expense hereunder.

8. **Inspections.** The Lender may make or cause to be made reasonable entries upon and inspections of the Mortgaged Property in order to confirm Borrowers' and Accommodation Parties' full and complete compliance with the provisions contained herein, and Borrowers and Accommodation Parties hereby consent to the Lender's entry onto and inspection of the Mortgaged Property for such purpose. Provided,

however, the Lender shall give Borrowers prior notice of its intent to enter onto and inspect the Mortgaged Property and any such entry and inspection shall take place at a reasonable time.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Mortgaged Property or for conveyance in lieu of condemnation, are hereby assigned to and shall be paid to the Lender.

   In the event of a total taking of the Mortgaged Property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrowers and Accommodation Parties. In the event of a partial taking of the Mortgaged Property, unless the Lender, Borrowers, and Accommodation Parties otherwise agree in writing, a portion of such proceeds shall be applied against the indebtedness secured by this Mortgage, with such portion being equal to the amount of the proceeds multiplied by a fraction the numerator of which is the total amount of the sums secured by this Mortgage immediately before the taking and the denominator of which is the fair market value of the Mortgaged Property immediately before the taking. Any balance shall be paid to Borrowers and Accommodation Parties.

   If the Mortgaged Property is abandoned by Borrowers and Accommodation Parties or if Borrowers and Accommodation Parties, after notice by the Lender that the condemnor offers to make an award or settle a claim for damages, fails to respond to the Lender within thirty (30) days after the date the notice is given, then the Lender is authorized to collect and apply the proceeds, at its sole option and discretion, either to the restoration or repair of the Mortgaged Property or to the sums secured by this Mortgage, whether or not then due.

   Unless the Lender, Borrowers and Accommodation Parties otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date referred to in Section 2 hereof. If under Section 18 the Mortgaged Property is acquired by the Lender, Borrowers' and Accommodation Parties' rights to any condemnation proceeds resulting from the condemnation of any or all of the Mortgaged Property prior to the acquisition shall pass to the Lender to the extent of the sums secured by this Mortgage immediately prior to such acquisition.

   The right of the Lender under this Section 9 is subject and subordinate to the rights of any holder of a mortgage, deed of trust, lease, or other security agreement that creates a lien that has a priority over the lien created by this Mortgage.

10. **Borrowers and Accommodation Parties Not Released; Forbearance by Lender Not a Waiver.** Extension of the time for payment of the sums secured by this Mortgage granted by the Lender to any successor in interest of Borrowers and Accommodation Parties shall not operate to release, in any manner, them from the provisions contained in this Mortgage or the Note. The Lender shall not be required to commence proceedings against any successor in interest. Any forbearance by the Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any such right or remedy.

11. **Successors and Assigns Bound; Joint and Several Liability; Accommodation Parties.** The covenants and agreements contained herein shall bind and apply to all successors and assigns of the Lender and Borrowers' and Accommodation Parties' covenants and agreements shall be joint and several. An individual who executes this Mortgage but does not execute the Note; (i) is executing this Mortgage for the sole purpose of mortgaging, granting and conveying his/her interest in the Mortgaged Property under the terms of this Mortgage, (ii) is not personally obligated to pay the sums secured by this Mortgage, and (iii) agrees that the Lender and any other party hereto may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without the consent of all of

the individuals and entities that constitute the Borrowers and Accommodation Parties and without releasing such individuals and entities or modifying this Mortgage as to such individuals' and entities' interest in the Mortgaged Property.

12. **Loan Charges.** If the indebtedness secured by this Mortgage is subject to a law which sets maximum loan charges and that law is finally interpreted so that the interest or other charges collected or to be collected in connection with such indebtedness exceed the permitted limits, then (i) any such charges shall be reduced by the amount necessary to reduce the charge to the permitted limit, and (ii) any sums already collected which exceeded permitted limits will be refunded to Borrowers. The Lender may choose to make this refund by reducing the principal owed under the Note or by making direct payment to Borrowers. If a refund reduces principal, the reduction will be treated as a partial prepayment under the Note.

13. **Legislation Affecting Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, then the Lender, at its sole option and discretion, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted under Section 18 hereinbelow. If the Lender exercises this option, then the Lender shall comply with the notice requirement contained in Section 14 hereinbelow.

14. **Notice.** Except for any notice required under applicable law to be given in another manner (i) any notice to Borrowers or Accommodation Parties provided for in this Mortgage shall be given by delivering or mailing such notice by certified mail to Borrowers and Accommodation Parties at the Property Address or at such other address as Borrowers or Accommodation Parties may designate by notice to the Lender, and (ii) any notice to the Lender shall be given by certified mail to the Lender at the address stated herein for the Lender or to such other address as the Lender may designate by notice to Borrowers and Accommodation Parties.

15. **Governing Law; Severability**. The laws of the State of Minnesota shall govern this Mortgage. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without that conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable.

16. **Borrowers' and Accommodation Parties' Copy.** Borrowers and Accommodation Parties shall be given a conformed copy of this Mortgage at the time of execution thereof or within a reasonable time after recordation thereof.

17. **Sale or Transfer of the Mortgaged Property.** If within fifteen (15) years from the date of the Note all or any part of the Mortgaged Property, or if all or any part of Borrowers' and Accommodation Parties' interest therein, is sold or transferred, whether by lease, 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, then all sums secured by this Mortgage shall be immediately due and payable. Notwithstanding the foregoing (i) if the Borrowers and Accommodation Parties own the Mortgaged Property as co-tenants, a transfer of the Mortgaged Property, or any interest therein, from one co-tenant to another co-tenant, whether by reason of death or otherwise, shall not be considered a transfer; (ii) a taking by eminent domain shall not be considered a transfer unless it is a total taking and the payment is made for the full value of the Mortgaged Property, (iii) the creation of a lien or encumbrance which has been consented to by the Lender in writing and is subordinate to the lien created by this Mortgage shall not be considered a transfer, and (iv) the creation of a purchase money security interest for household appliances shall not be considered a transfer.

18. **Acceleration; Notice and Remedies.** Lender shall give written notice to Borrowers and Accommodation Parties by certified mail prior to acceleration following Borrowers' or Accommodation Parties' breach of any covenant or agreement in this Mortgage and such notice shall specify; (i) the default, (ii) the action required to cure such default, (iii) a date, not less than thirty (30) days from the date the notice is given, by which such default must be cured, (iv) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and the sale of the Mortgaged Property, and (v) that failure to cure such breach shall result in interest accruing on the sums secured by this Mortgage from and after the date of the breach at an interest rate equal to the lesser of eighteen percent (18%) per annum or the highest interest rate allowed by law. The notice shall further inform Borrowers and Accommodation Parties of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrowers or Accommodation Parties to acceleration and sale. If the breach is not cured on or before the date specified in the notice or the date on which the full and remaining outstanding balance of the Loan is to be paid in full as specified hereinabove, then the Lender, at its sole option and discretion, may require immediate payment in full of all of sums secured by this Mortgage without further demand, and may invoke the power of sale and any other remedies permitted by applicable law. The Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this Section 18, including, but not limited to, reasonable attorneys' fees.

    If the Lender invokes the power of sale contained herein, then the Lender shall cause a copy of a notice of sale to be served upon the person, if any, in possession of the Mortgaged Property. The Lender shall publish a notice of sale and the Mortgaged Property shall be sold at public auction in the manner prescribed by applicable law. The Lender or its designee may purchase the Mortgaged Property at any sale. The proceeds of the sale shall be applied in the following order (i) to all sums secured by this Mortgage; (ii) to all costs and expenses of the sale, including, but not limited to, reasonable attorneys' fees; and (iii) the excess, if any, to the person or persons legally entitled thereto.

19. **Right to Reinstate.** Notwithstanding the Lender's acceleration of the sums secured by this Mortgage due to a breach, Borrowers and Accommodation Parties shall have the right to have any proceedings begun by the Lender to enforce this Mortgage discontinued at any time prior to the earlier to occur of the sale of the Mortgaged Property pursuant to the power of sale contained herein or the entry of a judgment enforcing this Mortgage if Borrowers or Accommodation Parties (i) pay to the Lender all sums constituting the default actually existing under this Mortgage and the Note at the commencement of foreclosure proceeding under this Mortgage, (ii) cure all breaches of any other covenants or agreements contained in this Mortgage, (iii) pay all reasonable expenses incurred by the Lender in enforcing the covenants and agreements contained in this Mortgage and in enforcing the Lender's remedies as provided in Section 18 hereinabove including, but not limited to, reasonable attorneys' fees, and (iv) take such action as the Lender may reasonably require to assure that the lien created by this Mortgage, the Lender's interest in the Mortgaged Property, and Borrowers' obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure this Mortgage and the obligation secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. **Lender in Possession.** Upon acceleration under Section 18 hereinabove or abandonment of the Mortgaged Property, and at any time prior to the expiration of any period of redemption following sale of the Mortgaged Property, the Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of, and manage the Mortgaged Property, and to collect any rents generated by the Mortgaged Property including those past due. Any rents collected by the Lender or a receiver shall be applied first to payment of the costs of management of the Mortgaged Property and

collection of rents, including, but not limited to, receiver's fees, premiums of receiver's bonds, and reasonable attorneys' fees, and then to the sums secured by this Mortgage.

21. **Release.** Upon payment of all sums secured by this Mortgage, the Lender shall discharge this Mortgage without charge; provided, however Borrowers and Accommodation Parties shall be responsible for the payment of all costs of recordation.

22. **Waiver of Homestead.** Borrowers and Accommodation Parties hereby waive all right of homestead exemption in the Mortgaged Property.

23. **Principal Residence.** Borrowers shall, for all time periods that any amount is due and owing under the Note and this Mortgage is outstanding, occupy the Mortgaged Property as its principal residence.

24. **Validity of Information.** All of the facts and information Borrowers and Accommodation Parties supplied regarding the loan evidenced by and relating to the Note and this Mortgage were true and correct at the time they were supplied and will continue to be true and correct until the Loan is paid in full.

(THE REMAINING PORTION OF THIS PAGE WAS INTENTIONALLY LEFT BLANK.)

IN WITNESS WHEREOF, Borrowers and Accommodation Parties executed this Emergency and Accessibility Loan Program Mortgage on the day and date first above written.

ACCOMMODATION PARTY(S)	**BORROWER(S)**
_____	_____
_____	_____
(Type name of Accommodation Party)	(Type name of Borrower)
_____	_____
_____	_____
(Type name of Accommodation Party)	(Type name of Borrower)
_____	_____
_____	_____
(Type name of Accommodation Party)	(Type name of Borrower)
_____	_____
_____	_____
(Type name of Accommodation Party)	(Type name of Borrower)

State of Minnesota }
County of _____ } ss.

This instrument was acknowledged before me this_____ day of _____,
_____, by _____ .

_____
Notary Public

State of Minnesota
County of _____ } ss.

This instrument was acknowledged before me this_____ day of _____,
_____, by _____ .

_____
Notary Public

Drafted by:
Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
St. Paul, Minnesota 55101-1998