

Prepared by & Return to:

(Contact and Department Name)

(Address of Lender)

PIN/ID Number: _____

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**PENNSYLVANIA HOUSING FINANCE AGENCY
SUBORDINATE MORTGAGE**

THIS MORTGAGE, entered into this _____ day of _____,
20____, by _____ and _____ between

_____ ("Borrower(s)"),

AND

the PENNSYLVANIA HOUSING FINANCE AGENCY, ("PHFA" or "AGENCY"), 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, hereinafter referred to as "Act"), having its principal office at 211 North Front Street, City of Harrisburg, County of Dauphin, Commonwealth of Pennsylvania.

WHEREAS, Borrower is indebted to PHFA in the principal amount of _____ (\$ _____) Dollars, which indebtedness is evidenced by a Subordinate Mortgage Note dated this date, providing for the payment of principal and interest when required pursuant to its terms.

This Mortgage is given by the Borrower to PHFA to secure any and all sums loaned by PHFA to the Borrower pursuant to _____ the _____ Agency's _____ Program. The sums secured by this Mortgage are evidenced by a Subordinate Mortgage Note (hereinafter "Note") between the parties and includes sums advanced by PHFA to the Borrower or on behalf of the Borrower in connection with closing costs, fees and expenses associated with the purchase of the real property described below.

To secure the repayment of such sums, Borrower does hereby mortgage, grant and convey to PHFA the following described real property, located in the County of _____, Commonwealth of Pennsylvania, which real property has the address of _____, and is described as follows:

See Appendix "A" attached hereto and incorporated herein.

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 (herein the "Property").

BORROWER COVENANTS AND AGREES AS FOLLOWS:

1. **BORROWER'S COVENANT.** Borrower covenants and warrants that Borrower lawfully owns the Property hereby conveyed and has the right to mortgage, grant and convey the Property to PHFA.

2. **REPAYMENT.** Borrower shall repay the sums advanced in connection with this Subordinate Mortgage in accordance with the terms contained in the Note of even date, which is incorporated herein in its entirety. In the event there is more than one Borrower, the obligation of each shall be joint and several.

3. **INTEREST.** Interest shall not accrue on the sums advanced pursuant to this mortgage.

4. **PREPAYMENT PERMITTED.** The Borrower may repay the sums loaned pursuant to this Mortgage, in whole or in part, at any time without penalty.

5. **PRIMARY RESIDENCE.** At all times this loan is outstanding Borrower must occupy the property as a primary residence. This requirement shall automatically terminate following a transfer pursuant to a foreclosure sale to the first mortgagee, a deed-in lieu of foreclosure to the first mortgagee or an assignment of the first mortgage to the Secretary of the Department of Housing and Urban Development.

6. **DEFAULT.** If Borrower fails to make timely payments of principal and interest, or discontinues use of the property as a primary residence, as required by this Mortgage or the Note, or if Borrower violates any other term of this Mortgage or the Note or any other loan document, PHFA may declare this Mortgage to be in default, and PHFA 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, PHFA may institute an action of mortgage foreclosure against Borrower, or such other form of civil action as is determined appropriate by PHFA. If it is necessary for PHFA to institute such legal action, Borrower agrees that Borrower will pay all costs and reasonable attorney's fees actually incurred by PHFA.

7. **PRESERVATION AND MAINTENANCE OF PROPERTY.** Borrower shall maintain the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property.

8. **INSPECTION.** PHFA may make or cause to be made reasonable entries upon and inspection of the Property, provided that PHFA shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to PHFA's interest in the Property.

9. **TAXES AND INSURANCE.** Borrower agrees that all real estate taxes, water and sewage charges, and other charges that are levied against the Property will be paid in a timely manner. Borrower further agrees that he/she will maintain adequate liability and hazard insurance to protect the Property against risk of loss, and that PHFA will be named as a Mortgagee on any such policy.

In the event that Borrower fails to maintain adequate liability and hazard insurance, PHFA may obtain such coverage and add its cost to the amount owed to PHFA by Borrower.

10. **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 PHFA in an amount sufficient to satisfy any outstanding indebtedness owed to PHFA.

11. **REMEDIES CUMULATIVE.** 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.

12. **FORBEARANCE BY PHFA NOT A WAIVER.** Any forbearance by PHFA 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.

13. **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, and to this end, the provisions of the Mortgage and Note are declared to be severable.

14. **SUCCESSORS AND ASSIGNS BOUND.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors, administrators, executors and/or assigns of PHFA and Borrower.

15. **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 or registered or certified mail addressed to Borrower at the Property address or at such other address as Borrower may designate by notice to PHFA as provided herein, and (b) any notice to PHFA shall be given by first class or registered or certified mail, return receipt requested, to PHFA's address stated herein or to such other address as PHFA 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 PHFA when given in the manner designated herein.

16. **RIGHT OF FIRST REFUSAL (HOMESTEAD LOANS ONLY).** If this is a HOMESTEAD Loan, the Agency shall have a right of first refusal to purchase the property before foreclosure pursuant to 24 C.F.R. § 92.254.

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

WITNESS:

Borrower

Borrower

Commonwealth of Pennsylvania

County of _____

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

Signature of Notarial Officer

I hereby certify that principal place of business and complete address of PHFA (Mortgagee) is Pennsylvania Housing Finance Agency, 211 North Front Street, Harrisburg, PA 17101.

AFTER RECORDATION, THIS MORTGAGE IS TO BE MAILED TO:
(Participating Lender's name and address)

By:

Closing Agent for Mortgagee

Mortgage Loan Officer's Name:

NMLS Number:

Lender:

NMLS Number:
