

FHA FORM NO. 917
August 1969

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
MORTGAGE RIDER RELEASE CLAUSE UNDER SECTION 206

(FHA Project No.) _____

<p>(Mortgagee) Attached to and forming part of a (Deed of Trust) (herein called the Mortgage) dated the _____ day of _____, 19____, and made by _____ (herein called the Mortgagor) to _____ (herein called the Mortgagee, which term shall include Trustee(s) if a Deed of Trust) to secure an obligation of \$ _____.</p>

The Mortgagor (or, if the Mortgage is in the form of a Deed of Trust, the Trustee(s), and the Owner of the secured indebtedness) shall release individual units or parcels from the lien of the Mortgage for sale to low income purchasers upon the following terms and conditions:

1. The Federal Housing Commissioner shall give his prior written approval to each release.
2. The Mortgage is not then in default, and construction of the improvements is complete.
3. The Mortgagor shall make a written request to the Mortgagee for a release, which shall contain a full legal description of the unit or parcel for which release is sought, and shall pay to the Mortgagee an amount representing the original release price set forth in Schedule "A" attached to and forming a part of this rider, less a proportional part of any payments to principal theretofore made on the mortgage (not including prepayments made for the release of units), which amount shall hereinafter be referred to as the adjusted release price.
4. In the event that the Mortgagor is a nonprofit corporation or other nonprofit entity, it agrees that if the sales price of the unit or parcel exceeds the adjusted release price, such portion of the excess, as shall be required by the Federal Housing Commissioner, shall be applied to the unpaid balance due under the Mortgage.
5. The monthly payment to principal and interest required of the Mortgagor on the first of the month following the release shall be unchanged but all subsequent payments shall be adjusted to a payment that will fully amortize the unpaid principal, with interest, on the same date as said Mortgage would have been fully amortized as originally provided.
6. Taxes, hazard insurance premiums and other charges, if any (other than the monthly accumulations on account of mortgage insurance premiums), shall be adjusted as of the date of release.
7. Monthly accumulation payments thereafter to be made by the Mortgagor on account of annual mortgage insurance premiums shall be reduced appropriately so that the next and subsequent annual premiums will be accumulated in the hands of the Mortgagee, prior to the due date thereof, in an amount in direct proportion to the reduction in the original face amount of the Mortgage caused by such release.
8. Any such release or releases shall not be deemed to alter, impair, or abrogate the terms, conditions, and covenants of the Mortgage in any manner whatsoever, or to impair, diminish, or destroy the lien thereof as to the property, lots, or parcels not so specifically and expressly released; nor shall the above provisions in any manner be deemed to require the premises to be sold or offered for sale as individual parcels in the event of public sale as a result of default in any provision of the Mortgage.
9. A schedule identifying the units contained in the Mortgage and establishing the original release price therefor is set forth on the reverse side of this Rider and _____ additional typewritten sheets identified as _____ and made a part hereof.

Mortgagor

(Mortgagee/
Trustee)

Owner of Indebtedness

