

**PHFA – Homeownership Programs  
ADDENDUM TO NOTE/CONSTRUCTION LOAN**

Noteholder/Lender and Borrower have entered into a Construction Loan Agreement which sets the estimated cost of construction of a new single family residence at \$\_\_\_\_\_ and provides, among other things, that the total amounts advanced under the mortgage loan is intended to be \$\_\_\_\_\_. Borrower (s) has also executed a note which legally binds them to repay the amounts advanced.

THE BORROWER HEREBY INCORPORATES THE FOLLOWING CONVENANTS into the Note by way of this Addendum:

FOR VALUE RECEIVED the undersigned ("Borrower") promises to pay \_\_\_\_\_  
\_\_\_\_\_ (name and address of Lender) or order, the principal sum of  
\_\_\_\_\_ Dollars (\$\_\_\_\_\_) or so much thereof as  
may from time to time be advanced under the Construction Loan Agreement with interest on the unpaid principal balance as advanced and other fees with respect thereto from the date of this Note at the rates and times as follows:

- (a) Construction Rate - Interest only at the construction loan rate of \_\_\_\_\_ percent (\_\_\_\_\_% ) per annum on the principal sum advanced payable on a monthly basis and on the \_\_\_\_\_ day of each month thereafter for \_\_\_\_\_ months.
- (b) Permanent Rate - Thereafter, principal and interest at the permanent loan rate of \_\_\_\_\_ percent (\_\_\_\_\_% ) per annum on the outstanding balance of the principal sum advanced in three hundred sixty (360) consecutive equal monthly payments of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) each, the first of which shall be paid on the first day of the second month following the last interest only payment or the first day of the following month if the interest credit option is chosen under subparagraph (a) hereof and the remaining payments on the same day of each month thereafter until the entire principal sum is fully paid, all in accordance with the Note to which this Addendum is attached and, by reference, incorporated therein.
- (c) If for any reason this loan fails to qualify for financing under the PHFA Single Family Mortgage Program for which it was intended, Section (b) of this Addendum is to become null and void and the new terms of the permanent loan are to become as follows: (attach the terms of mortgage if the loan is not sold to PHFA)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Borrower