

**PENNSYLVANIA HOUSING FINANCE AGENCY**  
**Keystone Due At Time of Expiration Loan Program**

**SUBORDINATE MORTGAGE NOTE**

Date: \_\_\_\_\_, 20\_\_\_\_

**FOR VALUE RECEIVED**, the undersigned \_\_\_\_\_, jointly, separately and severally (collectively, "Borrower"), promise(s) to pay to the order of the **PENNSYLVANIA HOUSING FINANCE AGENCY**, a public corporation and government instrumentality having its principal office at 211 North Front Street, Harrisburg, PA 17101 ("PHFA"), at such place as PHFA may from time to time designate in writing, the principal sum of:

\_\_\_\_\_ Dollars (\$\_\_\_\_\_).

This Subordinate Mortgage Note ("Note") is accompanied and secured by a Subordinate Mortgage dated this date on real property owned by Borrower located at: \_\_\_\_\_

1. **INTEREST.** Interest shall not accrue on the sums advanced in connection with this Note.
2. **REPAYMENT.** Borrower must repay the outstanding balance of this loan upon the occurrence of any of the following events (each a "Repayment Event") during the term of this loan:
  - A. The property is rented, sold, or transferred; or
  - B. Borrower ceases to occupy the property which is secured by the Subordinate Mortgage as Borrower's primary residence; or
  - C. The loan evidenced by a note secured by a mortgage prior to the Subordinate Mortgage ("First Mortgage Loan") is paid in full, is refinanced, reaches maturity or is otherwise released or terminated; or
  - D. Borrower defaults under the terms of this Note or the accompanying Subordinate Mortgage or defaults under the First Mortgage Loan; or
  - E. It is discovered that Borrower has submitted incomplete, false or misleading information in connection with this loan or the First Mortgage Loan, or fails to comply with any applicable federal or state laws in connection with the making of this loan; or
3. **PREPAYMENT.** Borrower may prepay the principal due on this Note in whole or in part at any time, without penalty.
4. **PRIMARY RESIDENCE.** Borrower hereby agrees that the real property secured by the Subordinate Mortgage accompanying this Note shall at all times be the primary residence of Borrower while any amount of the loan evidenced by the Note remains outstanding, and that a default under this provision shall be a Repayment Event causing any outstanding balance to become immediately due and payable.
5. **DISCLOSURE STATEMENT BY BORROWER.** Borrower hereby affirms that full, complete and accurate financial information has been submitted by Borrower in connection with this loan. Borrower further agrees to submit full and complete financial information to PHFA as requested by the Agency. In addition, Borrower promises to give PHFA immediate written notification of (1) any change of address, or (2) if and when the property is to be sold or transferred.
6. **ACCOMPANYING DOCUMENTS.** This Note is secured by a Subordinate Mortgage on the residence of Borrower and by other loan documents (collectively the "Loan Documents"). All the terms, covenants, agreements, conditions, warranties and provisions contained in the Loan Documents are hereby incorporated in this Note. A breach by Borrower of any of the terms of the Loan Documents shall also constitute a breach of the terms of this Note.
7. **TIME OF ESSENCE.** Time is of the essence with respect to each and every provision of this Note.

IN WITNESS WHEREOF, intending to be legally bound, Borrower has executed this Note on the date written above.

\_\_\_\_\_  
Borrower's signature

\_\_\_\_\_  
Borrower's signature (if applicable)

\_\_\_\_\_  
Co-Signer's signature (if applicable)

\_\_\_\_\_  
Co-Signer's signature (if applicable)

Mortgage Loan Officer's Name:

NMLS Number:

\_\_\_\_\_

\_\_\_\_\_

Loan Origination Organization

NMLS Number:

\_\_\_\_\_

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