



SMARTBUY

Closing Document Set



IHDA
MORTGAGE

To use this doc set with fillable fields, download and open with Adobe Reader.

INSTRUCTIONS: Complete all fields, if any information changes regarding the student loan balances and/or payoffs, notify IHDA immediately. **Remember, the following documents are prepared and sent to the file contact by IHDA: Promissory Note, Deed Restriction, Guaranty Letter.**

DPA OPT OUT - Select only if borrower is NOT utilizing the \$5,000 down payment assistance. Selecting this box will hide all the DPA 2nd mortgage documents as they are not required.

1st Lien Mortgage Loan Amount

L E N D E R D A T A

Lender Email *(file point of contact, final closing docs will be sent here)*

Loan Officer Name NMLS ID

Lender Name NMLS ID

C L O S I N G D A T A

Enter closing location - NOT subj. property data

Closing City Closing County

Closing State.....

Vesting and Manner Of Title (Optional)

Enter borrower(s) names exactly as it should appear on the mortgage with the vesting info. For example: John Doe & Jill Doe, husband and wife as joint tenants. IHDA does not require vesting to be added to the 2nds. Leave the field below blank if you are not including vesting information.

B O R R O W E R # 1 (B 1)	
A) Full Legal Name...	
B) Current Address...	
C) Email Address.....	Phone
B O R R O W E R # 2 (B 2)	
A) Full Legal Name...	
B) Current Address...	
C) Email Address.....	Phone
B O R R O W E R # 3 (B 3)	
A) Full Legal Name...	
B) Current Address...	
C) Email Address.....	Phone

P R O P E R T Y D A T A

Street Address City ZIP County Appraised Value
 PIN New Construction?...YES NO Targeted Area?...YES NO Number Of Units?

H O U S E H O L D A N D I N C O M E D A T A

1. Borrower Martial Status 2. Total Household Members 3. Total Household Income
4. Non Borrowing Spouse (Full Name).....

P R O P E R T Y L E G A L D E S C R I P T I O N - Enter property description below or write in "addendum attached" and include with upload.

PROGRAM:

AMI:

LOAN TYPE:

HHSIZE:

CLOSING DATE:

BORROWER NAME:

IHDA FILE #:

AGENCY COMPLIANCE

- 1. TRID Initial LE(s) for 1st and 2nd Mortgages within 3 days of Application
2. TRID Compliance:
a) Written List of Providers
b) All revised LE disclosures & supporting docs.
c) Initial CD (for 1st & 2nd) 3 days
d) All revised CD(s) w/final CD signed & dated for closing date, if DPA is used source must be disclosed
e) CD's dated post close (if applicable) if DPA is used source must be disclosed
f) CFPB ToolKit/Acknowledgement
3. Intent to Proceed
4. Certified copy of Assignment of Mortgage to U.S. Bank (if mortgage is not on MOM doc)
5. 1st Mortgage Note
6. Certified copy of 1st Mortgage with attached legal description & Riders (if MERS must be on MOM docs)
Loan Amt: Rate: %
7. Certified copy of Power of Attorney
8. Notarized Name Affidavits
9. Initial Payment Letter/First Payment Letter
10. Title Commitment/Binder
11. Tax Certification Sheet
12. IEAD (Initial Escrow Account Disclosure)
13. Initial URLA/1003 fully executed
14. Final URLA/1003 fully executed
15. 1008 (FNMA) or 1077 (FHLMC)
16. Signed PMI Certificate (if over 80% LTV)
17. PMI Disclosure
18. Evidence of payment to MI company
19. Amortization Schedule (Conv. loans)
20. Copy of check & pay history (if principal reduct.)
21. AUS - DU, LPA, GUS
22. FFIEC Rate Spread Calc & lock if HPML
23. Pre-Purchase Counseling Cert dated PTC& signed (as needed)by: Borrower Coborrower/SP
24. Non-HFA/Gift Letter(s) & proof of transfer
25. Compliance/ E&O agreement
26. Customer ID & Notice - Patriot Act
27. Other Compliance Disclosures to borrower
28. Credit Report: FICO
29. OFAC Search with no matches found
30. List of Housing Counseling Orgs.
31. Borrower Tax Consent Form

IHDA DISCLOSURE COMPLIANCE

- 1. (HO-001.8) Submission Cover PTC.....
2. (HO-012.3) Borrower Affidavit Dated PTC.....
3. (HO-053.1)Zero Inc. Cert. (as needed) PTC...
4. (HO-002.2)U.S. Bank Authorization PTC.....
5. (HO-061)IHDA Privacy Notice PTC.....
6. 2nd Mortgage Note AC.....
7. Certified copy of 2nd Mortgage AC.....
Loan Amt:
8. (HO-008.3) IHDA Rider to 1st Mortgage (recordedwith1st) AC.....
9. (HO-016.3) Signed Servicing Letter AC.....
10. (HO-054.1) Assist. Impact Letter AC.....
11. (HO-035.1)MRB Final Recapture AC.....

1.SmartBuy 2.Access FG 3.Access DF 4. Access RP 5.Opening Doors 6. Illinois HFA1

INCOME COMPLIANCE

- 1. VOE: (all borrowers) within 10 business days
2. Prior VVOE
3. IRS W-9
4. IRS 4506-C signed
5. IRS 8821(self-employed)
6. IRS W2's
B CB1 CB2
7. Signed Tax Returns OR Transcripts (per AUS).....
8. Paystubs: 30 days.....
B CB1 CB2
9. 2 months Bank stmnts. (per AUS).....
10. Signed Income Calculator.....
11. SSI, Pension, VA, VA Benefits
12. LOX for Discrepancies
13. Divorce Decree/Property Settlement, Marriage Certificate, Birth Certificate.....

PROPERTY COMPLIANCE

- 1. Appraisal Delivery Acknowledgment
2. HOI (hazard policy with paid receipt to include mortgagee clause (ISAOA ATIMA)
3. Standard Flood Hazard determination
4. Flood Policy with paid receipt to include mortgagee clause to U.S. Bank (if applicable)
5. Notice to Borrower in Special Flood Hazard Area
6. Appraisal (all pages) < 5 acres.....
7. USBHM Condo Review if LTV > 97%
8. FHA/FNMA/FHLMC UCDP/SSR Submission
9. Final Inspection (if appraisal is subject to repairs)
10. Work completion Escrow Agreement
11. Final Purchase Contract Price.....

FHA COMPLIANCE

- 1. HUD-92900-A Initial (with pages 1&2 fully completed)
2. HUD-92000-A Final (with pages 1-4 fully completed by borrower and underwriter)
3. HUD-92900-B Important Notice to Homebuyer
4. Real Estate Cert & Amendatory Clause fully executed
5. Informed Consumer Choices Notification
6. FHA Case Query reflecting UFMIP as received
7. FHA Case No. Assignment
8. LUTS 929000-LT w/ CAIVRS/LDP/GSA "marked no"
9. Award & Commit. letter(s) for NON-HFA/Gifts/Grants
10. Conditional Commitment with all requirements
11. Loan MUST be FHA insured if > 90 days from close
12. Lender Unit Certification Form (if condominium)
13. HUD-92561 (Hotel/Transient Use - required if 2+Units)
14. DPA Award & Commitment letters signed by borrowers
15. Builder's Certificate (new const. only)
16. Builder's Warranty of Completion (HUD- 92544, new const. only)
17. Final Inspection (HUD-92051 or 1004D, if applicable, new const. only)
18. Evidence of 10 year warranty, or in lieu of warranty Builder's Permit & Certificate of Occupancy (if new construction)
19. For Your Protection Get A Home Inspection
20. Settlement Certification

VA COMPLIANCE

- 1. VA-26-1802a to include pages 1 & 2
2. VA-26-1820 Report & Certification of Loan Disbursement
3. COE for Veteran borrower
4. VA funding Fee Receipt reflecting settled/processed
5. VA 26-6393 Loan Analysis
6. CAIVRS Authorization of all borrowers
7. VA Notice of Value with all conditions
8. Borrower Certificate & Authorization
9. VA Rider to Security Instrument (or 5 clauses)
10. Escape Clause/ Amendatory Clause
11. VA-26-592 Counseling Checklist (Active duty only)
12. VA HUD-1/CD Itemization
13. Loan Quality Certification (Title 38 USC)
14. VA 26-1866 Commitment Cert (if prior approval from VA)
15. VA Guaranty Certificate (if > 90 days from close)
16. NPMA-33 Termite/Wood Destroying Insect/Soil Treatment

USDA COMPLIANCE

- 1. RD 3555-18 Conditional Commitment
2. GUS Findings
3. 1008 Underwriting Transmittal RD 3555-21
4. Request for Single Family Housing Loan Guarantee
5. RD 3555-17 Loan Note Guarantee (if >90 days from close)

MCC COMPLIANCE

When the program is open, all documents required for the MCC are listed on the submission cover of the MCC document set and must be included with every MCC.

LENDER CONTACT

LENDER NAME:

FILE CONTACT NAME:

FILE CONTACT EMAIL:

SMARTBUY

- Y N NA
1. SB signed Student Loan Attestation
2. SB Deed Restriction
3. SB Promissory Note
4. SB Guaranty Letter
5. Final signed CD to show all student loans being paid off & IHDA SmartBuy assistance

Remember! - Split your upload:

- 1. IHDA Delivery File- ALL IHDA DOCS
2. INVESTOR Delivery File-Everything else

Document Completion/Execution Guide
PTC= Prior to Closing AC= At Closing

NOTES



This document was prepared by:

After Recording Return To:
**Illinois Housing
Development Authority**
111 E Wacker Drive, STE 1000
Attn: Homeownership
Chicago, IL 60601

_____ [Space Above This Line For Recording Data] _____

SUBORDINATE MORTGAGE

**NOTICE TO BORROWER
THIS
MORTGAGE CONTAINS
PROVISIONS RESTRICTING ASSUMPTIONS**

Mortgage Will be Recorded in Second Lien Position

DEFINITIONS

IHDA Loan Number:

Words used in multiple sections of this document are defined below and other words are defined under the caption TRANSFER OF RIGHTS IN THE PROPERTY and in Sections 11 and 14. Certain rules regarding the usage of words used in this document are also provided in Section 12.

Parties

(A) "Borrower" is

currently residing at

Borrower is the mortgagor under this Security Instrument.

(B) "Lender" is Illinois Housing Development Authority. Lender is a body politic and corporate organized and existing under the laws of the State of Illinois. Lender's address is 111 E. Wacker Drive, Suite 1000, Chicago, IL 60601. Lender is the mortgagee under this Security Instrument. The term "Lender" includes any successors and assigns of Lender.

Documents

(C) "Note" means the promissory note dated _____ and signed by each Borrower who is legally obligated for the debt under that promissory note. The Note evidences the legal obligation of each Borrower who signed the Note to pay Lender

_____ Dollars
(U.S. \$ _____) plus interest, if any. Each Borrower who signed the Note has



promised to pay this debt in full, in accordance with the payment schedule set forth in the Note. If applicable, the debt will be paid in full no later than _____ (the maturity date).

- (D) **“Riders”** means any and all Riders to this Security Instrument that are signed by Borrower. All such Riders are incorporated into and deemed to be a part of this Security Instrument.
- (E) **“Security Instrument”** means this document, which is dated _____, together with all Riders to this document.

Additional Definitions

- (F) **“Applicable Law”** means all controlling applicable federal, state, and local statutes, regulations, ordinances, and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.
- (G) **“Community Association Dues, Fees, and Assessments”** means all dues, fees, assessments, and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association, or similar organization.
- (H) **“Default”** means: (i) the failure to pay any Periodic Payment or any other amount secured by this Security Instrument on the date it is due; (ii) a breach of any representation, warranty, covenant, obligation, or agreement in this Security Instrument; (iii) a breach of any representation, warranty, covenant, obligation, or agreement in the first lien security instrument that is secured by the Property; (iv) any materially false, misleading, or inaccurate information or statement to Lender provided by Borrower or any persons or entities acting at Borrower’s direction or with Borrower’s knowledge or consent, or failure to provide Lender with material information in connection with the Loan; (v) Borrower’s failure to use the Property as their primary residence; or (vi) any action or proceeding described in Section 7(d).
- (I) **“Loan”** means the debt obligation evidenced by the Note, plus any interest, prepayment charges, costs, expenses, and late charges due under the Note, and all sums due under this Security Instrument, plus any interest.
- (J) **“Loan Servicer”** means the entity that has the contractual right to receive Borrower’s Periodic Payments, if any, and any other payments made by Borrower, and administers the Loan on behalf of Lender. Loan Servicer does not include a sub-servicer, which is an entity that may service the Loan on behalf of the Loan Servicer.
- (K) **“Miscellaneous Proceeds”** means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 4) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
- (L) **“Periodic Payment”** means any regularly scheduled amount due for principal and interest (if any) under the Note.
- (M) **“Property”** means the property described below under the heading “TRANSFER OF RIGHTS IN THE PROPERTY.”
- (N) **“Successor in Interest of Borrower”** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.



TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender (i) the repayment of the Loan, and all renewals, extensions, and modifications of the Note, and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower mortgages, grants, and conveys to Lender the following described property located in the

COUNTY of _____:
[Name of Recording Jurisdiction]

[Empty rectangular box for property description]

which currently has the address of _____
[Street]
_____, Illinois _____ ("Property Address");
[City] [Zip Code]

and Borrower releases and waives all rights under and by virtue of the homestead exemption laws of this State.

TOGETHER WITH all the improvements now or subsequently erected on the property, including replacements and additions to the improvements on such property, all property rights, including, without limitation, all easements, appurtenances, royalties, mineral rights, oil or gas rights or profits, water rights, and fixtures now or subsequently a part of the property. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER REPRESENTS, WARRANTS, COVENANTS, AND AGREES that: (i) Borrower lawfully owns and possesses the Property conveyed in this Security Instrument in fee simple or lawfully has the right to use and occupy the Property under a leasehold estate; (ii) Borrower has the right to mortgage, grant and convey the Property or Borrower's leasehold interest in the Property, subject to any existing senior encumbrances; and (iii) the Property is unencumbered, and not subject to any other ownership interest in the Property, except for encumbrances and ownership interests of record. Borrower warrants generally the title to the Property and covenants and agrees to defend the title to the Property against all claims and demands, subject to any encumbrances and ownership interests of record as of Loan closing.



THIS SECURITY INSTRUMENT combines uniform covenants for national use with limited variations and non-uniform covenants that reflect specific Illinois state requirements to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal, Interest, Prepayment Charges, and Late Charges.** Borrower will pay each Periodic Payment, if any, when due. Borrower will also pay any prepayment charges and late charges due under the Note, and any other amounts due under this Security Instrument. Payments due under the Note and this Security Instrument must be made in U.S. currency.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 11.

Any offset or claim that Borrower may have now or in the future against Lender will not relieve Borrower from making the full amount of all payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. **Application of Payments or Proceeds.** Except as otherwise described in this Section 2, all payments accepted and applied by Lender will be applied in the following order of priority (a) interest due under the Note (if any), and (b) principal due under the Note. Such payments will be applied to each Periodic Payment, if any, in the order in which it became due. Any remaining amounts will be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.
3. **Prior Security Instruments; Charges; Liens.** Borrower will perform all of Borrower's obligations under any security instrument with a lien which has priority over the lien of this Security Instrument, including Borrower's covenants to make payments when due. Lender and Borrower each recognize that provisions in this Security Instrument give Lender certain rights with respect to the Property and to the receipt of certain funds, including the right to receive payment of insurance proceeds and other Miscellaneous Proceeds and the use and application of the proceeds, including the right to hold and disburse the proceeds, and that these rights are subject to the terms of any security instrument with a lien which has priority over the lien of this Security Instrument. Borrower must pay (a) all taxes, assessments, charges, fines, and impositions attributable to the Property which have priority or may attain priority over this Security Instrument, (b) leasehold payments or ground rents on the Property, if any, and (c) Community Association Dues, Fees, and Assessments, if any.
4. **Property Insurance.**
 - (a) **Insurance Requirements; Coverages.** Borrower must keep the improvements now existing or subsequently 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, earthquakes, winds, and floods, for which Lender requires insurance. Borrower must maintain the types of insurance Lender requires, all in accordance with the terms of any security instrument which has a lien that has priority over this Security Instrument. This insurance must be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan, and may exceed any minimum coverage required by Applicable Law. Borrower may choose the insurance carrier providing the insurance, subject to Lender's right to disapprove Borrower's choice, which right will not be exercised unreasonably.
 - (b) **Failure to Maintain Insurance.** If Lender has a reasonable basis to believe that Borrower has failed to maintain any of the required insurance coverages described above, Lender may obtain insurance coverage, at Lender's option and at Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Any such coverage will insure Lender, but might not protect



Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard, or liability and might provide greater or lesser coverage than was previously in effect.

(c) **Insurance Policies.** All insurance policies required by Lender and renewals of such policies: (i) will be subject to Lender's right to disapprove such policies; (ii) must include a standard mortgage clause; and (iii) must name Lender as mortgagee and/or as an additional loss payee in the order of the priority of its lien.

5. **Preservation, Maintenance, and Protection of the Property; Inspections.** Borrower will not destroy, damage, or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower must maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition.

Lender may make reasonable entries upon and inspections of the Property. If Lender has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender will give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

6. **Protection of Lender's Interest in the Property and Rights Under this Security Instrument.**

(a) **Protection of Lender's Interest.** If: (i) Borrower fails to perform the covenants and agreements contained in this Security Instrument; (ii) there is a legal proceeding or government order that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien that has priority or may attain priority over this Security Instrument, or to enforce laws or regulations); or (iii) Lender reasonably believes that Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and/or rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property.

Lender's actions may include, but are not limited to: (I) paying any sums secured by a lien that has priority or may attain priority over this Security Instrument; (II) appearing in court; and (III) paying: (A) reasonable attorneys' fees and costs; (B) property inspection and valuation fees; and (C) other fees incurred for the purpose of protecting Lender's interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, exterior and interior inspections of the Property, entering the Property to make repairs, changing locks, replacing or boarding up doors and windows, draining water from pipes, eliminating building or other code violations or dangerous conditions, and having utilities turned on or off. Although Lender may take action under this Section 6, Lender is not required to do so and is not under any duty or obligation to do so. Lender will not be liable for not taking any or all actions authorized under this Section 6.

(b) **Additional Amounts Secured.** Any amounts disbursed by Lender under this Section 6 will become additional debt of Borrower secured by this Security Instrument. These amounts may bear interest at the Note rate (if any) from the date of disbursement and will be payable, with such interest, upon notice from Lender to Borrower requesting payment.

(c) **Leasehold Terms.** If this Security Instrument is on a leasehold, Borrower will comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title will not merge unless Lender agrees to the merger in writing.

7. **Assignment and Application of Miscellaneous Proceeds; Forfeiture.**

(a) **Assignment of Miscellaneous Proceeds.** Borrower is unconditionally assigning the right to receive all Miscellaneous Proceeds to Lender and agrees that such amounts will be paid to Lender.



- (b) **Application of Miscellaneous Proceeds upon Damage to Property.** If the Property is damaged, any Miscellaneous Proceeds will be applied to restoration or repair of the Property, if Lender deems the restoration or repair to be economically feasible and Lender's security will not be lessened by such restoration or repair. During such repair and restoration period, Lender will have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect the Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection must be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed, depending on the size of the repair or restoration, the terms of the repair agreement, and whether Borrower is in Default on the Loan. Lender may make such disbursements directly to Borrower, to the person repairing or restoring the Property, or payable jointly to both. Unless Lender and Borrower agree in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender will not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If Lender deems the restoration or repair not to be economically feasible or Lender's security would be lessened by such restoration or repair, the Miscellaneous Proceeds will be applied (i) to the sums secured by the first lien security instrument, and (ii) to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.
- (c) **Application of Miscellaneous Proceeds upon Total Taking of Property.** In the event of a total taking, destruction, or loss in value of the Property, all of the Miscellaneous Proceeds will be applied (i) to the sums secured by the first lien security instrument, and (ii) to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.
- (d) **Proceeding Affecting Lender's Interest in the Property.** Borrower will be in Default if any action or proceeding begins, whether civil or criminal, that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a Default and, if acceleration has occurred, reinstate as provided in Section 15, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower is unconditionally assigning to Lender the proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property, which proceeds will be paid to Lender.
8. **Borrower Not Released; Forbearance by Lender Not a Waiver.** Borrower or any Successor in Interest of Borrower will not be released from liability under this Security Instrument if Lender extends the time for payment or modifies the amortization of the sums secured by this Security Instrument. Lender will not be required to commence proceedings against any Successor in Interest of Borrower, or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument, by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities, or Successors in Interest of Borrower or in amounts less than the amount then due, will not be a waiver of, or preclude the exercise of, any right or remedy by Lender.
9. **Joint and Several Liability; Signatories; Successors and Assigns Bound.** Borrower's obligations and liability under this Security Instrument will be joint and several. However, any Borrower who signs this Security Instrument but does not sign the Note: (a) signs this Security Instrument to mortgage, grant, warrant, and convey such Borrower's interest in the Property under the terms of this Security Instrument; (b) signs this Security Instrument to waive any applicable inchoate rights such as dower and curtesy and any available homestead exemptions; (c) signs this Security Instrument to assign any Miscellaneous



Proceeds, rents, or other earnings from the Property to Lender; (d) is not personally obligated to pay the sums due under the Note or this Security Instrument; and (e) agrees that Lender and any other Borrower can agree to extend, modify, forbear, or make any accommodations with regard to the terms of the Note or this Security Instrument without such Borrower's consent and without affecting such Borrower's obligations under this Security Instrument.

Subject to the provisions of Section 14, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, will obtain all of Borrower's rights, obligations, and benefits under this Security Instrument. Borrower will not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing.

- 10. Loan Charges.** If permitted under Applicable Law, Lender may charge Borrower fees for services performed in connection with Borrower's Default to protect Lender's interest in the Property and rights under this Security Instrument, including: (i) reasonable attorneys' fees and costs; (ii) property inspection, valuation, mediation, and loss mitigation fees; and (iii) other related fees.

If Applicable Law sets maximum loan charges, and that law is finally interpreted so that the interest, if any, or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then (i) any such loan charge will be reduced by the amount necessary to reduce the charge to the permitted limit, and (ii) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). To the extent permitted by Applicable Law, Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

- 11. Notices; Borrower's Physical Address.** All notices given by Borrower or Lender in connection with this Security Instrument must be in writing.

(a) Notices to Borrower. Unless Applicable Law requires a different method, any written notice to Borrower in connection with this Security Instrument will be deemed to have been given to Borrower when (i) mailed by first class mail, or (ii) actually delivered to Borrower's Notice Address (as defined in Section 11(c) below) if sent by means other than first class mail or Electronic Communication (as defined in Section 11(b) below). Notice to any one Borrower will constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. If any notice to Borrower required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

(b) Electronic Notice to Borrower. Unless another delivery method is required by Applicable Law, Lender may provide notice to Borrower by e-mail or other electronic communication ("Electronic Communication") if: (i) agreed to by Lender and Borrower in writing; (ii) Borrower has provided Lender with Borrower's e-mail or other electronic address ("Electronic Address"); (iii) Lender provides Borrower with the option to receive notices by first class mail or by other non-Electronic Communication instead of by Electronic Communication; and (iv) Lender otherwise complies with Applicable Law. Any notice to Borrower sent by Electronic Communication in connection with this Security Instrument will be deemed to have been given to Borrower when sent unless Lender becomes aware that such notice is not delivered. If Lender becomes aware that any notice sent by Electronic Communication is not delivered, Lender will resend such communication to Borrower by first class mail or by other non-Electronic Communication. Borrower may withdraw the agreement to receive



Electronic Communications from Lender at any time by providing written notice to Lender of Borrower's withdrawal of such agreement.

- (c) **Borrower's Notice Address.** The address to which Lender will send Borrower notice ("Notice Address") will be the Property Address unless Borrower has designated a different address by written notice to Lender. If Lender and Borrower have agreed that notice may be given by Electronic Communication, then Borrower may designate an Electronic Address as Notice Address. Borrower will promptly notify Lender of Borrower's change of Notice Address, including any changes to Borrower's Electronic Address if designated as Notice Address. If Lender specifies a procedure for reporting Borrower's change of Notice Address, then Borrower will report a change of Notice Address only through that specified procedure.
- (d) **Notices to Lender.** Any notice to Lender will be given by delivering it or by mailing it by first class mail to Lender's address stated in this Security Instrument unless Lender has designated another address (including an Electronic Address) by notice to Borrower. Any notice in connection with this Security Instrument will be deemed to have been given to Lender only when actually received by Lender at Lender's designated address (which may include an Electronic Address). If any notice to Lender required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.
- (e) **Borrower's Physical Address.** In addition to the designated Notice Address, Borrower will provide Lender with the address where Borrower physically resides, if different from the Property Address, and notify Lender whenever this address changes.

- 12. Governing Law; Severability; Rules of Construction.** This Security Instrument is governed by federal law and the law of the State of Illinois. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. If any provision of this Security Instrument or the Note conflicts with Applicable Law (i) such conflict will not affect other provisions of this Security Instrument or the Note that can be given effect without the conflicting provision, and (ii) such conflicting provision, to the extent possible, will be considered modified to comply with Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence should not be construed as a prohibition against agreement by contract. Any action required under this Security Instrument to be made in accordance with Applicable Law is to be made in accordance with the Applicable Law in effect at the time the action is undertaken.

As used in this Security Instrument: (a) words in the singular will mean and include the plural and vice versa; (b) the word "may" gives sole discretion without any obligation to take any action; (c) any reference to "Section" in this document refers to Sections contained in this Security Instrument unless otherwise noted; and (d) the headings and captions are inserted for convenience of reference and do not define, limit, or describe the scope or intent of this Security Instrument or any particular Section, paragraph, or provision.

- 13. Borrower's Copy.** One Borrower will be given one copy of the Note and of this Security Instrument.
- 14. Transfer of the Property or a Beneficial Interest in Borrower.** For purposes of this Section 14 only, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract, or escrow agreement, the intent of which is the transfer of title by Borrower to a purchaser at a future date.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, Lender will not exercise this option if such exercise is prohibited by Applicable Law.



If Lender exercises this option, Lender will give Borrower notice of acceleration. The notice will provide a period of not less than 30 days from the date the notice is given in accordance with Section 11 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to, or upon, the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower and will be entitled to collect all expenses incurred in pursuing such remedies, including, but not limited to: (a) reasonable attorneys' fees and costs; (b) property inspection and valuation fees; and (c) other fees incurred to protect Lender's Interest in the Property and/or rights under this Security Instrument.

- 15. Borrower's Right to Reinstate the Loan after Acceleration.** If Borrower meets certain conditions, Borrower will have the right to reinstate the Loan and have enforcement of this Security Instrument discontinued at any time up to the later of (a) five days before any foreclosure sale of the Property, or (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate. This right to reinstate will not apply in the case of acceleration under Section 14.

To reinstate the Loan, Borrower must satisfy all of the following conditions: (aa) pay Lender all sums that then would be due under this Security Instrument and the Note as if no acceleration had occurred; (bb) cure any Default of any other covenants or agreements under this Security Instrument or the Note; (cc) pay all expenses incurred in enforcing this Security Instrument or the Note, including, but not limited to: (i) reasonable attorneys' fees and costs; (ii) property inspection and valuation fees; and (iii) other fees incurred to protect Lender's interest in the Property and/or rights under this Security Instrument or the Note; and (dd) take such action as Lender may reasonably require to assure that Lender's interest in the Property and/or rights under this Security Instrument or the Note, and Borrower's obligation to pay the sums secured by this Security Instrument or the Note, will continue unchanged.

Upon Borrower's reinstatement of the Loan, this Security Instrument and obligations secured by this Security Instrument will remain fully effective as if no acceleration had occurred.

- 16. Sale of Note.** The Note or a partial interest in the Note, together with this Security Instrument, may be sold or otherwise transferred one or more times. Upon such a sale or other transfer, all of Lender's rights and obligations under this Security Instrument will convey to Lender's successors and assigns.
- 17. Loan Servicer.** Lender may take any action permitted under this Security Instrument through the Loan Servicer or another authorized representative, such as a sub-servicer. Borrower understands that the Loan Servicer or other authorized representative of Lender has the right and authority to take any such action.

The Loan Servicer may change one or more times during the term of the Note. The Loan Servicer may or may not be the holder of the Note. The Loan Servicer has the right and authority to: (a) collect Periodic Payments and any other amounts due under the Note and this Security Instrument; (b) perform any other mortgage loan servicing obligations; and (c) exercise any rights under the Note, this Security Instrument, and Applicable Law on behalf of Lender. If required by Applicable Law, Borrower will receive notice of any change in the Loan Servicer.

- 18. Notice of Grievance.** Until Borrower or Lender has notified the other party (in accordance with Section 11) of an alleged breach and afforded the other party a reasonable period after the giving of such notice to take corrective action, neither Borrower nor Lender may commence, join, or be joined to any judicial action (either as an individual litigant or a member of a class) that (a) arises from the other party's actions pursuant to this Security Instrument or the Note, or (b) alleges that the other party has breached any provision of this Security Instrument or the Note. If Applicable Law provides a time period that must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this Section 18. The notice of Default given to Borrower pursuant to Section 20(a) and the notice of acceleration given



to Borrower pursuant to Section 14 will be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 18.

- 19. Electronic Note Signed with Borrower's Electronic Signature.** If the Note evidencing the debt for this Loan is electronic, Borrower acknowledges and represents to Lender that Borrower: (a) expressly consented and intended to sign the electronic Note using an Electronic Signature adopted by Borrower ("Borrower's Electronic Signature") instead of signing a paper Note with Borrower's written pen and ink signature; (b) did not withdraw Borrower's express consent to sign the electronic Note using Borrower's Electronic Signature; (c) understood that by signing the electronic Note using Borrower's Electronic Signature, Borrower promised to pay the debt evidenced by the electronic Note in accordance with its terms; and (d) signed the electronic Note with Borrower's Electronic Signature with the intent and understanding that by doing so, Borrower promised to pay the debt evidenced by the electronic Note in accordance with its terms.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

20. Acceleration; Remedies.

(a) Notice of Default. Lender will give a notice of Default to Borrower prior to acceleration following Borrower's Default, except that such notice of Default will not be sent when Lender exercises its right under Section 14 unless Applicable Law provides otherwise. The notice will specify, in addition to any other information required by Applicable Law: (i) the Default; (ii) the action required to cure the Default; (iii) a date, not less than 30 days (or as otherwise specified by Applicable Law) from the date the notice is given to Borrower, by which the Default must be cured; (iv) that failure to cure the Default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property; (v) Borrower's right to reinstate after acceleration; and (vi) Borrower's right to bring a court action to deny the existence of a Default or to assert any other defense of Borrower to acceleration and foreclosure.

(b) Acceleration; Foreclosure; Expenses. If the Default is not cured on or before the date specified in the notice, Lender may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender will be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 20, including, but not limited to: (i) reasonable attorneys' fees and costs; (ii) property inspection and valuation fees; and (iii) other fees incurred to protect Lender's interest in the Property and/or rights under this Security Instrument.

- 21. Release.** Upon payment of all sums secured by this Security Instrument, Lender will release this Security Instrument. Borrower will pay any recordation costs associated with such release. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

- 22. Placement of Collateral Protection Insurance.** Unless Borrower provides Lender with evidence of the insurance coverage required by Borrower's agreement with Lender, Lender may purchase insurance at Borrower's expense to protect Lender's interests in Borrower's collateral. This insurance may, but need not, protect Borrower's interests. The coverage that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the collateral. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained insurance as required by Borrower's and Lender's agreement. If Lender purchases insurance for the collateral, Borrower will be responsible for the costs of that insurance, including interest and any other charges Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to



Borrower's total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance Borrower may be able to obtain on its own.

23. CERTAIN RESTRICTIONS TERMINATE ON FORECLOSURE OF HUD-INSURED FIRST MORTGAGE. In the event of foreclosure or deed in lieu of foreclosure of a prior mortgage, deed of trust, security deed, or assignment of the first deed of trust securing the first lien note to the Secretary of Housing and Urban Development, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property or otherwise restricting the Borrower's ability to sell the Property will have no further force or effect. Any person (including their successors or assigns) receiving title to the Property through a foreclosure or deed in lieu of foreclosure of a prior mortgage or security deed will receive title to the Property free and clear from such restrictions.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider signed by Borrower and recorded with it.

Witnesses:

_____(Seal)
- Borrower

BORROWER PRINTED NAME
_____(Seal)
- Borrower

CO-BORROWER PRINTED NAME
_____(Seal)
- Borrower

CO-BORROWER PRINTED NAME
_____(Seal)
- Non-Borrowing Spouse

NON-BORROWING SPOUSE PRINTED NAME



_____ [Space Below This Line For Acknowledgment] _____

STATE OF _____

COUNTY OF _____ }

I _____, a Notary Public in and for the said County and State, do hereby certify that

personally known to me as the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this _____ day of _____.

Notary Seal

My Commission Expires

Notary Public Signature

Originator Names Nationwide Mortgage Licensing System and Registry IDs

Organization: _____ NMLSR ID: _____

Individual: _____ NMLSR ID: _____



SB-015.2

DEFERRED PAYMENT (BALLOON) NOTE

SMARTBUY PROGRAM

THIS LOAN CONTAINS PROVISIONS PROHIBITING THE UNAUTHORIZED TRANSFER OF THE PROPERTY AND IS NOT ASSUMABLE

THIS LOAN HAS A BALLOON PAYMENT. AT THE END OF THE LOAN TERM, YOU MUST REPAY THE ENTIRE BALANCE OF THE LOAN

[Note Date]

[City]

[State]

[Property Address]

1. BORROWER'S PROMISE TO PAY

In return for a loan in the amount of U.S. \$ _____ (the "Principal") that I have received from Illinois Housing Development Authority (the "Lender"), I promise to pay the Principal, plus accrued interest, if any, to the order of the Lender. I will make all payments under this Note in U.S. currency in the form of cash, check, money order, or other payment method accepted by Lender. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

I will pay simple interest at the rate of zero percent (0%) per annum.

3. PAYMENTS

(A) Time and Place of Payments

This is a deferred payment obligation. I will pay the Principal and any interest on the "Maturity Date," which is the earliest of any of the following dates:

- (i) _____;
- (ii) the date on which the property (or any interest therein) securing this Note (the "Property") is sold or otherwise transferred;
- (iii) the date on which the "First Lien Note" is refinanced or paid in full (the "First Lien Note" is a loan made by the first lien lender to me under a first lien note and a security instrument on the Property dated the same date as this Note);
- (iv) the date on which the First Lien Note becomes due and payable for any reason; or
- (v) the date I cease to use the Property as my primary residence.

I may be required to pay this Note in full before the Maturity Date if I default under this Note or the "Security Instrument" (defined in Section 10 below).

I will make my Principal and any interest payment at 111 E. Wacker Drive, Suite 1000, Chicago, IL 60601 or at a different place if required by the Note Holder.

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal at any time before they are due. A payment of principal only before it is due is known as a "Prepayment." When I make a Prepayment, I will notify the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments, if any, due under this Note.



I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest, if any, on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the Maturity Date unless the Note Holder agrees in writing to those changes.

5. LOAN CHARGES

If applicable law sets maximum loan charges, and that law is finally interpreted so that any interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then

- (a) any such loan charge will be reduced by the amount necessary to reduce the charge to the permitted limit, and
- (b) any sums already collected from me that exceeded permitted limits will be refunded to me.

The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charges for Overdue Payments

If the Note Holder has not received the full amount of any payment, if any, by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5% of my overdue payment of principal and interest, if any. I will pay this late charge promptly but only once on each late payment.

(B) Default

I will be in default under this Note if:

- (i) I do not pay the full amount of Principal and interest, if any, on the Maturity Date;
- (ii) I fail to comply with the terms of the "Security Instrument" (defined in Section 10 below) securing this Note, or
- (iii) I fail to comply with the terms of the First Lien Note or the mortgage, mortgage deed, deed of trust or security deed securing the First Lien Note.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of unpaid Principal and all the interest, if any, that I owe on that amount and other charges due under this Note (the "Default Balance"). That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

(D) No Waiver By Note Holder

If I am in default and the Note Holder does not require me to pay the Default Balance immediately as described above, the Note Holder will still have the right to do so if I continue to be in default or if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay the Default Balance immediately as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees and costs.



7. GIVING OF NOTICES

SB-015.2

(A) Notice to Borrower

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it, or by mailing it by first class mail, to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address. I will promptly notify the Note Holder of any change to my physical address and of any change to my mailing address. Unless applicable law requires otherwise, notice may instead be sent by e-mail or other electronic communication if agreed to by me and the Note Holder in writing and if I have provided the Note Holder with my current e-mail address or other electronic address. If I have agreed with the Note Holder that notice may be given by e-mail or other electronic communication, I will promptly notify the Note Holder of any changes to my e-mail address or other electronic address.

(B) Notice to Note Holder

Any notice that I must give to the Note Holder under this Note will be delivered by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. SECURED NOTE

In addition to the protections given to the Note Holder under this Note, a Mortgage, Mortgage Deed, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses that might result if I do not keep the promises that I make in this Note. That Security Instrument also describes how and under what conditions I may be required to make immediate payment of all amounts I owe under this Note. Some of those conditions are described as follows:

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, Lender will not exercise this option if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender will give Borrower notice of acceleration. The notice will provide a period of not less than 30 days from the date the notice is given in accordance with Section 14 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to, or upon, the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower and will be entitled to collect all expenses incurred in pursuing such remedies, including, but not limited to:



- (a) reasonable attorneys' fees and costs;
- (b) property inspection and valuation fees; and
- (c) other fees incurred to protect Lender's Interest in the Property and/or rights under this Security Instrument.

11. CERTAIN RESTRICTIONS TERMINATE ON FORECLOSURE OF HUD-INSURED FIRST MORTGAGE OR DEED OF TRUST.

In the event of foreclosure or deed in lieu of foreclosure of a prior mortgage, mortgage deed, deed of trust, security deed, or assignment of the first deed of trust securing the First Lien Note to the Secretary of Housing and Urban Development, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property or otherwise restricting the Borrower's ability to sell the Property will have no further force or effect. Any person (including their successors or assigns) receiving title to the Property through a foreclosure or deed in lieu of foreclosure of a prior mortgage, mortgage deed, deed of trust, or security deed will receive title to the Property free and clear from such restrictions.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

Witnesses:

_____(Seal)
- Borrower

_____(Seal)
- Borrower

BORROWER PRINTED NAME

CO-BORROWER PRINTED NAME

_____(Seal)
- Borrower

CO-BORROWER PRINTED NAME

[Sign Original Only]



**ILLINOIS HOUSING DEVELOPMENT AUTHORITY
MORTGAGE RIDER TO THE FIRST MORTGAGE**

NOTICE TO MORTGAGOR

THE PROVISIONS OF THIS RIDER SUBSTANTIALLY MODIFY THE TERMS OF THE LOAN. DO NOT SIGN THE NOTE OR THE SECURITY INSTRUMENT UNLESS YOU READ AND UNDERSTAND THESE PROVISIONS. UNLESS OTHERWISE PROVIDED, THE TERMS HEREIN ARE IDENTICAL IN MEANING AND DEFINITION AS THEY ARE USED IN THE SECURITY INSTRUMENT.

RIDER TO MORTGAGE BY AND BETWEEN THE

(the "Mortgagor(s)")

AND

(the "Lender")

The Mortgagor(s) is executing simultaneously herewith that a certain mortgage, dated

(the "Security Instrument") to secure a loan (the "Loan") made by

(the "Lender")

in the amount of _____ to the Mortgagor(s), evidenced by a note (the "Note") of even date herewith. It is expected that the Loan will be purchased or securitized by the Illinois Housing Development Authority (the "Authority"). It is a condition of the making of the Loan that the Mortgagor(s) execute this Rider. In consideration of the respective covenants of the parties contained in the Security Instrument, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are acknowledged, Mortgagor(s) and Lender further mutually agree as follows:

1. The rights and obligations of the parties to the Security Instrument and the Note are expressly made subject to this Rider. In the event of any conflict between the provisions of this Rider and the provisions of the Security Instrument and the Note, the provisions of this Rider shall control.



2. Notwithstanding the provisions of Paragraph 9 of the Security Instrument, the Mortgagor(s) agrees that the Lender or the Authority, as applicable, may, at any time and without prior notice, accelerate all payments due under the Security Instrument and Note, and exercise any other remedy allowed by law for breach of the Security Instrument or Note, if (a) the Mortgagor(s) sells, rents or fails to occupy the property described in the Security Instrument as his, her or their permanent and primary residence; or (b) the statements made by the Mortgagor(s) in the Borrower Affidavit (Illinois Housing Development Form HO-012) are not true, complete and correct, or the Mortgagor(s) fails to abide by the agreements contained in the Borrower Affidavit; or (c) the Lender or the Authority finds any statement contained in that Affidavit to be untrue. The Mortgagor(s) understands that the agreements and statements of fact contained in the Borrower Affidavit are necessary conditions for the granting of the Loan.

3. The provisions of this Rider shall apply and be effective only at such times as the Authority securitizes your loan or is the holder of the Security Instrument and the Note, or is in the process of securitizing or purchasing the Security Instrument and the Note. If the Authority does not securitize or purchase the Security Instrument and the Note, or if the Authority sells or otherwise transfers the Security Instrument and the Note to another individual or entity, the provisions of this Rider shall no longer apply or be effective, and this Rider shall be detached from the Security Instrument.

NON-BORROWING SPOUSE

MORTGAGOR(S)





111 E. Wacker Drive
Suite 1000
Chicago, IL 60601
312.836.5200

Dear Borrower,

Thank you for participating in the IHDA Mortgage SmartBuy Program! Congratulations on the purchase of your new home! The Illinois Housing Development Authority (the "Authority") is committed to the financing of single family housing and as a new customer we want to take this opportunity to welcome you to the Authority. We recognize the need to work closely with our borrowers and hope you will find the information provided herein helpful to you.

Your second loan was financed to assist you with your down payment needs and the Note made by you in connection with the second loan is secured by a Second Mortgage. Please review your Note carefully and understand the payment terms you are obligated to.

A second letter will soon follow that will provide you with further direction regarding the servicing of your second loan. If you have any questions or any changes that may impact notices you will receive during the term of your second loan, please contact us at:

Illinois Housing Development Authority
Attention: Homeownership Department
111 E. Wacker Dr., Suite 1000, Chicago, Illinois 60601

We may also be contacted directly at Mortgage@ihda.org. Or call us at (877) 456-2656. Thank you in advance for your cooperation and we look forward to servicing your future needs.

Sincerely,

A handwritten signature in blue ink that reads "Tara Pavlik" with a circled number "2" at the end.

Tara Pavlik
Managing Director of Homeownership

Acknowledged this _____ day of _____, _____.

Borrower

Co-Borrower

Co-Borrower



Borrower.....

Co-Borrower..

Co-Borrower..

Address.....

, Illinois

Program.....

Were you helped by this program? Help us get the word out!
Your response could help us continue to offer this program.
Tell us how this program will improve your life.

IHDA Opt-In – Help us help others!

I/We,

1. Consent to having this statement used in the promotion of these types of programs to other homeowners in need of assistance.
2. Agree to be contacted via information provided in this document for future marketing opportunities or testimonials.
3. Consent to photos taken at closing to be used in the promotion of IHDA programs.

How did you learn of IHDA Mortgage programs?

1. Visited IHDA's website
2. Housing/Community Event
3. Email from IHDA
4. Printed Ad/Flyer
5. Housing Counselor
6. Real Estate Agent
7. Friend/Family
8. IHDA Participating Lender
9. Google
10. Other

Borrower Signature

Borrower E-mail

Borrower Phone Number

Co-borrower Signature

Co-borrower Signature

Illinois Housing Development Authority

RECAPTURE NOTICE

NOTICE TO MORTGAGOR OF MAXIMUM RECAPTURE TAX AND OF METHOD TO COMPUTE RECAPTURE TAX ON SALE OF HOME - MRB

The Illinois Housing Development Authority (the "Authority"), through provisions of the Internal Revenue Code, has the ability to issue what are customarily referred to as "tax-exempt bonds." By issuing these bonds, the Authority can provide financing for mortgage loans. The Authority's First Time Homebuyer Program is an example of financing that is possible through such bond issuance.

A. INTRODUCTION: As a recipient of a mortgage loan from the proceeds of a tax-exempt bond, you may be subject to a recapture tax if you sell your home during the next nine years. The recapture is accomplished by an increase in your federal income tax for the year in which you sell your home. The recapture only applies, however, if you sell your home at a gain and if your income increases more than 5% per year. The recapture tax may also apply if you dispose of your home in some other way. Any references in this notice to the "sale" of your home also include other ways of disposing of your home. For instance, you may owe the recapture tax if you give your home to a relative.

B. MAXIMUM RECAPTURE TAX & CALCULATION OF TAX DUE, if any:

NO RECAPTURE TAX DUE: In the following situations, no recapture tax is due and you do not need to do the calculations listed below:

1. You sell your home more than nine years after settlement.
2. Your home is disposed of as a result of your death.
3. You transfer your home either to your spouse or to your former spouse in connection with a divorce and you have no gain or loss included in your income under section 1041 of the Internal Revenue Code, or
4. You dispose of your home at a loss.

MAXIMUM RECAPTURE TAX:

The maximum recapture tax that you may have to pay is _____.

This amount is 6.25% of the highest principal amount of your mortgage loan and is your federally subsidized amount with respect to the loan.

Total 1st mortgage loan amount: _____.



The **ACTUAL RECAPTURE TAX**, if any, can be determined when you sell your home, and is the lesser of (1) 50% of your gain on the sale of your home, regardless of whether you have to include that gain in your income for federal income tax purposes, or (2) your RECAPTURE AMOUNT determined below:

1. If home is sold before the 1st anniversary of closing, or on or after the 8th anniversary but before the 9th, your recapture amount will be 1.25% of your original principal mortgage amount.
2. If home is sold on or after 1st anniversary of closing but before the 2nd, or on or after the 7th anniversary but before the 8th, your recapture amount will be 2.5% of your original principal mortgage amount.
3. If home is sold on or after 2nd anniversary of closing but before the 3rd, or on or after the 6th anniversary but before the 7th, your recapture amount will be 3.75% of your original principal mortgage amount.
4. If home is sold on or after 3rd anniversary of closing but before the 4th, or on or after the 5th anniversary but before the 6th, your recapture amount will be 5% of your original principal mortgage amount.
5. If home is sold on or after 4th anniversary of closing but before the 5th your recapture amount will be 6.25% of your original principal mortgage amount. This is the maximum recapture amount.

C. INCOME CALCULATION. You can calculate the income percentage as follows: SUBTRACT the applicable ADJUSTED QUALIFYING INCOME in the taxable year in which you sell your home, as listed on the "Income Limit Attachment" to this form, FROM your MODIFIED ADJUSTED GROSS INCOME in the taxable year in which you sell home.

Your modified adjusted gross income means your adjusted gross income shown on your federal income tax return for the taxable year in which you sell your home, with the following two adjustments: (a) your adjusted gross income must be INCREASED by the amount of any interest that you receive or accrue in the taxable year from tax exempt bonds that is excluded from your gross income (under section 103 of the Internal Revenue Code); and (b) your adjusted gross income must be DECREASED by the amount of any gain included in your gross income by reason of the sale of your home.

Your **adjusted qualifying income** can be obtained from the Income Limit Attachment to this form. Start by finding the county in which your home is located. You would then choose the family size at the time of sale, whether it be 1 to 2 members or 3 or more. Once you have the correct row selected for the income, you would choose the correct column by selecting the year in which you are selling your home. Use this figure for your ADJUSTED QUALIFYING INCOME.

NOTE: If your income calculation above is zero or less, you owe no recapture tax. If it is \$5000 or more, you will owe 100% of the recapture amount. If it is greater than zero but less than \$5,000, it must be divided by \$5000. This fraction, expressed as a percentage, represents your income percentage. For example, if the fraction is \$1,000/\$5,000, your income percentage is 20%.



D. LIMITATIONS AND SPECIAL RULES ON RECAPTURE TAX.

1. If you give away your home (other than to your spouse or ex-spouse incident to divorce), you must determine your actual recapture tax as if you had sold your home for its fair market value.
2. If your home is destroyed by fire, storm, flood, or other casualty, there generally is no recapture tax if, within two years, you purchase additional property for use as your principal residence on the site of home financed with your original subsidized mortgage loan.
3. In general, except as provided in future regulations, if two or more persons own a home and are jointly liable for the subsidized mortgage loan, the actual recapture tax is determined separately for them based on their interests in the home.
4. If you repay your loan in full during the nine year recapture period and you sell your home during this period, your holding period percentage may be reduced under the special rule in section 143(m)(4)(C)(ii) of the Internal Revenue Code.
5. Other special rules may apply in particular circumstances. You may wish to consult with a tax advisor or the local office of the Internal Revenue Service when you sell or otherwise dispose of your home to determine the amount, if any, of your actual recapture tax. See section 143(m) of the Internal Revenue Code generally.

THIS EXPLANATION AND THE ACCOMPANYING CALCULATIONS REPRESENT THE AUTHORITY'S CURRENT UNDERSTANDING OF THE RECAPTURE PROVISION OF THE INTERNAL REVENUE CODE. THE EXPLANATION IS NOT A COMPLETE STATEMENT OF THE RECAPTURE PROVISION, AND THE AUTHORITY CANNOT BE CERTAIN THAT IT WILL BE CONSISTENT WITH ANY REGULATIONS THE TREASURY DEPARTMENT MAY PROMULGATE UNDER THE RELEVANT SECTIONS OF THE INTERNAL REVENUE CODE. IF YOU DO NOT UNDERSTAND THIS NOTICE, OR IF YOU HAVE ADDITIONAL QUESTIONS ABOUT RECAPTURE, YOU SHOULD CONSULT YOUR ATTORNEY, A TAX ADVISER OR THE LOCAL OFFICE OF THE INTERNAL REVENUE SERVICE.

The Authority believes that very few, if any, individuals will ever become subject to this tax. To encourage you to finance your residence under the First Time Homebuyer Program, the Authority agrees to reimburse you if you can provide to the Authority documentation showing that you paid the recapture tax. NOTE: any such reimbursement shall be limited to the actual amount of tax due; in the event of overpayment, any amount paid in excess of the actual amount due will not be reimbursed.

I (We) have read this Notice to Mortgagor, and I (We) have received a signed copy of this Notice for my (our) records.

Buyer signature..... Date.....

Print Name.....

Buyer signature..... Date.....

Print Name.....

Buyer signature..... Date.....

Print Name.....

~ THIS DOCUMENT MUST BE SIGNED ON OR AFTER CLOSING ~



IHDA RECAPTURE WORKSHEET #1

INCOME LIMITS*

NON-TARGETED

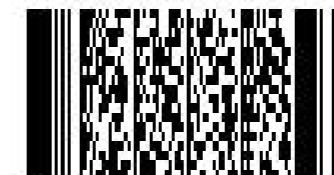
Effective: July 1, 2024

APPLICANT'S INCOME

County in Which the Residence is Located	MAXIMUM HOUSEHOLD INCOME LIMITS									
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9
Cook, DuPage, Kane, Lake, McHenry, Will	1 OR 2	\$112,100.00	\$117,705.00	\$123,590.25	\$129,769.76	\$136,258.25	\$143,071.16	\$150,224.72	\$157,735.96	\$165,622.76
	3 OR MORE	\$128,915.00	\$135,360.75	\$142,128.79	\$149,235.23	\$156,696.99	\$164,531.84	\$172,758.43	\$181,396.35	\$190,466.17
Grundy	1 OR 2	\$113,600.00	\$119,280.00	\$125,244.00	\$131,506.20	\$138,081.51	\$144,985.59	\$152,234.86	\$159,846.61	\$167,838.94
	3 OR MORE	\$130,640.00	\$137,172.00	\$144,030.60	\$151,232.13	\$158,793.74	\$166,733.42	\$175,070.09	\$183,823.60	\$193,014.78
Calhoun, Clinton, Jersey, Madison, Monroe, St. Clair	1 OR 2	\$103,200.00	\$108,360.00	\$113,778.00	\$119,466.90	\$125,440.25	\$131,712.26	\$138,297.87	\$145,212.76	\$152,473.40
	3 OR MORE	\$118,680.00	\$124,614.00	\$130,844.70	\$137,386.94	\$144,256.28	\$151,469.10	\$159,042.55	\$166,994.68	\$175,344.41
Menard, Sangamon	1 OR 2	\$105,600.00	\$110,880.00	\$116,424.00	\$122,245.20	\$128,357.46	\$134,775.33	\$141,514.10	\$148,589.80	\$156,019.29
	3 OR MORE	\$105,600.00	\$110,880.00	\$116,424.00	\$122,245.20	\$128,357.46	\$134,775.33	\$141,514.10	\$148,589.80	\$156,019.29
Champaign, Piatt	1 OR 2	\$106,200.00	\$111,510.00	\$117,085.50	\$122,939.78	\$129,086.76	\$135,541.10	\$142,318.16	\$149,434.06	\$156,905.77
	3 OR MORE	\$122,130.00	\$128,236.50	\$134,648.33	\$141,380.74	\$148,449.78	\$155,872.27	\$163,665.88	\$171,849.17	\$180,441.63
McLean	1 OR 2	\$110,300.00	\$115,815.00	\$121,605.75	\$127,686.04	\$134,070.34	\$140,773.86	\$147,812.55	\$155,203.18	\$162,963.34
	3 OR MORE	\$126,845.00	\$133,187.25	\$139,846.61	\$146,838.94	\$154,180.89	\$161,889.93	\$169,984.43	\$178,483.65	\$187,407.84
Kendall	1 OR 2	\$121,300.00	\$127,365.00	\$133,733.25	\$140,419.91	\$147,440.91	\$154,812.95	\$162,553.60	\$170,681.28	\$179,215.35
	3 OR MORE	\$139,495.00	\$146,469.75	\$153,793.24	\$161,482.90	\$169,557.04	\$178,034.90	\$186,936.64	\$196,283.47	\$206,097.65
**All Other Counties	1 OR 2	\$102,900.00	\$108,045.00	\$113,447.25	\$119,119.61	\$125,075.59	\$131,329.37	\$137,895.84	\$144,790.63	\$152,030.17
	3 OR MORE	\$118,335.00	\$124,251.75	\$130,464.34	\$136,987.55	\$143,836.93	\$151,028.78	\$158,580.22	\$166,509.23	\$174,834.69

***If household income is less than that shown in corresponding cell, NO recapture tax is due.**

*All other counties includes the following eighty-three (83) counties: Adams, Alexander, Bond, Boone, Brown, Bureau, Carroll, Cass, Christian, Clark, Clay, Coles, Crawford, Cumberland, De Witt, DeKalb, Douglas, Edgar, Edwards, Effingham, Fayette, Ford, Franklin, Fulton, Gallatin, Greene, Hamilton, Hancock, Hardin, Henderson, Henry, Iroquois, Jackson, Jasper, Jefferson, Jo Daviess, Johnson, Kankakee, Knox, La Salle, Lawrence, Lee, Livingston, Logan, Macon, Macoupin, Marion, Marshall, Mason, Massac, McDonough, Mercer, Montgomery, Morgan, Moultrie, Ogle, Peoria, Perry, Pike, Pope, Pulaski, Putnam, Randolph, Richland, Rock Island, Saline, Schuyler, Scott, Shelby, Stark, Stephenson, Tazewell, Union, Vermillion, Wabash, Warren, Washington, Wayne, White, Whiteside, Williamson, Winnebago, Woodford.



IHDA RECAPTURE WORKSHEET #1A

INCOME LIMITS*

TARGETED

Effective: July 1, 2024

APPLICANT'S INCOME _____

County in Which the Residence is Located	MAXIMUM HOUSEHOLD INCOME LIMITS									
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9
Cook, Kane, Lake, Will	1 OR 2	\$134,520.00	\$141,246.00	\$148,308.30	\$155,723.72	\$163,509.90	\$171,685.40	\$180,269.67	\$189,283.15	\$198,747.31
	3 OR MORE	\$156,940.00	\$164,787.00	\$173,026.35	\$181,677.67	\$190,761.55	\$200,299.63	\$210,314.61	\$220,830.34	\$231,871.86
McLean	1 OR 2	\$132,360.00	\$138,978.00	\$145,926.90	\$153,223.25	\$160,884.41	\$168,928.63	\$177,375.06	\$186,243.81	\$195,556.00
	3 OR MORE	\$154,420.00	\$162,141.00	\$170,248.05	\$178,760.45	\$187,698.48	\$197,083.40	\$206,937.57	\$217,284.45	\$228,148.67
Champaign	1 OR 2	\$127,440.00	\$133,812.00	\$140,502.60	\$147,527.73	\$154,904.12	\$162,649.32	\$170,781.79	\$179,320.88	\$188,286.92
	3 OR MORE	\$148,680.00	\$156,114.00	\$163,919.70	\$172,115.69	\$180,721.47	\$189,757.54	\$199,245.42	\$209,207.69	\$219,668.08
Madison, St. Clair	1 OR 2	\$123,840.00	\$130,032.00	\$136,533.60	\$143,360.28	\$150,528.29	\$158,054.71	\$165,957.44	\$174,255.32	\$182,968.08
	3 OR MORE	\$144,480.00	\$151,704.00	\$159,289.20	\$167,253.66	\$175,616.34	\$184,397.16	\$193,617.02	\$203,297.87	\$213,462.76
Sangamon	1 OR 2	\$126,720.00	\$133,056.00	\$139,708.80	\$146,694.24	\$154,028.95	\$161,730.40	\$169,816.92	\$178,307.77	\$187,223.15
	3 OR MORE	\$147,840.00	\$155,232.00	\$162,993.60	\$171,143.28	\$179,700.44	\$188,685.47	\$198,119.74	\$208,025.73	\$218,427.01
**All Other Counties	1 OR 2	\$123,480.00	\$129,654.00	\$136,136.70	\$142,943.54	\$150,090.71	\$157,595.25	\$165,475.01	\$173,748.76	\$182,436.20
	3 OR MORE	\$144,060.00	\$151,263.00	\$158,826.15	\$166,767.46	\$175,105.83	\$183,861.12	\$193,054.18	\$202,706.89	\$212,842.23

***If household income is less than that shown in corresponding cell, NO recapture tax is due.**

*All other counties includes the following twenty-five (25) counties: Adams, Alexander, Christian, Coles, De Kalb, Fayette, Franklin, Jackson, Jefferson, Kankakee, Knox, Livingston, Macon, McDonough, Morgan, Peoria, Richland, Rock Island, Saline, Stephenson, Vermillion, White, Whiteside, Williamson, Winnebago

