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SAMPLE DEFERRED RECORDATION AGREEMENT

NOTE: Use the following agreement, modified or adapted to meet local requirements.

Deferred Recordation Agreement  
Capital Improvement Loan Program

Mortgagor: \_\_\_\_\_ (name),  
hereafter, "Mortgagor"

Type of Entity: (corporation, partnership, trust, etc.)

Address of Mortgagor: \_\_\_\_\_  
\_\_\_\_\_

Secretary of HUD: (hereafter "Secretary")

Field Office Address: \_\_\_\_\_  
\_\_\_\_\_

WHEREAS, Mortgagor is the owner of a project named \_\_\_\_\_ ("the project"), FHA Project No. \_\_\_\_\_, located at \_\_\_\_\_, and has applied for a Capital Improvement loan in the amount of \$ \_\_\_\_\_ in order to restore or maintain the financial soundness of said project and to maintain the low-to-moderate income character of the project; and

WHEREAS, the Secretary is authorized by Section 201 of the Housing and Community Development Amendments of 1978, 12 U.S.C. 1715z-1a to provide such assistance in accordance with such rules and regulations as the Secretary might promulgate; and

WHEREAS, the project is presently encumbered by a \_\_\_\_\_ (mortgage, deed of trust) (the "first mortgage") in the amount of \$ \_\_\_\_\_ which is presently held by \_\_\_\_\_;

WHEREAS, the Secretary, as a condition precedent to granting the flexible subsidy loan, has required the Mortgagor to execute on the date of this agreement a secured Flexible Subsidy Loan Note in the amount of the loan and a Flexible Subsidy Loan Mortgage/Deed of Trust intended to be recorded:

Immediately

On/after date on which the first mortgagee's, i.e., holding mortgagee's, written consent to the lien is obtained.

On or after the date on which a claim for mortgage insurance benefits is filed with HUD, if a claim is ever filed.

NOW THEREFORE: Mortgagor delivers along with its authorized

signature on this agreement an executed Secured Flexible Subsidy Loan Note of even date made payable to the Secretary in the amount of \$\_\_\_\_\_ and an executed Flexible Subsidy Loan Mortgage/Deed of Trust creating a lien or charge upon the project and expressly authorizes the secretary to file said security

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instrument of record in the City of \_\_\_\_\_, \_\_\_\_\_ County, and State of \_\_\_\_\_ in accordance with the terms and conditions of this Agreement.

Mortgagor covenants and agrees not to sell the project without first complying with the rules and regulations established by the secretary governing transfers of physical assets and, in any event, that the closing of any such sale shall accelerate payment of the Secured Flexible Subsidy Loan Note unless the Secretary agrees to accept a Secured Flexible Subsidy Loan Note and Mortgage/Deed of Trust executed by the purchaser.

This Agreement is being executed in several counterparts, each of which shall constitute an original.

IN WITNESS WHEREOF, the parties hereto to have set their hands and seals as of the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

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Witness:

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Mortgagor

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Witness:

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Secretary

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