FHLBI

Attachment E
Retention Agreements

The following documents represent samples of the required Real Estate Retention Agreement. The current approved agreements are posted to the FHLBI public website and must be utilized for approved projects and recipients of AHP subsidies.

1) Real Estate Retention Agreement –AHP Direct Subsidy – Homeownership/Owner-occupied projects

2) Real Estate Retention Agreement –AHP Direct Subsidy – Rental projects

3) Real Estate Retention Agreement – AHP Direct Subsidy – Lease Purchase Projects

4) Real Estate Retention Agreement – Homeownership Initiatives

5) Real Estate Retention Agreement - Homeownership Initiatives – Projects on Tribal Lands (Available upon request)

6) Real Estate Retention Agreement- AHP Direct Subsidy – Projects on Tribal Lands (Available upon request)

7) Real Estate Retention Agreement – AHP Subsidized Advance – Rental Projects (Available upon request)

Real Estate Retention Agreement

Affordable Housing Program

Grant Award

(Homeownership)

AHP Project No.: _____

For purposes of this Agreement, the following terms shall have the meanings set forth below:

"FHLBI" shall refer to the Federal Home Loan Bank of Indianapolis.

"Member" shall refer to **,**

(FHLBI's member institution),

located at .

"Borrower(s)" shall refer to .

For and in consideration of receiving direct subsidy funds (the "Subsidy") in an amount not to exceed $ under the Affordable Housing Program ("AHP") of the FHLBI through the Member, with respect to that certain real property located at , in the city/town of , County of , State of , which is more fully described as follows, **or as attached hereto as *Exhibit A* and made a part hereof:**

.

Borrower(s) hereby agree that they shall maintain ownership and reside in this property as their primary residence for a period of five (5) years ("Retention Period") from the date of closing and further agrees with the Member that:

(i.) The FHLBI, whose mailing address is 8250 Woodfield Crossing, Indianapolis, Indiana 46240, Attention: Community Investment Division, is to be given immediate written notice of any sale or refinancing of this property occurring prior to the end of the Retention Period;

(ii.) In the case of a sale prior to the end of the Retention Period, an amount calculated by FHLBI, equal to a pro rata share of the direct Subsidy that financed the purchase, construction, or rehabilitation of this property reduced for every year the Borrower/Seller occupied the unit, shall be repaid to the Member for reimbursement to the FHLBI from any net gain realized upon the sale of the property after deduction for sales expenses, unless the purchaser is a very low-, low- or moderate-income household which is defined as having not more than 80% of the area median income or the unit was assisted with a permanent mortgage loan funded by a AHP subsidized advance;

(iii.) In the case of a refinancing prior to the end of the Retention Period, an amount equal to a pro rata share of the direct Subsidy that financed the purchase, construction, or rehabilitation of the property, reduced for every year the Borrower occupied the unit, shall be repaid to the Member for reimbursement to the FHLBI from any net gain realized upon the refinancing, unless the property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, incorporating the requirements of clauses (i), (ii), (iii) and (iv) contained herein, or the unit was assisted with a permanent mortgage loan funded by a AHP subsidized advance; and

(iv.) In the case of a foreclosure, the obligation to repay the Subsidy to the Member (and the member to the FHLBI) shall terminate upon final settlement, once foreclosure action is completed. Otherwise, the covenants contained herein shall continue until release by the Member in writing or the expiration of the Retention Period, whichever should first occur.

Real Estate Retention Agreement

Affordable Housing Program

Grant Award

(Rental Project)

AHP Project No.: _____

For purposes of this Agreement, the following terms shall have the meanings set forth below:

"FHLBI" shall refer to the Federal Home Loan Bank of Indianapolis

"Member" shall refer to ,
(FHLBI's member institution)
located at .

"Sponsor" shall refer to ,
(The not-for-profit sponsor)
located at .

"Project Owner" shall refer to ,
(The entity which owns the property subject to this mortgage)
located at .

As a condition and in consideration of receipt of direct subsidy funds (the "Subsidy") under the Affordable Housing Program ("AHP") of the FHLBI through the Member, with respect to that certain real property located at , in the city/town of , County of , State of , which is more fully described as follows:

See "EXHIBIT A" attached hereto and made a part hereof

the Project Owner/Sponsor, for itself and all successors to the property, agrees with the Member that:

(i) The rental units contained in (“Project”), or applicable portion thereof, must remain occupied by and affordable for households with incomes as committed to in the AHP Application, or as modified and approved by the FHLBI, for a period of fifteen (15) years (“Retention Period”) from the date of the completion of the project (unless otherwise extended in a modification agreement due to unforeseen circumstances);

(ii) The FHLBI, whose mailing address is 8250 Woodfield Crossing, Indianapolis, Indiana 46240, Attention: Community Investment Division, is to be given immediate written notice of any sale or refinancing of this property occurring prior to the end of the Retention Period;

(iii) In the case of a sale or refinancing of the Project prior to the end of the Retention Period, an amount equal to the full amount of the direct Subsidy shall be repaid to the Member, for reimbursement to FHLBI, unless the Project continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the requirements of clauses (i), (ii), (iii) and (iv) contained herein or if authorized by the FHLBI, in its discretion, the households are relocated, due to the exercise of eminent domain, or for expansion of housing or services, to another property that is made subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the income-eligibility and affordability restrictions committed to in the approved AHP application for the remainder of the retention period; and

(iv) The income-eligibility, affordability restrictions applicable to the project and obligation to repay the Subsidy to the Member terminate after foreclosure. Otherwise, the covenants contained herein shall continue until released by the Member in writing or the expiration of the Retention Period, whichever should first occur.

Real Estate Retention Agreement

Affordable Housing Program

Grant Award

(Lease/Purchase Project)

AHP Project No.: _____

For purposes of this Agreement, the following terms shall have the meanings set forth below:

"FHLBI" shall refer to the Federal Home Loan Bank of Indianapolis

"Member" shall refer to ,

(FHLBI's member institution)

located at .

"Sponsor" shall refer to ,

(The not-for-profit sponsor)

located at .

"Project Owner" shall refer to ,

(The entity which owns the property subject to this mortgage)

located at .

As a condition and in consideration of receipt of direct subsidy funds (the "Subsidy") under the Affordable Housing Program ("AHP") of the FHLBI through the Member, with respect to that certain real property located at , in the city/town of , County of , State of , which is more fully described as follows:

See "EXHIBIT A" attached hereto and made a part hereof

the Project Owner/Sponsor, for itself and all successors to the property, agrees with the Member that:

(i) The lease/purchase units contained in ("Project"), or applicable portion thereof, must remain occupied by and affordable for households with incomes as committed to in the AHP Application, or as modified and approved by the FHLBI, for a period of fifteen (15) years ("Lease Retention Period") from the date of completion of the project;

(ii) Once the lease obligation is terminated with respect to any one or more units, and the unit is purchased by an AHP-eligible homebuyer, the Retention Period under paragraph (i) reverts to five (5) years from the date of completion of the project ("Purchase Retention Period") with respect to such purchased units only, and the Lease Retention Period remains in effect for unsold units.

(iii) The FHLBI, whose mailing address is 8250 Woodfield Crossing, Indianapolis, Indiana 46240, Attention: Community Investment Division, is to be given immediate written notice of any sale or refinancing of any unit occurring prior to the end of the applicable Retention Period under Paragraphs (i) and (ii);

(iv) In the case of a sale or refinancing of any unit prior to the end of the Lease Retention Period under paragraph (i), an amount equal to the full amount of the direct Subsidy shall be repaid to the Member, for reimbursement to FHLBI, unless the Project continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the requirements of clauses (i), (ii), (iii), (iv), (v), (vi) and (vii) contained herein, or if authorized by the FHLBI, in its discretion, the households are relocated, due to the exercise of eminent domain, or for expansion of housing or services, to another property that is made subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the income-eligibility and affordability restrictions committed to in the approved AHP application for the remainder of the retention period;

(v) In the case of a sale of a unit prior to the end of the Purchase Retention Period under Paragraph (ii), an amount equal to a pro rata share calculated by FHLBI on a per diem basis, of the direct Subsidy that financed the purchase, construction, or rehabilitation of such unit reduced for every year the unit owner owned the property, shall be repaid to the Member for reimbursement to the FHLBI from any net gain realized upon the sale of the property after deduction for sales expenses, unless the purchaser is a low- or moderate-income household which is defined as having not more than 80% of the area median income; or

(vi) In the case of a refinancing of a unit prior to the end of the Purchase Retention Period under Paragraph (ii), an amount equal to a pro rata share of the direct Subsidy that financed the purchase, construction, or rehabilitation of the unit, reduced for every year the unit owner occupied the unit, as calculated by FHLBI, shall be repaid to the Member for reimbursement to the FHLBI from any net gain realized upon the refinancing, unless the property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, incorporating the requirements of clauses (i), (ii), (iii), (iv), (v), (vi), and (vii) contained herein; and

(vii) The income-eligibility, affordability restrictions applicable to the project and obligation to repay the Subsidy to the Member terminate after foreclosure settlement, deed-in-lieu, or assignment of the first mortgage to the Secretary of HUD (assuming AHP funding is used in conjunction with FHA financing). Otherwise, the covenants contained herein shall continue until released by the Member in writing or the expiration of the Retention Period, whichever should first occur.

Real Estate Retention Agreement

Homeownership Initiatives – (Homeownership Opportunities Program,

Neighborhood Impact Program, Accessibility Modifications Program,

Disaster Relief Program)

Grant Award - (Homeownership)

Grant Type: ☐ HOP ☐ NIP ☐ AMP ☐DRP Project / ID#:

For purposes of this Agreement, the following terms shall have the meanings set forth below:

"FHLBI" shall refer to the Federal Home Loan Bank of Indianapolis.

"Member" shall refer to (FHLBI's Member institution), located at .

"Borrower(s)" shall refer to .

For and in consideration of receiving direct subsidy funds (the "Subsidy") in an amount not to exceed $ under the Affordable Housing Program ("AHP") of the FHLBI through the Member, with respect to that certain real property located at , in the city/town of , County of , State of , which is more fully described as follows, or as attached hereto as Exhibit A and made a part hereof:

Borrower(s) hereby agree that they shall maintain ownership and reside in this property as their primary residence for a period of five (5) years ("Retention Period") from the date of the closing and further agrees with the Member that:

(i.) The FHLBI, whose mailing address is 8250 Woodfield Crossing, Indianapolis, Indiana 46240, Attention: Community Investment Division, and the Member are to be given immediate written notice of any sale or refinancing of this property occurring prior to the end of the Retention Period;

(ii.) In the case of a sale prior to the end of the Retention Period (including transfer or assignment of the title or deed to another owner, subject to certain exceptions outlined herein), an amount calculated by the Member via an FHLBI prescribed calculation and verified by the FHLBI, equal to a pro rata share of the direct Subsidy that financed the purchase, construction, or rehabilitation of this property reduced for every year the Borrower/Seller occupied the unit, shall be repaid to the Member for reimbursement to the FHLBI from any net gain realized upon the sale of the property after deduction for sales expenses, unless the purchaser is a very low, low-, or moderate-income household which is defined as having not more than 80% of the area median income, or the household had obtained a permanent mortgage funded by an AHP subsidized advance and not a direct subsidy. Upon the sale of the home, the purchaser has no retention or AHP Subsidy repayment obligations, regardless of whether or not the purchaser is very low-, low- or moderate-income;

(iii.) In the case of any refinancing prior to the end of the Retention Period, an amount calculated by the Member via an FHLBI prescribed calculation and verified by the FHLBI, equal to a pro rata share of the direct Subsidy that financed the purchase, construction, or rehabilitation of the property, reduced for every year the Borrower occupied the unit, shall be repaid to the Member for reimbursement to the FHLBI from any net gain realized upon the refinancing, unless the property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, or the household had obtained a permanent mortgage funded by an AHP subsidized advance and not a direct subsidy, incorporating the requirements of clauses (i), (ii), (iii) and (iv) contained herein; and

(iv.) In the case of a foreclosure, deed-in-lieu, or assignment of the first mortgage to the Secretary of HUD (assuming AHP funding is used in conjunction with FHA financing), the obligation to repay the direct Subsidy to the Member shall terminate upon final settlement or disposition, once such action is completed. Otherwise, the covenants contained herein shall continue until release by the Member in writing or the expiration of the Retention Period, whichever should first occur.

(i.) Upon the death of the AHP-assisted sole owner, or owners in the case of multiple title holders, the AHP Retention Agreement terminates and there is no obligation to repay the AHP Subsidy.