

TAX-EXEMPT FINANCING RIDER

THIS TAX-EXEMPT FINANCING RIDER is made this ___ day of _____, 20__, and is incorporated into and shall be deemed to amend and supplement the Deed of Trust of same date herewith (hereinafter referred to as the "Security Instrument") given by _____, (the "Borrower") to secure Borrower's Note ("Note") of same date to _____ or any subsequent holder of the Note (the "Lender"), which Note is expected to be assigned to the Community Development Administration, 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 to amend Paragraph 9 of the Security Instrument, entitled "Grounds for Acceleration of Debt" by adding additional grounds for acceleration as follows, in the case of an FHA loan (or in the case of a VA or USDA/RD(RHS), privately insured loan, or other loan to amend the Security Instrument by incorporating the following additional language):

1. Lender, or such of its successors or assigns as may, by separate instrument, assume responsibility for assuring compliance by the Borrower with the provisions of this Tax-Exempt Financing Rider, may require immediate payment in full of all sums secured by this Security Instrument if:

- (a) All or part of the property is sold or otherwise transferred by Borrower to a purchaser or other transferee:
 - (i) who cannot reasonably be expected to occupy the property as a principal residence within a reasonable time after the sale or transfer, all as provided in Section 143(c) and (i)(2) of the Internal Revenue Code; or
 - (ii) who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of sale or transfer, all as provided in Section 143(d) and (i)(2) of the Internal Revenue Code (except that the language "100 percent" shall be substituted for "95 percent or more" where the latter appears in Section 143(d)(1); or
 - (iii) at an acquisition cost which is greater than 90 percent of the average area purchase price (greater than 110 percent for targeted area residences), all as provided in Section 143(e) and (i)(2) of the Internal Revenue Code; or
 - (iv) who has a gross family income in excess of the applicable percentage of the applicable median family income as provided in Sections 143(f) and (i)(2) of

the Internal Revenue Code; or

- (v) who fails, on or before the date of the proposed transfer, to submit to the Lender certifications, affidavits, and information concerning conditions 1(a)(i) through (iv) above, that confirm compliance with conditions 1(a)(i) through (iv) for purposes of the Internal Revenue Code.
 - (b) Borrower fails to occupy the property described in the Security Instrument without Lender's prior written consent; or
 - (c) Borrower omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code in any document executed by the Borrower in connection with an application for this Security Instrument.
2. References are to the Internal Revenue Code as amended and in effect on the date of issuance of bonds, the proceeds of which are used to finance the loan secured by the Security Instrument or the purchase of the loan, and are deemed to include the implementing regulations.
3. The Security Instrument is a purchase money deed of trust and secures, in whole or in part, the purchase money for the property described in the Security Instrument.
4. **IN WITNESS WHEREOF**, Borrower accepts and agrees to the terms and provisions of this Tax-Exempt Financing Rider and has executed said Rider, on the day and year first above written.

WITNESS:

By: _____(SEAL)

By: _____(SEAL)