

Prepared by:

Return to:

Property Parcel Number: _____

Above space is intentionally left blank for recording data.

MORTGAGE

THIS MORTGAGE is made this _____ day of _____, 20____, by

(individually, collectively, jointly and / or severally, the "Borrower").

Borrower is indebted to the PENNSYLVANIA HOUSING FINANCE AGENCY ("Lender"), a public corporation and government instrumentality created by and existing pursuant to the Housing Finance Agency Law (35 P.S. § 1680.101 *et seq.*, as amended) with its principal office at 211 North Front Street, Harrisburg, Pennsylvania 17101, in the principal amount of

Dollars (\$_____), which indebtedness is evidenced by a certain Note executed by Borrower, dated this date (the "Note"). In accordance with the terms of the Note, Borrower has promised to pay regular periodic payments of principal and interest to Lender and to pay the debt in full by not later than _____.

This Mortgage is given by the Borrower to Lender to secure any and all sums loaned by Lender to the Borrower pursuant to the PENNVEST Program (the "Program"). The sums secured by this Mortgage include, but are not limited to, sums advanced by Lender to the Borrower or to a third party on behalf of the Borrower in connection with the rehabilitation, repair, improvement, expansion or replacement of an existing individual on-lot sewage disposal system, with the first-time connection to a public sewer system or in with other eligible expenses approved by Lender under the Program.

To secure the repayment of the indebtedness evidenced by the Note and to secure the performance of the covenants and agreements contained in the Note and this Mortgage, Borrower does hereby mortgage, grant and convey to Lender the following described real property, located in the County of _____, Commonwealth of Pennsylvania, which real property currently has the address of _____, (the "Property Address") and is described as follows:

See the legal description attached hereto as Exhibit "A", which is hereby incorporated.

TOGETHER with all the improvements now or hereafter erected in the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage (the "Property").

BORROWER COVENANTS AND AGREES AS FOLLOWS:

1. Fee Ownership. Borrower covenants and warrants that Borrower lawfully owns the Property hereby conveyed and has the right to mortgage, grant and convey the Property to Lender.

2. Required Payments; Prepayment. Borrower shall repay the sums advanced by Lender in the manner set forth in the Note, which is secured by this Mortgage. The Borrower may repay the sums loaned pursuant to the Note and this Mortgage, in whole or in part, at any time without penalty.

3. Default; Remedies Cumulative and not Waived. If Borrower fails to make timely payments of principal and interest as required by the Note or this Mortgage or if Borrower violates any other term of the Note or this Mortgage, Lender may declare this Mortgage to be in default, and Lender may accelerate all outstanding indebtedness, by declaring all sums remaining due under this Mortgage to be immediately due and payable in their entirety. In such event, Lender may institute an action of mortgage foreclosure against Borrower, or such other form of civil action as is determined appropriate by Lender. If it is necessary for Lender to institute such legal action, Borrower agrees to pay all costs and reasonable attorney's fees actually incurred by Lender. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage, the Note or the other loan documents, or afforded by law or in equity, and may be exercised concurrently, independently or successively. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law shall not be a waiver or preclude the exercise of any such right or remedy at any time.

4. Preservation and Maintenance of Property; System Maintenance; Inspection. Borrower shall maintain the Property in good repair and shall not destroy, damage or impair, allow impairment or deterioration of, or commit waste on the Property. Borrower shall maintain the individual on-lot sewage disposal system or the connection to public sewer system financed with Program funds (the "System") in accordance with all applicable federal, state and local laws and regulations, including pumping an on-lot system no less often than every three years and providing the receipts from the septic tank cleaning company to Pennsylvania Department of Environmental Protection ("DEP") at: "DEP, Bureau of Clean Water, Municipal Facilities Division, P.O. Box 8774, Harrisburg, PA 17105-8774." Borrower further covenants to regularly inspect and maintain the System in accordance with applicable guidance of the DEP concerning the System, and to comply with all applicable DEP reporting requirements. Lender or its agent may make reasonable entries upon and inspection of the Property and System. Lender may inspect the interior of the improvements on the Property with reasonable cause. Lender shall give Borrower notice specifying such reasonable cause at the time of or prior to such an interior inspection.

5. Taxes, Assessments and Fees. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property, including, but not limited to, real estate taxes, water, sewage and other municipal utilities as well as community association dues, fees and assessments, if any.

6. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as additional loss payee. If Borrower fails to maintain any of the coverages described above, Lender may obtain coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not

lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had reasonable opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with the excess, if any, paid to Borrower. In the event that the proceeds of an insurance claim are paid to the Borrower, and those proceeds are not to be used to restore the premises, Lender may claim its right to a proportional share of such proceeds to satisfy any remaining indebtedness.

7. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender in an amount sufficient to satisfy any outstanding indebtedness owed to Lender.

8. Transfer of the Property: Due on Sale. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding: (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant, or (d) the grant of any leasehold interest of three years or less in part of the Property, not containing an option to purchase, Lender may declare all the sums secured by this Mortgage to be immediately due and payable.

9. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Mortgage but does not execute the Note (a "co-signer"): (a) is co-signing this Mortgage only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Mortgage; (b) is not personally obligated to pay the sums secured by this Mortgage; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Mortgage or the Note without the co-signer's consent. Subject to the provisions of Section 8, any Successor in Interest of Borrower who assumes Borrower's obligations under this Mortgage in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Mortgage. Borrower shall not be released from Borrower's obligations and liability under this Mortgage unless Lender specifically agrees to such release in writing. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Lender.

10. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by first class, registered or certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by first class, registered or certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

11. Governing Law; Severability. This Mortgage shall be governed by the laws of the Commonwealth of Pennsylvania. 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 the conflicting provision.

IN WITNESS WHEREOF, and intending to be legally bound hereby, Borrower has executed this Mortgage on the day and year first above written.

_____(Seal)
- Borrower

_____(Seal)
- Borrower

COMMONWEALTH OF PENNSYLVANIA :
: SS
COUNTY OF _____ :

This record was acknowledged before me on _____, 20__, by _____, who represents that he/she/they executed the record for the purposes stated in the record.

Signature of Notarial Officer

Certification of Residence

I hereby certify that precise address of Lender (Mortgagee) is:
211 North Front Street, P.O. Box 8029
Harrisburg, Pennsylvania 17105-8029

Authorized Officer

Loan Officer: _____
Loan Officer's NMLS No.: _____
Originating Organization: _____
Originating Org.'s NMLS No.: _____