MINNESOTA HOUSING MONTHLY PAYMENT LOAN
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 (the "Mortgage") is made and executed on _____ by
(date)

_____ Other: (type of this text)
(name of Borrower) (name of Co-Borrower(s))

(collectively, the "Borrower"), and

_____
(name of Lender)

whose address is

_____
(address of Lender)
(the "Lender").

RECITALS

The Lender has made a loan to the Borrower, in a principal amount equal to $_____ (the "Monthly Payment Loan").
(numeric original loan amount)

The Borrower is obligated to repay to the Lender the Monthly Payment Loan all in accordance with the provisions set forth in that certain Minnesota Housing Monthly Payment Loan Note, of even date herewith

executed by the Borrower (with any amendments, modifications, renewals, extensions, substitutions, or restatements thereof, the "Monthly Payment Note").

If not sooner repaid, the outstanding and unpaid balance of the Monthly Payment Loan and all accrued and unpaid interest thereon must be repaid in full on _____.
(first payment date plus 119 months)

NOW, THEREFORE, to secure (i) the repayment of the indebtedness evidenced by the Monthly Payment 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 the Borrower under this Mortgage and the Monthly Payment Note, the Borrower does hereby grant, bargain, sell, mortgage and convey to the Lender and its successors and assigns, forever and with a power of sale, all of their interests in the real property located in the County of _____, State of Minnesota, described on **Exhibit A** attached hereto that has the address of

_____
(the "Property Address");

TOGETHER with all improvements now or hereafter erected on such property, and all easements, appurtenances, rents, and fixtures now or hereafter a part of such property, and with the proceeds of any insurance required to be maintained under this Mortgage and condemnation awards as herein provided, including all replacements and additions to any and all of such items (collectively, the "Property");

PROVIDED NEVERTHELESS that if the Borrower, the Borrower's heirs, representatives, or administrators shall (i) pay, or cause to be paid, to the Lender, its successors or assigns, when due the aggregate principal amount of the Monthly Payment Loan advanced by the Lender to the Borrower or for the Borrower's benefit, and interest due thereon according to the terms and conditions of the Monthly Payment Note, and (ii) pay all other sums, with interest thereon, as may be payable by the Borrower to the Lender in accordance with this Mortgage or the payment of which may now or hereafter be secured by this Mortgage, including, but not limited to, all amounts disbursed or incurred by the Lender in exercising any rights and remedies under this Mortgage (including all reasonable attorneys' fees), then this Mortgage shall be null and void; otherwise, this Mortgage shall be and remain in full force and effect.

1. **COVENANTS AND REPRESENTATIONS.** The Borrower makes the following representations and covenants regarding their ownership and use of the Property:

   A. The Borrower has good marketable title to a fee simple interest in the real property comprising the Property.

   B. The Borrower has the right and power to mortgage and convey the Property.

   C. The Property is free from all liens, security interests, and encumbrances, except for those items consented to in writing by the Lender and that certain mortgage lien granted by the Borrower to _____ by way of a
   (name of Lender)

   mortgage dated of even date herewith that secures the repayment of a mortgage loan in the original principal amount of $_____ (the "First Mortgage").
   (numeric First Mortgage loan amount)

D. All installments of real estate taxes and special assessments levied against the Property that are due and payable have been paid in full.

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

2. **Payment of Principal and Interest; Monthly Payment Note.** The Borrower shall promptly pay to the Lender, or its successor and assigns, when due, the principal of and interest on the indebtedness evidenced by the Monthly Payment Note and will comply with all other terms and conditions thereof.

3. **Application of Payments.** Unless applicable law provides otherwise, any payments received by the Lender hereunder shall be applied as stated in the Monthly Payment Note.

4. **Compliance with Superior Liens and Payment of Taxes and Assessments.** The Borrower shall fully comply with all of the terms, conditions, covenants and warranties contained in any and all mortgages, deeds of trust, contract for deeds, leases, or other security agreements that create a lien that has, or will have, a priority over the lien created by this Mortgage, and shall pay all taxes, assessments, charges, fines and impositions levied against the Property that 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 Property. The Borrower shall pay these obligations by making payment, when due, directly to the persons owed such payment. The Borrower shall promptly furnish to the Lender all notices of amounts due under this Section 4, and receipts evidencing such payments.

5. **Hazard Insurance.** The Borrower shall procure, at the Borrower's own expense, fire and extended coverage insurance on the building(s) on the Property, payable in case of loss to the Lender, its successors and assigns, as its interest may appear, pursuant to a standard mortgagee clause, such insurance to be written by a reliable insurance company approved by the Lender in an amount at least equal to the aggregate principal balance from time to time outstanding on the First Mortgage Loan and the Monthly Payment Loan.

6. **Preservation and Maintenance of Property; Condominiums and Planned Unit Developments.** The Borrower shall keep the Property in good repair, and shall not destroy, damage or substantially change the Property, allow the Property to deteriorate, commit waste, or permit impairment or deterioration of the Property. If this Mortgage is on a unit in a condominium or a planned unit development, then the Borrower shall further perform all of the Borrower's 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 the Borrower fails 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 Property (such as a proceeding in bankruptcy, probate, condemnation, or to enforce laws or regulations), then the Lender may, in its sole discretion, do and pay for whatever is necessary, in the reasonable judgment of the Lender, to protect the value of the Property and the Lender's rights in the 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 Property to make repairs.

   Any amounts disbursed by the Lender under this Section 7 shall become additional debt of the Borrower due under the Monthly Payment Note and shall be secured by this Mortgage and such amounts shall be

payable, with interest at the interest rate borne by the Monthly Payment Note, upon written notice from the Lender to the Borrower requesting payment.

Any action taken or expense incurred by the Lender hereunder shall be in its sole 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 Property in order to confirm the Borrower's compliance with the provisions contained herein, and the Borrower hereby consents to the Lender's entry onto and inspection of the Property for such purpose. The Lender shall give the Borrower prior notice of its intent to enter onto and inspect the 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 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 Property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to the Borrower. In the event of a partial taking of the Property, unless the Lender and the Borrower 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 Property immediately before the taking. Any balance shall be paid to the Borrower.

   If the Property is abandoned by the Borrower or if the Borrower, 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 30 days after the date the notice is given, then the Lender is authorized to collect and apply the proceeds, in its sole discretion, either to the restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due.

   Unless the Lender and the Borrower otherwise agree in writing, any application of proceeds to principal of the Monthly Payment Note shall be treated as a prepayment thereunder and shall not extend the date on which any monthly installment thereunder is due. If under Section 16 hereof the Property is acquired by the Lender, the Borrower's right to any condemnation proceeds resulting from the condemnation of any or all of the 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 or other security agreement that creates a lien that has a priority over the lien created by this Mortgage.

10. **Borrower 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 the Borrower or any successor in interest of the Borrower shall not operate to release, in any manner, the Borrower or such successor in interest from the provisions contained in this Mortgage or the Monthly Payment 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, including, without limitation, acceptance by the Lender of payments from third persons

or successors in interest of the Borrower or in amounts less than the amount due, 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.** The covenants and agreements contained herein shall bind and apply to all successors and assigns of the parties and the Borrower's covenants and agreements shall be joint and several. An individual who executes this Mortgage but does not execute the Monthly Payment Note: (i) is executing this Mortgage for the sole purpose of mortgaging, granting and conveying his/her interest in the 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 Monthly Payment Note without the consent of all of the individuals and entities that constitute the Borrower and without releasing such individuals and entities or modifying this Mortgage as to such individuals' and entities' interest in the 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 interest or other charges shall be reduced by the amount necessary to reduce the charge to the permitted limit, and (ii) any sums already collected which exceeded the permitted limits will be applied as a prepayment of the Monthly Payment Note or, if it is no longer outstanding, refunded to the Borrower.

13. **Notices.** Except for any notice required under applicable law to be given in another manner, (i) any notice to the Borrower provided for in this Mortgage shall be given by delivering or mailing such notice by certified mail to the Borrower at the Property Address or at such other address as the Borrower 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 the Borrower.

14. **Governing Law and Venue; Severability.** The Mortgage shall be governed by the laws of the State of Minnesota, and any action brought under this Mortgage or the Monthly Payment Note shall be brought in the Minnesota District Court for the County of Ramsey, State of Minnesota. If any provision or clause of this Mortgage or the Monthly Payment Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Monthly Payment Note that can be given effect without that conflicting provision, and to this end the provisions of this Mortgage and the Monthly Payment Note are declared to be severable.

15. **Borrower's Copy.** The Borrower shall be given a conformed copy of the Monthly Payment Note and this Mortgage at the time of execution thereof or within a reasonable time after recordation thereof.

16. **Acceleration; Remedies.** The Lender shall give written notice to the Borrower by certified mail prior to acceleration following a breach of any covenant or agreement in this Mortgage. The notice shall specify: (i) the default, (ii) the action required to cure such default, (iii) a date, not less than 30 days from the date the notice is given, by which such default must be cured, and (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 Property. The notice shall further inform the Borrower 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 the Borrower 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 principal balance of the Monthly Payment Loan and accrued interest thereon are to be paid in full as specified herein, then the Lender, in

its sole 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 16, 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 Property. The Lender shall publish a notice of sale and the Property shall be sold at public auction in the manner prescribed by applicable law. The Lender or its designee may purchase the 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.

17. **Right to Reinstate.** Notwithstanding the Lender's acceleration of the sums secured by this Mortgage due to a breach, the Borrower 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 Property pursuant to the power of sale contained herein or the entry of a judgment, if the Borrower (i) pays to the Lender all sums constituting the default actually existing under this Mortgage and the Monthly Payment Note at the commencement of foreclosure proceeding under this Mortgage, (ii) cures all breaches of any other covenants or agreements contained in this Mortgage, (iii) pays 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 16, 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 Property, and the Borrower's 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.

18. **Lender in Possession.** Upon acceleration under Section 16 or abandonment of the Property, and at any time prior to the expiration of any period of redemption following sale of the Property, the Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of, and manage the Property, and to collect any rents generated by the 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 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.

19. **Release.** Upon payment of all sums secured by this Mortgage, the Lender shall discharge this Mortgage without charge; provided, however, that the Borrower shall be responsible for recordation of any satisfaction, including the payment of all costs of recordation.

20. **Waiver of Homestead.** The Borrower hereby waives all right of the homestead exemption in the Property.

21. **Subject to First Mortgage Lien.** This Mortgage is subject and subordinate to the First Mortgage, but not to any modification, extension, replacement, or renewal thereof.

22. **Accuracy of Information.** All information the Borrower supplied to the Lender regarding the Monthly Payment Loan and the First Mortgage were true and correct in all material respects at the time they were made.

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

IN WITNESS WHEREOF, the Borrower has executed this Minnesota Housing Monthly Payment Loan Mortgage on the day and date first above written.

BORROWER(S)

_____
Borrower's Signature

_____
(Print Borrower Name)

_____
Co-Borrower's Signature

_____
(Print Co-Borrower Name)

State of Minnesota
County of _____ } ss.

This instrument was acknowledged before me this ____ day of _____,
(day) (month)

_____, by _____ ,
(year) (Print Borrower Name) (Print Co-Borrower Name)

_____ _____
Notary Stamp Notary Public Signature

Drafted by:
Minnesota Housing Finance Agency
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