

**FOR USE IN MA, ME, NH, RI, and VT**

**Remove this notice before executing this document.**

**PLEASE CONSULT LEGAL COUNSEL TO ENSURE FULL COMPLIANCE WITH RECORDING AND OTHER REQUIREMENTS OF STATE LAW. BY PROVIDING YOU WITH THESE DOCUMENTS, THE FEDERAL HOME LOAN BANK OF BOSTON (FHLBank BOSTON) IS IN NO WAY PROVIDING LEGAL ADVICE OR MAKING ANY REPRESENTATION AS TO THE EFFECTIVENESS OF THE DOCUMENTS.**

**No modifications without agreement of the FHLBank BOSTON prior to execution.**

**FEDERAL HOME LOAN BANK OF BOSTON**

**Equity Builder Program**

**PROMISSORY NOTE**

**DATE:** «close\_date»

**BORROWER'S PROMISE TO PAY**

For value received, «borrower\_name(s)» (the "Borrower"), residing at «property\_address», «property\_city», «property\_state» promises to pay to the order of «lender\_name» (the "Lender"), maintaining offices at «headquarters\_street\_address», «headquarters\_city\_state\_zip», the Equity Builder Program subsidy of «EBP\_subsidy\_amount» Dollars (the "EBP Subsidy") in lawful money of the United States of America.

Property Address: «property\_address», «property\_city», «property\_state», «property\_zip»

**1. PAYMENTS**

The Borrower shall make all payments hereunder at such address as the Lender may provide the Borrower.

**2. BORROWER'S ACKNOWLEDGMENTS AND AGREEMENTS**

- A. The Borrower hereby agrees that the Lender, the Federal Home Loan Bank of Boston (the "Bank") and, in the Bank's discretion, its designee shall be given thirty (30) days prior written notice of any sale, transfer, assignment of title or deed, or refinancing of the Property (as defined in that certain **Subordinate Mortgage** (or **Deed Restriction**, as applicable), of even date herewith, executed by Borrower in favor of Lender (as amended from time to time, the "Security Agreement") that secures this Note during the five-year term of this Note (such five-year period, the "Retention Period").
- B. This Note implements requirements applicable to assistance furnished for the benefit of the Borrower to the Lender under the Equity Builder Program ("EBP") of the Bank for the 2020 Program year, as provided in the Affordable Housing Program Homeownership Set-Aside Agreement (as amended from time to time, the "EBP Agreement") entered into in connection with the EBP Subsidy.
- C. This Note, the Security Agreement, and the Related Documents (as defined in the EBP Agreement) to which the Borrower is a party have been or will be duly executed and delivered and are, or upon execution will be, valid and legally binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms.
- D. The consummation of the transactions contemplated hereby and the execution, delivery and performance of this Note, the Security Agreement and the Related Documents by the Borrower will not violate or constitute or result in a material breach of or a default under

any agreement, mortgage, deed of trust, lease, loan or security agreement, or any other instrument to which the Borrower is a party or by which it may be bound or affected.

### **3. REPAYMENT OBLIGATION**

In the event the Property that secures this Note is sold, transferred, assigned by title or deed, or refinanced prior to the end of the Retention Period, the Borrower agrees to repay to the Bank the lesser of: (x) the EBP Subsidy, reduced on a pro rata basis per month for the period the Property is owned, and (y) any net proceeds from the sale, transfer, or assignment of title or deed of the unit, or the refinancing, as applicable, minus the household's investment, unless one of the following conditions apply:

- A. The subsequent purchaser, transferee, or assignee is a low- or moderate-income household as defined by the Federal Housing Finance Agency's Affordable Housing Program Regulations 12 C.F.R. Part 1291 et seq. (as amended from time to time, the "AHP Regulations"), and as determined by Bank in its sole discretion, in which case the obligation to repay the EBP Subsidy to the Bank shall terminate;
- B. Following the refinancing, the Property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the covenants set forth in paragraphs 2 and 3 contained herein and subject to the consent of the Bank; or
- C. The amount of the AHP subsidy that would be required to be repaid in accordance with the calculation in this Section 3 is \$2,500 or less.

Additional information is available at [www.fhlbboston.com](http://www.fhlbboston.com) under Equity Builder Program or by contacting the Bank at the phone number listed in Section 11 of this Note.

### **4. FORGIVENESS**

The Borrower hereby acknowledges and understands that the EBP Subsidy represents a reduction in the Borrower's down-payment, closing, counseling, or rehabilitation costs for the acquisition or rehabilitation of the Property which shall be used as the Borrower's primary residence. Provided repayment by the Borrower is not triggered pursuant to the terms of Section 3 hereof, the EBP Subsidy will be forgiven at the end of the Retention Period and no payment will be due on the EBP Subsidy. The Borrower's obligations under this Note shall also terminate: (A) after any foreclosure, transfer by deed-in-lieu of foreclosure, or assignment of a Federal Housing Administration first mortgage to HUD, or (B) upon the death of the EBP-assisted homeowner.

### **5. CHANGES IN TERMS**

This Note may not be changed orally but may be changed only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

## **6. APPLICABLE LAW AND SEVERABILITY**

This Note shall be governed by the laws of the United States and, to the extent federal law incorporates or defers to state law, the laws of the State/Commonwealth where the Property is located (excluding, however, the conflict of laws rules of such State/Commonwealth). In the event that any portion of this Note conflicts with applicable law, such conflict shall not affect other provisions of this Note that can be given effect without the conflicting provision, and to this end the provisions of this Note are declared to be severable.

## **7. THIRD PARTY BENEFICIARY**

The Borrower agrees that the Bank is an intended, third party beneficiary of this Note and is entitled to rely upon all rights, representations, warranties, and covenants made by the Borrower herein to the same extent as if the Bank were the Lender hereunder.

## **8. REPORTING REQUIREMENTS**

The Bank has established policies and is committed to implementing and maintaining processes and controls to discover and report suspicious activity, including, but not limited to, fraud and money laundering. The Borrower and Lender are each expected to support the Bank's efforts in identifying suspicious activity by immediately providing written notification of any suspicious activity in relation to their dealings with the Bank. Should the Borrower or Lender believe there is suspicious activity related to a Bank business transaction, such party must notify the Bank immediately. The Borrower and Lender will also provide the Bank with all information, documentation and assistance reasonably requested by the Bank in response to the Bank's receipt of any such notice from the Borrower or Lender.

## **9. WAIVERS**

All parties to this Note, whether maker, principal, surety, guarantor, or endorser, hereby waive demand, notice, and protest.

## **10. SUCCESSORS AND ASSIGNS**

This Note shall inure to the benefit of the successors and assigns of the Lender and the Bank.

## **11. NOTICES**

All notices and other communications shall be in writing and mailed or sent by a nationally recognized overnight carrier, sent by facsimile transmission (with confirmation copy), or served personally on a party at the address indicated below, or at such other address as shall be designated by a party by future written notice to the other parties. Notice sent by facsimile transmission shall be effective on the date transmitted; notice sent by personal service shall be effective on the date of delivery; notice sent by U.S. mail shall be effective three (3) business days after such notice is deposited in the mail with first class postage prepaid, addressed as aforesaid; and notice sent by overnight carrier shall be effective the day following delivery to said carrier.

Notices to the Bank shall be sent to:

FEDERAL HOME LOAN BANK OF BOSTON  
800 Boylston Street,  
Boston, MA 02199  
Attn: Housing and Community Investment Department  
1-888-424-3863

Notices to the Lender shall be sent to:

**LENDER Contact and Address:**

## **12. CONFLICT**

To the extent the Lender and the Borrower have entered into any other agreements pertaining to the Property, the terms of such agreements remain in full force and effect, provided *however*, in the event of any conflict between such agreements and this Note, unless otherwise expressly provided in this Note, the terms of this Note shall prevail.

IN WITNESS WHEREOF, the undersigned Borrower executes this Note on the day and year above written:

WITNESS:

Borrower

Borrower