



**U.S. Department of Housing and Urban Development
Office of Native American Programs**



MODEL TWO-YEAR PARTIAL INDEMNIFICATION AGREEMENT

Section 184/184A Case Number: _____]

Indemnification Number: _____]

Indemnification Type: Partial Indemnification for endorsement during COVID-19 Forbearance

The U.S. Department of Housing and Urban Development (HUD) and _____,
[Institution Name], (Lender) ONAP ID _____ [TIN] agree as follows:

1. The Lender agrees to partially indemnify HUD, as provided below, for losses which have been or may be incurred in the future by HUD, up to the limits set forth in this agreement, with respect to the Section 184/184A guaranteed loan identified above, if the Borrower entered into a COVID-19 Forbearance and, after the Forbearance period, failed to make two or more payments when due under the terms of the loan guarantee at any point within two years from the loan's date of endorsement and the Borrower remains in default until the filing of a claim for loan guarantee benefits. However, if the Borrower enters into a COVID-19 Forbearance and subsequently brings the loan current pursuant to the terms of the guaranteed loan or a permanent loss mitigation option made available in accordance with HUD requirements through the date that is two years from the date of endorsement of the loan, the Lender's obligation under this indemnification agreement shall terminate. Where a Lender is obligated to indemnify HUD pursuant to this agreement and the loan is or has been refinanced one or more times into a Section 184/184A Streamline Refinance, the Lender shall remain obligated to indemnify HUD in accordance with the terms of this agreement for any losses up to the limit of this agreement that are incurred by HUD with respect to such refinanced loan.
2. Where the Lender is obligated to indemnify HUD in accordance with the terms of this agreement, the Lender shall deduct from its calculations of loan guarantee benefits the amount provided for in this agreement before submitting any claim for loan guarantee benefits. Notwithstanding any obligations to indemnify HUD in accordance with this agreement, the Lender shall continue to observe HUD requirements for servicing and payment of loan guarantee premiums with respect to the loan.
3. In the event that a Section 184/184A claim on of the loan covered by this Partial Indemnification Agreement is paid in the future to a holder other than the Lender, and the Lender is liable for indemnification of HUD in accordance with this agreement, the Lender shall indemnify HUD by paying HUD the partial indemnification amount, as defined below, plus interest, penalties, and administrative fees as may be permitted by law if Lender does not pay HUD timely.

4. The partial indemnification amount shall be equal to 20 percent of the initial loan amount.
5. Any material breach of the terms and conditions of this Indemnification Agreement shall constitute independent grounds for imposition of administrative sanctions permitted under the Section 184 Indian Home Loan Guarantee Program (12 USC 1715z-13a(g)).

WHEREFORE, the parties hereto have duly executed this Partial Indemnification Agreement, effective when signed and dated by the U.S. Department of Housing and Urban Development.

Lender

Lender Name: _____

Signature: _____
(Authorized Representative)

Name: _____
(Printed)

Date: _____

U.S. Department of Housing and Urban Development

Lender Name: _____

Signature: _____
(Authorized Representative)

Name: _____
(Printed)

Date: _____