

## RIDER FOR SECTION 184-A MORTGAGE (LEASEHOLD)

THIS RIDER FOR SECTION 184A MORTGAGE is made this \_\_\_\_\_(date) and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to \_\_\_\_\_ ("Lender") of the same date and covering the property described in the Security Instrument and located at:

\_\_\_\_\_ [Property Address]

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

- A. The interests of the Borrower in the property described above were created by a lease agreement from The Department of Hawaiian Home Lands, as lessor, dated \_\_\_\_\_ and identified as Lease No. \_\_\_\_\_. Any reference to the "Property" shall be construed as referring only to the interest of Borrower created by such lease or any replacement lease (as applicable).
- B. Defaults under the Security Instrument will be deemed by the Department of Hawaiian Home Lands to be defaults under the lease.
- C. If the Security Instrument is assigned to the Secretary of Housing and Urban Development ("Secretary"), the Secretary will assign the Security Instrument to the Department of Hawaiian Home Lands to perform applicable foreclosure proceedings.
- D. This Security Instrument may be assumed, subject to credit approval by the Lender/HUD and certification of eligibility by the Department of Hawaiian Home Lands to an assumption of the existing lease or the grant of the new lease. Assumption shall not cause any adjustment of the interest rate.
- E. Any form of transfer and succession of property subject to the Security Instrument will require an assumption of the Security Instrument, subject to credit approval by the Lender/HUD and certification of eligibility by the Department of Hawaiian Home Lands.
- F. The leasehold interest on agricultural and pastoral lots is not eligible for workers' quarters petitions while a Section 184A loan guarantee exists, without HUD written approval.

STATEMENT OF OCCUPANCY. Borrower(s) will occupy the subject property as a principal residence within sixty (60) days of the loan closing. In the case of new construction, borrower(s) must occupy within 60 days of completion of construction and/or issuance of the Certificate of Occupancy. Borrower(s) further understand that occupancy is a requirement for the life of the Section 184A mortgage and that the home shall not be vacated or converted to rental while encumbered with a Section 184A mortgage. Borrower(s) further confirm and understand and agree that failure to occupy the property as a principal residence as provided above, shall constitute a default under the terms and conditions of the loan, and upon the occurrence of such default the whole sum of principal and interest shall immediately become due and payable at the option of the holder of the Note.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants in this Rider for Section 184A Mortgage.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Co-Borrower

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Privacy Act Statement. This statement is provided pursuant to the Privacy Act of 1974, 5 USC § 552a. The authority for collecting personally identifiable information (PII) in the Regulatory Consistency Communication Board (RCCB) Electronic Feedback Form is based in Section 313 of Public Law 112-95.

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Public reporting burden for this collection of information is estimated to average .5 hours per response, including the time for reviewing instructions, searching existing data sources, gather and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required in order for an eligible homebuyer to obtain a benefit and for HUD to administer the Loan Guarantee Program for Native Americans, Alaska Natives, and native Hawaiians (24 CFR Parts 1005 and 1007). The requested information is necessary to determine the income and credit worthiness of homebuyers. If HUD did not collect this information, it would prevent HUD from guaranteeing mortgages to eligible homebuyers. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

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