

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
INDIANA HOMEOWNER ASSISTANCE FUND PROMISSORY NOTE**

Unique ID:

Borrower(s): _____

Property Address: _____ (the "Property")

<p>Maximum Loan Amount: Fifty Thousand and 00/100 Dollars (\$50,000.00)</p> <p>Reinstatement Amount: _____ Thousand and __/100 Dollars (\$____,____.____)</p> <p>Combined Monthly Payment(s) on Behalf of Borrower(s): _____ Thousand and __/100 Dollars (\$____,____.____)</p> <p>Property Charge Item(s): _____ Thousand and __/100 Dollars (\$____,____.____)</p> <p>The assistance amounts reflected above may be subject to change as determined by the company(ies) holding the senior mortgage on the Property or the entity(ies) to which non-escrowed property charges are paid. Under no circumstances will the amount of assistance received by the Borrower exceed the Maximum Loan Amount.</p> <p>If the Borrower disputes the amount of assistance received or there is any discrepancy between the payment amounts listed in this Promissory Note and in IHCDA's system of record approved by the U.S. Department of the Treasury then the amount of assistance reflected in the system of record will prevail.</p>

LOAN. This Indiana Housing and Community Development Authority Indiana Homeowner Assistance Fund Promissory Note (this "Note") is effective as of the date stated below (the "Effective Date") and evidences the loan made to you, the undersigned ("Borrower(s)") by the **INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY** ("IHCDA") through the Indiana Homeowner Assistance Fund (the ("Program")) with funding received from the Homeowner Assistance Fund administered by the U.S. Department of the Treasury).

We use the words you and your to mean the borrower and anyone else who signs this Note. We, us, and our refer to IHCDA and its successors and assigns.

METHOD FOR LOAN AMOUNT DISBURSEMENTS. The "Maximum Loan Amount" indicated above represents the largest amount of funding that any borrower could receive under the Program. However, the Maximum Loan Amount will not be disbursed in one (1) payment, and you are not guaranteed to receive the Maximum Loan Amount. So long as you continue to be eligible to receive assistance under the Program, {00041599-2}

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fulfill your obligations under the Program, and have a balance left under the Maximum Loan Amount after payment of the Reinstatement Amount indicated above (if applicable), IHCDA will pay the “Combined Monthly Payment(s) on Behalf of Borrower(s)” to the company(ies) holding the senior mortgage(s) on the Property. The “Combined Monthly Payment(s) on Behalf of Borrower(s)” represents your monthly mortgage payment multiplied by the total number of monthly payments to be made on your behalf. The Reinstatement Amount, plus the amount equal to the Combined Monthly Payment(s) on Behalf of Borrower(s), plus any payment of non-escrowed property charges such as property taxes, homeowner’s association fees, and insurance on the Property made on your behalf, represents the total amount that you will receive under this Note (hereinafter referred to as the “Loan Amount”), but in no event will you receive more than the Maximum Loan Amount.

PROMISE TO PAY. For value received, you promise to pay to IHCDA, at Maturity (as defined below), the Loan Amount at Maturity (defined below), subject to the further provisions contained in this Note. Payments shall be made as described below:

The Loan Amount will be forgiven under the following circumstances: (1) **if you continue to reside at the Property; and (2) maintain it as your primary residence and (3) otherwise comply with the terms and conditions contained in this Note, the Mortgage (as defined below), twenty percent (20%) of the original Loan Amount will be forgiven by IHCDA each consecutive year, beginning upon the completion of the first (1st) anniversary of the Effective Date through the end of the fifth (5th) anniversary of the Effective Date, then, the Loan Amount shall be forgiven at the end of the fifth (5th) anniversary of the Effective Date.** The table below details the loan forgiveness schedule:

FORGIVENESS SCHEDULE		
End of Year	Percent of Loan Amount Forgiven	Percent of Loan Amount You are Responsible For
1	20%	80%
2	40%	60%
3	60%	40%
4	80%	20%
5	100%	0%

Notwithstanding the foregoing, you will be required to repay all of the unforgiven Loan Amount at “Maturity”. For the purposes of this Note, “Maturity” means the first to occur of the following: (1) the sale or other transfer of your interest in the Property, where such sale or transfer provides an ownership interest to a party other than the Borrower or Co-Borrower named herein; (2) the Property ceases to be your primary place of residence, (3) there is a default or breach of this Note, the Mortgage or any other agreement made between IHCDA and Borrower(s) or (4) if foreclosure proceedings have been initiated against the Property. Your payment should be made to IHCDA at the address listed below, unless IHCDA instructs you to make payment to another holder or to another address.

However, if the Property is sold for fair market value or via Sheriff’s sale, you shall only be required to pay IHCDA the “Net Proceeds” from the sale of the Property up to the unforgiven Loan Amount. However, if at any time it becomes evident to IHCDA, the U.S. Department of the Treasury or Court of law or equity that any representation or warranty made by the Borrower(s) at the time the Borrower(s) applied for the Loan was false, misleading, or fraudulent or the Borrower(s) was found to have committed fraud with respect to the Program, you must repay the entire the Loan Amount and the Net Proceeds and the Forgiveness Schedule will not apply. The “Net Proceeds” is defined as the amount of the sales price that you receive for selling the Property minus the payoff amount for the senior mortgages on the Property.

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EVENTS OF DEFAULT. Borrower(s) shall be in default if any of the following events occur before Maturity: (1) if Borrower(s) do/does not continue to utilize the Property as its primary address, (2) if Borrower(s) sells the Property where such sale or transfer provides an ownership interest to a party other than the Borrower or Co-Borrower named herein; (3) if the Borrower(s) violate(s) any other terms and conditions contained in this Note, the Mortgage, or any other agreement made between IHCDA and Borrower(s); or (4) if foreclosure proceedings have been initiated against the Property; or (5) if at any time it becomes evident to IHCDA or the U.S. Department of the Treasury or any Court of Law or Equity that any representation or warranty made by the Borrower(s) at the time it applied for the Loan was false, misleading, or fraudulent or the Borrower(s) was found to have committed fraud with respect to the Program.

If an event of default occurs, the Borrower(s) agrees to pay to IHCDA the unforgiven Loan Amount. However, if at any time it becomes evident to IHCDA, the U.S. Department of the Treasury or a Court of Law or Equity that any representation or warranty made by the Borrower(s) at the time the Borrower(s) applied for the Loan was false, misleading, or fraudulent or the Borrower(s) was found to have committed fraud with respect to the Program, you must repay the entire the Loan Amount and the Net Proceeds and the Forgiveness Schedule will not apply.

SECURITY; COLLATERAL FOR THE LOAN. This Note is secured by a mortgage that has been placed upon the Property and its improvements (the "Mortgage"). If an event of default occurs, the Property may be foreclosed upon or otherwise disposed of to attempt to satisfy the repayment of Loan Amount.

BORROWER'S COOPERATION. You agree to cooperate with IHCDA, its designee or the U.S. Department of the Treasury and provide either with information, records, access to the premises located on the Property, or any such assistance reasonably requested by IHCDA, its designee or the U.S. Department of the Treasury. You agree to keep documentation and records associated with the Program for a minimum period of five (5) years after the Effective Date of this Note.

PROMISE TO NOTIFY OF REEMPLOYMENT AND RESIDENCE. You agree that while you are participating in the Program you will notify IHCDA, if the Property is no longer being used as your primary place of residence by contacting us in writing at the following address:

Indiana Housing and Community Development Authority
Attn. Homeowner Assistance Fund
30 South Meridian Street
Suite 900
Indianapolis, Indiana 46204
Or via e-mail at HAF@ihcda.in.gov

IHCDA may periodically verify your continued residence at the Property and/or ownership of the Property, and you agree to promptly provide such verification of continued residency at the Property and/or ownership of the Property to IHCDA upon request, at your cost.

ADDITIONAL TERMS. Please refer to the Mortgage you are granting to IHCDA, the additional terms and conditions of the Mortgage are hereby incorporated herein.

LIABILITY OF OBLIGATIONS.. Your obligations to make the payments required hereunder shall be absolute and unconditional, without defense or set-off by reasons of any default by us under any agreement between you and us or for any other reason, including without limitation any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Property, any change in the tax or other laws or administrative

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rulings of or administrative actions by the United States of America or the State of Indiana, or any political subdivision of either, or any failure by us to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the payments hereunder, and irrespective of the value, genuineness, validity, regularity or enforceability of any of the Loan documents or other documents relating to the obligations.

NON-NEGOTIABILITY; NON-TRANSFERABILITY. This Note is non- negotiable and cannot be assigned or transferred by you or be assumed.

DELAY OF ENFORCEMENT; RESERVATION OF RIGHTS. We can delay enforcing any of our rights under this Note any number of times without losing our rights. We can waive or delay enforcing a right as to one borrower without waiving it as to any other borrower. Also, we can release one borrower from his or her responsibilities under this Note without releasing any other borrower. We may release the security interest in the Property or agree to accept other collateral without releasing you from your obligation to pay this Loan. We need not give anyone notice of our waiver, delay or release. We can enforce this Note against your heirs and legal representatives.

SEVERABILITY. In case any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect other provisions of this Note, but this Note shall be construed as if such invalid, illegal or unenforceable provision has never been contained herein.

SUCCESSORS AND ASSIGNS. The covenants and obligations of this Note shall be binding upon you, your successors and assigns and shall inure to the benefit of us, our successors and assigns and all subsequent transferees of this Note.

GOVERNING LAW; AMENDMENTS. This Note shall be governed by the laws of the State of Indiana and may only be modified by a writing signed by all of the parties hereto.

TAX CONSEQUENCES. Please review Internal Revenue Service (“IRS”) Rev. Proc. 2021-47 or consult with your tax preparer.

ATTORNEYS’ FEES. Should IHCDA elect to employ attorneys at law to represent it in the enforcement of any obligation undertaken by you in favor of IHCDA in connection herewith, or to participate in any legal proceedings in any way connected herewith, you agree to pay to IHCDA the reasonable fees and expenses of the foregoing attorneys, to the extent allowed by law.

WAIVER OF JURY TRIAL. Borrower(s) and IHCDA, after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily, and intentionally waive any right they may have to a trial by\ jury in any litigation based upon or arising out of this Note or any related instrument or agreement or any of the transactions contemplated by this Note, or any course of conduct, dealing, statements (whether oral or written), or actions by and between the Borrower(s) and IHCDA. The Borrower(s) and IHCDA shall not seek to consolidate by counterclaim or otherwise, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

IF YOU HAVE RECEIVED A COMPLETED COPY OF THIS NOTE AND PROMISE TO FULFILL ITS TERMS AND CONDITIONS, PLEASE SIGN BELOW.

Effective as of this day _____.

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Borrower

Co-Borrower

Printed Name

Printed Name

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