

**NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
MORTGAGE/NOTE TAX-EXEMPT FINANCING RIDER**

THIS TAX-EXEMPT FINANCING RIDER is made this _____ day of _____, _____, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to:

_____ ("Lender")

of the same date and covering the Property in the Security Instrument and located at:

_____ (Property Address")

Notwithstanding any provisions of the above-identified Security Instrument to the contrary, as long as this mortgage is held by New Hampshire Housing Finance Authority ("New Hampshire Housing") Lender may declare all sums secured by this mortgage and due under Note to be immediately due and payable if:

- a) all or part of the Property is sold or otherwise transferred (other than by devise, descent, or operation of law) by Borrower to a purchaser or other transferee:
 - i) who cannot reasonably be expected to occupy the Property as a principal residence within a reasonable time after the sale or transfer, all as provided in Section 143(c) and (i)(2) of the Internal Revenue Code of 1986 as amended ("Internal Revenue Code"); or
 - ii) who has had a present ownership interest in a principal residence during any part of the three year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (i)(2) of the Internal Revenue Code except that the language "100 percent" shall be substituted for "95 percent of more" where the latter appears in Section 143(d)(1); or
 - iii) at an acquisition cost which is greater than 90 percent of the average purchase price (greater than 110 percent for targeted area residences), all as provided in Section 143(e) and (i)(2) of the Internal Revenue Code; or
 - iv) whose annual income exceeds 115 percent of applicable median household income (140 percent for a household in a targeted area residence), all as provided in Section 143(f) and (i)(2) of the Internal revenue Code; or the Lender may also require immediate payment in full of all sums secured by this Mortgage if all or part of the Property is sold or otherwise transferred to a purchaser or other transferee whose annual income exceeds that established by New Hampshire Housing under its applicable regulations or program guidelines in effect on the date of sale or transfer; or

- b) if Lender determines that any statements or representations made by Borrower in the Borrower(s) Affidavit including the Recertification by Mortgagor(s) which is made for the purpose of satisfying the requirements set forth in the Mortgage Subsidy Bond Tax Act of 1980, and succeeding legislation, and the rules and regulations promulgated pursuant thereto by the U.S. Department of the Treasury, are untrue; or
- c) Borrower fails to occupy the Property described in the Security Instrument without prior written consent of Lender or its successors or assigns; or
- d) Borrower omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code in an application for the loan secured by this mortgage.

Borrower hereby certifies that (a) the Property is not being purchased for the purposes of subdivision or real estate development but only for the purposes of a primary residence for Borrower; (b) Borrower acknowledges and understands that Borrower is receiving funds from New Hampshire Housing, which funds are to be used solely for the purposes of assisting persons in obtaining housing who otherwise could not obtain housing without such assistance, and that such funds are not to be used for the purpose of land development, speculation or similar purposes; and (c) Borrower understands, acknowledges and agrees that, in the event of any subdivision or resale of all or a portion of the Property, New Hampshire Housing may, in its sole discretion, require payment of all the proceeds from said sale to be applied to the outstanding balance of the Note.

Borrower authorizes New Hampshire Housing to conduct its internal audit whereby New Hampshire Housing may obtain reverification of information from any source used in the loan application given to New Hampshire Housing and agrees to cooperate fully with New Hampshire Housing should clarification or documentation be needed to complete this reverification, including, but not limited to, obtaining tax information from the Internal Revenue Service and reappraisal of the Property.

References are to the Internal Revenue Code in effect on the date of execution of the mortgage and are deemed to include the implementing regulations.

By signing below, Borrower(s) accepts and agrees to the terms and provisions in this Tax-Exempt Financing Rider.

Signature Date
Printed Name: _____

Signature Date
Printed Name: _____

Signature Date
Printed Name: _____

Signature Date
Printed Name: _____

This mortgage is upon the STATUTORY CONDITION, for any breach of which, or any breach of any other term, covenant or condition contained in this Mortgage, Lender shall have the STATUTORY POWER OF SALE.