

Note/Forgivable Loan - HOME Program

Property Address: _____

Legal Description:

BORROWER'S PROMISE TO PAY: In return for a loan (LOAN) from _____, a municipal corporation organized and existing under the laws of the State of Oklahoma (LENDER), BORROWER promises to pay U. S. _____ (this amount is called the principal) to the order of the LENDER. LENDER or anyone who takes this NOTE by transfer and who is entitled to receive payment under this NOTE is called Note Holder. The LOAN evidenced by this NOTE is being made pursuant to the HOME Investment Partnerships Program (HOME Program) administered by the U. S. Department of Housing and Urban Development (HUD) through the Participating Jurisdiction for the State of Oklahoma, the Oklahoma Housing Finance Agency (OHFA).

INTEREST: There will be no interest charged on the LOAN.

PAYMENTS: The principal amount of this NOTE shall be due and payable under the Note Holder's designation of a default under this NOTE. It is a default under this NOTE if: (a) BORROWER does not continue to occupy the Property as his or her principal residence; or (b) BORROWER transfers ownership of the Property to another party; or (c) BORROWER fails to comply with any other condition or conditions of the WRITTEN AGREEMENT between the LENDER (referred to in the WRITTEN AGREEMENT as the CITY) and BORROWER. The Principal amounts of the LOAN shall be reduced _____.

Such _____ reductions shall take effect in arrears on the same day of the month the LOAN was originally made. The amount of the LOAN due and payable at any time shall be determined after deducting the principal amount of the LOAN that has been forgiven by Note Holder.

NOTICES: BORROWER understands that, unless applicable law requires a different method, any notice regarding this NOTE will be delivered to BORROWER by first class mail at the property address above. If BORROWER no longer maintains the property address as his or her principal place of residence, or for some reason is temporarily not residing at the property address above, any notice regarding this NOTE will be delivered to BORROWER by first class mail at the new address provided by the BORROWER to the LENDER..

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. Note Holder may

enforce its rights under this NOTE against each person individually or against all of them together. This means that any person who signs this NOTE may be required to pay all of the amounts due under this NOTE.

SUBORDINATE MORTGAGE: In addition to the protections given to Note Holder under this NOTE, a Subordinate Mortgage, dated the same date as this NOTE, may protect the Note Holder from possible losses which might result if BORROWER does not keep the promises which are made in this NOTE and/or the WRITTEN AGREEMENT signed by both the BORROWER and the CITY. However, the Note Holder may be subject to repay the HOME Program funds even if the Note Holder is unable to recover any or all of the HOME Program funds.

The Subordinate Mortgage is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

WITNESS THE SIGNATURE(S) OF THE UNDERSIGNED

Borrower: _____ Date: _____

(Borrower's typed full name goes here.)

Borrower: _____ Date: _____

(Borrower's typed full name goes here.)

ACKNOWLEDGMENT

STATE OF _____)
) SS:
COUNTY OF _____)

Before me, the undersigned Notary Public in and for said County and State, on this _____ day of _____, 200____, personally appeared _____, to me known to be the identical person who executed the foregoing Note and acknowledged to me that he/she executed same as his/her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My Commission Expires:

Commission # _____

Notary Public _____

[S E A L]