

SONYMA CLOSING COST ASSISTANCE LOANS

ADDENDUM TO LOW INTEREST RATE MORTGAGE PROGRAM
SELLER'S GUIDE

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SONYMA CLOSING COST ASSISTANCE LOANS
ADDENDUM TO LOW INTEREST RATE MORTGAGE PROGRAM
SELLER'S GUIDE

PART I - GENERAL

SECTION 1.1 - DEFINITIONS. All terms used in this Addendum to the Low Interest Rate Mortgage Program Seller's Guide, but not defined herein below shall have the meaning assigned to such terms in the Low Interest Rate Mortgage Program Seller's Guide (the "Seller's Guide"). Terms defined in this Section 1.1 shall be applicable to Mortgage Loans for which a Closing Cost Assistance Loan has been provided. Terms defined in this Section 1.1 shall be interpreted in conjunction with the definition of such terms set forth in the Seller's Guide.

- (a) **Closing Cost Assistance Loan** The mortgage loan or cooperative share loan that provides Closing Cost assistance to eligible Mortgagors and secures the Closing Cost assistance provided to Mortgagor by SONYMA pursuant to this Addendum, as evidenced by the SONYMA Closing Cost Assistance Rider to New York - Single Family Fannie Mae/Freddie Mac Mortgage (Exhibit 1; Form C1) or, with respect only to cooperative share loans, the SONYMA Closing Cost Assistance Loan Rider to the Security Agreement - Co-op (Exhibit 7; Form C7) .
- (b) **Closing Cost(s)** Closing Costs shall include all allowable, reasonable, and customary expenses paid at closing, such as attorney, title insurance, and survey fees, Origination Fees or points, recording taxes and fees, and prepaid escrows, as well as fees paid prior to closing (i.e., application, credit, flood certification, inspection and appraisal fees). Closing Costs shall conform to Exhibit 9 of this Addendum and Section 2.203 - Permissible Expenses of the Seller's Guide.

PART II - PURCHASE REQUIREMENTS FOR MORTGAGE LOANS UTILIZING
THE CLOSING COST ASSISTANCE LOAN

SECTION 2.1 - PRELIMINARY REQUIREMENTS. This Section 2.1 covers only those requirements under this Addendum that differ from the requirements set forth in Section 2.1 of the Seller's Guide. This Section 2.1 and Section 2.1 of the Seller's Guide shall be read together.

- 2.101 **Use of Funds** The Closing Cost Assistance Loan may be used in conjunction with any available SONYMA program and is only available to Mortgagors obtaining SONYMA Mortgage Loans.
- 2.102 **Servicing** In order for Seller to originate loans with a Closing Cost Assistance Loan, the Servicer must be able to "flag" these loans on their loan servicing system. Prior to satisfying a mortgage with a Closing Cost Assistance Loan, the Servicer will be required to contact SONYMA's mortgage servicing department to determine if any of the Closing Cost Assistance Loan must be recaptured and remitted to SONYMA. Non-servicing Sellers are advised that SONYMA's current master Servicer is able to comply with these requirements.

Note: Any Seller unable to comply with the above will be prohibited from originating loans with a Closing Cost Assistance Loan.

SECTION 2.2 - MORTGAGE LOAN ELIGIBILITY FOR CLOSING COST ASSISTANCE

LOANS. This Section 2.2 covers only those requirements under this Addendum that differ from the requirements set forth in Section 2.2 of the Seller's Guide. This Section 2.2 and Section 2.2 of the Seller's Guide shall be read together.

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|-------|---|--|
| 2.201 | Closing Cost Assistance Amount | The amount of the Closing Cost Assistance Loan must be at least \$1,000 and cannot exceed the greater of 3 percent of the Mortgage Loan amount or \$3,000, but in no event, may the Closing Cost Assistance Loan exceed the actual Closing Costs associated with the Mortgage Loan. |
| 2.202 | Term | Term shall be the same as Section 2.204 of the Seller's Guide, except that the term of the Closing Cost Assistance Loan shall be 10 years. |
| 2.203 | Amortization | Amortization shall be the same as Section 2.205 of the Seller's Guide, except that the Closing Cost Assistance Loan will be in the form of a zero percent interest, non-amortizing mortgage and as such, will not require any regular monthly payments. |
| 2.204 | Mortgage Security | Mortgage Security shall be the same as Section 2.210 of the Seller's Guide, except that the Closing Cost Assistance Loan shall be evidenced by a SONYMA Closing Cost Assistance Rider to New York - Single Family Fannie Mae/Freddie Mac Mortgage (Exhibit 1; Form C1) or, with respect only to cooperative share loans, the SONYMA Closing Cost Assistance Loan Rider to the Security Agreement - Co-op (Exhibit 7; Form C7). The recapture obligation set forth thereunder shall be added to and made a component of the "Sums Secured" section of the security instrument executed as security for the Mortgage Loan. |
| 2.205 | Mortgage and Mortgage Note Forms | SONYMA shall require that the forms set forth in Section 2.212 of the Seller's Guide be used for Mortgage Loans sold under this Addendum, provided that the Closing Cost Assistance Loan shall be evidenced by a SONYMA Closing Cost Assistance Loan Rider to New York - Single Family Fannie Mae/Freddie Mac Mortgage (Exhibit 1; Form C1) and SONYMA Closing Cost Assistance Loan Rider to the New York Fixed Rate Note - Single Family-Fannie Mae/Freddie Mac Uniform Instrument (Exhibit 2; Form C2). With respect only to cooperative share loans, the Closing Cost Assistance Loan shall be evidenced by a SONYMA Closing Cost Assistance Loan Rider to the Security Agreement - Co-op (Exhibit 7; Form C7) and the SONYMA Closing Cost Assistance Loan Rider to the Cooperative Loan Note (Exhibit 8; Form C8). The Mortgage Loan note form shall reflect provisions (a) through (g) of Section 2.212 of the Low Interest Rate Mortgage Program Seller's Guide, except that the Closing Cost Assistance Loan shall also become due and payable if Mortgagor |

misrepresents any of the statements included in any documents required in connection with the Closing Cost Assistance Loan.

NOTE: Please see Seller's Guide Appendix IV - Section B, Item 3c. for important instructions on recording mortgage and assignment instruments for Mortgage Loans with a Closing Cost Assistance Loan.

- 2.206 **Mortgage Tax on Closing Cost Assistance Loans** Seller must calculate and collect the New York State mortgage tax based on the sum of the amounts of the Mortgage Loan and the Closing Cost Assistance Loan. Seller is permitted to incorporate the Mortgagor's portion of the mortgage tax into the Closing Cost Assistance Loan.
- 2.207 **Release of Closing Cost Assistance Loan Obligations** Upon completion of the Closing Cost Assistance Loan term and if Mortgagor has satisfied all terms and obligations of the Closing Cost Assistance Loan as set forth in the Closing Cost Assistance Loan Rider Forms C1 and C2, or Forms C7 and C8, described in Section 2.205 above (collectively the "Closing Cost Assistance Riders"), Mortgagor shall be released from all responsibilities and obligations of the Closing Cost Assistance Riders. Servicer will execute the Release of Riders to Note and Security Instrument (Exhibit 3; Form C3) and provide the original to Mortgagor. Form C3 releases Mortgagor from the obligations of the Closing Cost Assistance Riders only and does not, in any way, release Mortgagor from any of the terms and obligations of the Mortgage Loan note and security instrument, and such documents shall in all other respect continue to be in full force and effect.
- 2.208 **Insurance Requirements** Under State insurance requirements, Mortgagor must obtain title insurance that covers the sum of the Mortgage Loan and the Closing Cost Assistance Loan. SONYMA does **not** require additional hazard insurance, flood insurance or private mortgage insurance (PMI) coverage for the Closing Cost Assistance Loan.

SECTION 2.3 - BORROWER ELIGIBILITY REQUIREMENTS FOR CLOSING COST ASSISTANCE LOANS. This Section 2.3 covers only those requirements under this Addendum that differ from the requirements set forth in Section 2.3 of the Seller's Guide. This Section 2.3 and Section 2.3 of the Seller's Guide shall be read together.

- 2.301 **Closing Cost Assistance Loan Recapture Requirement** In connection with Closing Cost Assistance Loans, Seller must inform the Mortgagor of the potential repayment obligation that may be required to be made to SONYMA upon the payoff of the Mortgage Loan within 10 years of the Closing Date. The Closing Cost Assistance Loan will be subject to repayment, as determined by SONYMA, if Mortgagor:

(i) does not occupy the Eligible Property as his home and principal

place of residence within sixty (60) days of the Closing Date; or

(ii) (A) does not maintain ownership and occupancy of the Eligible Property as Mortgagor's principal residence throughout the 10 year term; or (B) rents, sells, conveys any interest in or otherwise vacates the Eligible Property during the 10 year term; (C) pays the full amount of the Mortgage Loan; or (D) defaults under any of the provisions listed in the SONYMA Closing Cost Assistance Loan Rider to New York - Single Family Fannie Mae/Freddie Mac Mortgage (Exhibit 1; Form C1) or the SONYMA Closing Cost Assistance Loan Rider to the Security Agreement - Co-op (Exhibit 7; Form C7), as applicable.

To properly disclose this potential repayment obligation, Seller must provide Mortgagor with the Closing Cost Assistance Loan Recapture Notification (Exhibit 4; Form C4) on or prior to the Residential Loan Application Date. Form C4 must be executed by the Mortgagor and the original submitted to SONYMA with the application loan file as listed in Section 2.502 below.

SECTION 2.4- LOAN RESERVATION AND INTEREST RATE LOCK-IN PROCESS FOR CLOSING COST ASSISTANCE LOANS. This Section 2.4 covers only those requirements under this Addendum that differ from the requirements set forth in Section 2.6 of the Seller's Guide. This Section 2.4 and Section 2.6 of the Seller's Guide shall be read together.

The Loan Reservation System shall be as described in Section 2.6 of the Seller's Guide, except that:

- (1) the interest rate on the Mortgage Loan will be higher;
- (2) to reserve funds for both the Mortgage Loan and the Closing Cost Assistance Loan, Seller shall fax to SONYMA a completed and executed:
 - (a) Loan Reservation Worksheet and Rate Certification (Low Interest Rate Mortgage Program Seller's Guide Exhibit L; Form 238) with a copy of the signature page of the loan application,
 - (b) Closing Cost Assistance Loan Attachment to Loan Reservation Worksheet (Exhibit 5; Form C5), and
 - (c) Closing Cost Assistance Loan Interest Rate Option Form (Exhibit 11; Form C9);

and (3) Seller shall submit a re-completed and executed Loan Interest Rate Option Form (Exhibit 11; Form C9), if Mortgagor opts, at any time from the Residential Loan Application Date to the date SONYMA approves the Mortgage Loan, to reverse their decision to utilize a Closing Cost Assistance Loan. The Change Option section of Form C9 must be completed. This change can be made one time only per Mortgage Loan.

SECTION 2.5 - PRIOR APPROVAL AND PURCHASE OF CLOSING COST ASSISTANCE LOANS. This Section 2.5 covers only those requirements under this Addendum that

2.504 **Purchase of
Mortgage Loans
by SONYMA**

The provisions relating to the purchase of Mortgage Loans shall be the same as set forth in Section 2.710 of the Low Interest Rate Mortgage Program Seller's Guide, except that:

(1) paragraphs (d)(i)(B), (d)(i)(C), (d)(i)(D), (d)(i)(H), and (d)(i)(L) are hereby amended as follows:

(B) Original and a photocopy of the executed Note endorsed to SONYMA (Fannie Mae/Freddie Mac Uniform Instrument Form 3233 1/01 - New York Fixed Rate Note - Single Family), the SONYMA Closing Cost Assistance Loan Rider to the New York Fixed Rate Note - Single Family - Fannie Mae/Freddie Mac Uniform Instrument (Exhibit 2; Form C2) and if applicable, SONYMA Rider to Fannie Mae/Freddie Mac Note (for split interest rate loans) (Form 236; Exhibit GG).

(C) Executed duplicate original of the Mortgage (Fannie Mae/Freddie Mac Uniform Instrument Form 3033 1/01 - New York - Single Family) with SONYMA Rider to Fannie Mae/Freddie Mac Mortgage (Form 230; Exhibit FF), the SONYMA Closing Cost Assistance Loan Rider to New York - Single Family Fannie Mae/Freddie Mac Mortgage (Exhibit 1; Form C1) and if applicable, for two- to four-family properties, the Fannie Mae/Freddie Mac Multistate 1-4 Family Rider - Uniform Instrument Form 3170 1/01, or for condominium properties, the Fannie Mae/Freddie Mac Multistate Condominium Rider - Single Family - Uniform Instrument Form 3140 1/01, or for PUD properties, the Fannie Mae/Freddie Mac Multistate PUD Rider - Single Family - Uniform Instrument Form 3150 1/01, attached thereto. No other rider should be added to this document unless approved by SONYMA.

(D) Executed duplicate original of the Consolidation, Extension, and Modification Agreement, if applicable [Fannie Mae/Freddie Mac Single Family Form 3172-1/01 (rev. 5/01)] with SONYMA Rider to Fannie Mae/Freddie Mac Mortgage (Form 230; Exhibit FF), the SONYMA Closing Cost Assistance Loan Rider to New York - Single Family Fannie Mae/Freddie Mac Mortgage (Exhibit 1; Form C1), the SONYMA Closing Cost Assistance Loan Rider to the New York Fixed Rate Note - Single Family - Fannie Mae/

Freddie Mac Uniform Instrument (Exhibit 2; Form C2) and if applicable, SONYMA Rider to Fannie Mae/Freddie Mac Note (for split interest rate loans) (Form 236; Exhibit GG). No other rider should be added to this document unless approved by SONYMA.

(H) Preliminary Title Report or other permissible assurance of title. The amount of title insurance coverage shall be equal to the sum of the Mortgage Loan and the CCAL.

(L) Copy of Uniform Settlement Statement (Form HUD-1) with the final CCAL amount [as stated in (Q) below] accurately reflected.

(2) paragraph (d)(i)(Q) is hereby added as follows:

(Q) Photocopy of the final SONYMA executed Closing Cost Assistance Loan Request for Disbursement Form (Exhibit 6; Form C6).

(3) paragraphs (d)(ii)(A) and (d)(ii)(B) are hereby amended as follows:

(A) Recorded Mortgage (Fannie Mae/Freddie Mac Uniform Instrument Form 3033 1/01 - New York - Single Family) and appropriate riders attached as stated in Section 2.504(1)(C) above.

(B) Recorded Consolidation, Extension, and Modification Agreement, if applicable [Fannie Mae/Freddie Mac Single Family Form 3172-1/01 (rev. 5/01)] and appropriate riders attached as stated in Section 2.504(1)(D) above.

(4) paragraphs (e)(i)(B), (e)(i)(C), (e)(i)(K), (e)(i)(L), (e)(i)(M), and (e)(i)(R) are hereby amended as follows:

(B) Original and a photocopy of the Cooperative Loan Note endorsed to SONYMA (SONYMA Coop Exhibit 2; Exhibit W), the SONYMA Closing Cost Assistance Loan Rider to the Cooperative Loan Note (Exhibit 8; Form C8) and if applicable, the Rider to SONYMA Cooperative Loan Note (for split interest rate loans) (SONYMA Coop Exhibit 12; Exhibit II).

(C) Original and a photocopy of the Security Agreement (SONYMA Coop Exhibit 8; Exhibit X) and the SONYMA Closing Cost Assistance Loan Rider to the Security Agreement - Co-op (Exhibit 7; Form C7).

(K) Original acknowledgment copy and a photocopy of the UCC Financing Statement (National UCC Financing Statement Form UCC1) ***filed separately*** with respect to the Mortgage Loan and the Closing Cost Assistance Loan. ***See Appendix IV - Section E, Item 12 for specific language that must be inserted into each filed UCC1.***

(L) Original acknowledgment copy and a photocopy of the UCC Financing Statement Cooperative Addendum (New York UCC Financing Statement Cooperative Addendum Form UCC1CAAd) ***filed separately*** with respect to the Mortgage Loan and the Closing Cost Assistance Loan.

(M) If the Mortgage Loan and/or the Closing Cost Assistance Loan was not assigned to SONYMA on the Closing Date, an executed duplicate original of the UCC Financing Statement Amendment (National UCC Financing Statement Amendment Form UCC3) ***filed separately*** with respect to the Mortgage Loan and/or the Closing Cost Assistance Loan. ***See Appendix IV - Section E, Item 14 for specific language that must be inserted into each filed UCC3.***

(R) Copy of Uniform Settlement Statement (Form HUD-1) with the final CCAL amount [as stated in (V) below] accurately reflected.

(5) paragraph (e)(i)(V) is hereby added as follows:

(V) Photocopy of the final SONYMA executed Closing Cost Assistance Loan Request for Disbursement Form (Exhibit 6; Form C6).

and (6) paragraph (e)(ii) is hereby amended as follows:

(ii) If the Mortgage Loan was not assigned to SONYMA on the Closing Date, Seller is required to deliver within 180 days of the Closing Date:

(A) Original acknowledgment copy and a photocopy of the filed UCC Financing Statement Amendment (National UCC Financing Statement Amendment Form UCC3) with respect to the Mortgage Loan.

(B) Original acknowledgment copy and a photocopy of the filed UCC Financing Statement Amendment

(National UCC Financing Statement Amendment Form UCC3) with respect to the Closing Cost Assistance Loan .

PART III - CREDIT AND PROPERTY UNDERWRITING REQUIREMENTS FOR CLOSING COST ASSISTANCE LOANS

This Section 3.1 covers only those requirements under this Addendum that differ from the requirements set forth in Section 3.1 of the Seller's Guide. This Section 3.1 and Section 3.1 of the Seller's Guide shall be read together.

SECTION 3.1 - UNDERWRITING GUIDELINES.

3.101 **Downpayment and Closing Costs** The provisions as to Downpayment and Closing Costs shall be the same as set forth in Section 3.101 of the Seller's Guide, except that:

(i) the Closing Cost Assistance Loan may finance Closing Costs (including prepaid escrows) of at least \$1,000 and cannot exceed the higher of 3 percent of the Mortgage Loan amount or \$3,000. In no event, however, may the Closing Cost Assistance Loan exceed the actual Closing Costs associated with the Mortgage Loan.

(ii) Mortgagor must contribute a minimum of 3 percent (5 percent for Three- and Four-Family Dwellings and cooperatives) of his or her own funds into the Mortgage Loan transaction. Regardless of which SONYMA program that Mortgagor has applied for, the amount of the Closing Cost Assistance Loan will be determined and applied after considering Mortgagor's contribution.

(iii) SONYMA will consider all gift funds reflected on the loan application form (Fannie Mae Form 1003) to be downpayment and/or closing cost funds unless the loan file reveals that such gift funds are being used for another purpose, such as the pay down of debt. Thus, the Closing Cost Assistance Loan amount may be reduced or eliminated if Mortgagor receives a gift that exceeds what is necessary for the transaction.

Note: If Mortgagor is receiving another form of closing cost assistance, such assistance must be applied to the Mortgage Loan transaction before applying the Closing Cost Assistance Loan.

Exhibit 1

SONYMA #: _____

**SONYMA CLOSING COST ASSISTANCE LOAN
RIDER TO NEW YORK - SINGLE FAMILY
FANNIE MAE/FREDDIE MAC MORTGAGE**

Borrower's Name: _____

Address of Property: _____

This State of New York Mortgage Agency ("SONYMA") Closing Cost Assistance Loan ("CCAL") Rider ("CCAL Mortgage Rider") is made as of this _____ day of _____, _____ (the closing date), and is incorporated into and shall be deemed to amend and supplement the mortgage and any riders thereto (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure the undersigned's note to _____ (the "Lender") of the same date herewith ("Note"). Unless otherwise defined herein, terms used in this CCAL Mortgage Rider shall have the same meanings as such terms respectively bear in the Security Instrument. With respect to any inconsistency between the following provisions and anything contained in the Security Instrument, the terms contained in this CCAL Mortgage Rider shall govern.

Any request for release of this CCAL Mortgage Rider should be directed to the servicing company to which you make mortgage payments.

1. BORROWER'S ACKNOWLEDGMENT OF CLOSING COST ASSISTANCE LOAN PARTICIPATION

Borrower hereby acknowledges that, pursuant to certain agreements between the State of New York Mortgage Agency ("SONYMA"), a public benefit corporation with offices at 641 Lexington Avenue, New York, New York 10022, and the Lender, Lender has furnished Borrower with the benefits of monies ("CCAL Mortgage Loan") in the amount of the initial Recapture Obligation (as defined in Section 4 of this CCAL Mortgage Rider) under the Closing Cost Assistance Loan, as funds to be used solely in connection with the Borrower's closing costs for purchase of the Property (as defined in the Security Instrument), in conjunction with the Borrower's SONYMA approved first mortgage loan from the Lender ("Lender's Loan") and any related obligations evidenced by the Note and secured by the Security Instrument. The Recapture Obligation is hereby added to and made a component of the "Sums Secured" by the Security Instrument. The provisions of Section 24 (Agreements about New York Lien Law) of the Security Instrument apply to the Recapture Obligation.

2. BORROWER'S CCAL REPRESENTATIONS, WARRANTIES, AND PROMISES

In addition to the Borrower's representations, warranties, and promises made in the Security Instrument, the Borrower further represents, warrants, and promises as follows:

- a. Borrower has, as necessary, read, completed, signed, executed and submitted to Lender the following documents: Note, rider to the Note in connection with the CCAL ("CCAL Note Rider"), the Security Instrument, this CCAL Mortgage Rider, CCAL Recapture Notification and any additional documentation required by the Lender under CCAL ("CCAL Eligibility Documentation");
- b. Such CCAL Eligibility Documentation contains no misrepresentation or misinformation;
- c. Borrower is a first-time home buyer (one who has not had a present ownership interest in a principal residence, including a manufactured home, at any time during the three year period immediately prior to the date of the application for the Lender's Loan and does not own a vacation or investment home as of such Lender's Loan application date), and qualifies as a first-time home buyer for the purposes and requirements of qualified mortgage revenue bonds issued by SONYMA under Section 143 of the Internal Revenue Code of 1986 as amended in connection herewith;
- d. Borrower lawfully owns the Property and that the Borrower has (or the undersigned legally authorized representative of the Borrower, if any has) the right to and does mortgage all right, title, and interest of the Borrower in and to the Property to the Lender. In addition, the Borrower gives Lender a general warranty of title. Borrower agrees to comply with all the requirements of the Security Instrument including but not limited to those of this CCAL Mortgage Rider. Borrower further represents and warrants that Borrower is eligible to receive the CCAL Mortgage Loan funds, and keep and observe all of the terms, covenants and conditions hereof.
- e. Borrower understands that the amount of the CCAL Mortgage Loan represents a reduction in the Borrower's cash outlay for closing costs associated with acquisition of the Property and that the CCAL Mortgage Loan is repayable, subject to the terms of this CCAL Mortgage Rider, in the amount of the Recapture Obligation as determined by SONYMA; and
- f. In return for the benefit of the CCAL Mortgage Loan, the Borrower understands that he is required to own and occupy the Property as his principal place of residence for the term of this CCAL Mortgage Rider ("Required Owner Occupancy Period"), or the Recapture Obligation will become due and payable.

3. BORROWER'S CCAL COMPLIANCE COVENANTS

In addition to the covenants and agreements made in the Security Instrument and riders thereto, the Borrower and Lender further agree, covenant and promise as follows:

- a. Borrower will own and occupy the Property as his principal place of residence for the Required Owner Occupancy Period set forth herein; and
- b. As the purchaser, owner, and occupant of the Property and the beneficiary of the CCAL Mortgage Loan funds provided with respect to the Property, Borrower agrees to pay the amount of the Recapture Obligation as required herein. Borrower agrees to provide to the Lender any documents required by SONYMA with respect to SONYMA's determination of the amount of the Recapture Obligation.

4. THE CCAL MORTGAGE LOAN RECAPTURE OBLIGATION

- a. For value received, Borrower promises to pay to Lender, pursuant to SONYMA's agreement with the Lender, the sum of _____ Dollars (\$ _____) (the closing cost assistance amount and "Recapture Obligation"), payable according to and in the manner and times provided hereinafter. The priority of the Recapture Obligation secured by the lien of the Security Instrument is equal with that of any other component of the Sums Secured through the Security Instrument, subject to the provisions of Section 2 of the Security Instrument and Section 8 of this CCAL Mortgage Rider with respect to the application of any payments and the amount of the Recapture Obligation to be repaid. The Recapture Obligation is included in the scope of the covenants, agreements, and protections affecting the Sums Secured in the Security Instrument.
- b. Borrower's Transfer to Lender of Rights in the Property set forth in the Security Instrument is hereby amended to make Borrower's mortgage, grant, and conveyance of the Property to Lender therein additionally subject to the terms of this CCAL Mortgage Rider. Clauses (A) and (C) of the Borrower's Transfer to Lender of Rights in the Property are modified to add the phrase, "and the CCAL Mortgage Rider" to the end thereof, respectively. Clause (B) is amended to add that Borrower is obligated to pay, with interest, any amounts spent by Lender or SONYMA to protect Lender's or SONYMA's interest in the Property in connection with the CCAL Mortgage Loan.
- c. Notwithstanding anything to the contrary contained therein, the Security Instrument is amended to require compliance with this CCAL Mortgage Rider, and to obligate the Borrower to pay the Recapture Obligation at such times and in such manner as may be required pursuant to this CCAL Mortgage Rider. Any provision containing an agreement, pledge, or promise by Borrower to make any payment under the Security Instrument, including but not limited to Borrower's agreements to pay set forth in Sections 1 and 3 thereof, is deemed to include an agreement, pledge, or promise by Borrower to comply with this CCAL Mortgage Rider's terms and make any payment required hereby.
- d. Section 2 (Application of Borrower's Payments and Insurance Proceeds) of the Security Instrument is modified so as to:
- (1) Delete the word "and" which follows the clause, "Next, to pay any other amounts due under this Security Instrument;"
 - (2) Delete the period at the end of the clause, "Next, to reduce the principal balance of the Note." and insert in place thereof a semi-colon and to insert the word "and" immediately after such clause;
 - (3) Insert thereafter the clause, "Last, to pay the Recapture Obligation as may be required under the CCAL Mortgage Rider;" and
 - (4) Add a clause to the end of Section 2 stating:

In the event that any payment is required pursuant to the CCAL Mortgage Rider, because of resale, foreclosure, or other disposition of the Property, the Recapture Obligation will be reduced and satisfied to the extent of the

amount of the Recapture Obligation payable pursuant to Section 8 of the CCAL Mortgage Rider.

- e. If the Borrower fails to make any payment required pursuant to the Security Instrument or CCAL Mortgage Rider, the lien created by this Security Instrument will remain a lien on the Property to secure payment of the unpaid portion of the Sums Secured including but not limited to the Recapture Obligation as provided herein.

5. BORROWER TO PROVIDE SONYMA WITH NOTICE UPON INSTITUTION OF ACTION OF FORECLOSURE WITH RESPECT TO THE PROPERTY

If any action or proceeding of foreclosure is instituted with respect to the Property, the Borrower will immediately upon service thereof, deliver to SONYMA, whose address appears in Section 1 of this CCAL Mortgage Rider, a true copy of each notice, petition, summons or papers howsoever designated, served in such action or proceeding or in any such action or proceeding, in addition to any obligation to notify any party set forth in the Security Instrument.

6. THE RECAPTURE OBLIGATION IS DUE AND PAYABLE UPON A DEFAULT

Subject to the Security Instrument's provisions with respect to notice and opportunity to cure a default, the Recapture Obligation secured by the Security Instrument may, in Lender's sole discretion, become immediately due and payable, if any one or more of the following events of default ("Default") occurs:

- a. Borrower: (i) does not occupy the Property as his home and principal place of residence within sixty (60) days of the date of this CCAL Mortgage Rider; or (ii) (A) does not, except as provided herein, maintain ownership and occupancy of the Property as Borrower's principal residence throughout the Required Owner Occupancy Period, or (B) rents, sells, conveys any interest in or otherwise vacates the Property during the Required Owner Occupancy Period; or (C) pays the full amount of the Sums Secured;
- b. Borrower fails to: (1) make any payment due on any of the Sums Secured within thirty (30) days after the date that such payment was due; or (2) keep and adhere to any representation, warranty, covenant, promise, or agreement made by Borrower under the Security Instrument; or
- c. any misrepresentation, fraud, or other default exists or occurs under the CCAL Eligibility Documentation, in connection with any of the Sums Secured, or otherwise under the Security Instrument or this CCAL Mortgage Rider.

Any Default existing or occurring under this CCAL Mortgage Rider will constitute a default under the Security Instrument, and *vice versa*.

7. THE RECAPTURE OBLIGATION REQUIRES NO PAYMENT OF INTEREST

Except as provided otherwise herein, the Recapture Obligation secured hereby will not require the payment of installments and will be a standing obligation which will be without interest.

8. AMOUNT OF THE RECAPTURE OBLIGATION TO BE REPAID

- a. The amount to be repaid by and recaptured from Borrower under this CCAL Mortgage Rider will be the amount of the Recapture Obligation, as determined by SONYMA pursuant to Section 8.b. and 8.c. hereof, payable upon the date of the earliest occurrence of the following: (i) Borrower's failure to occupy the Property as Borrower's principal place of residence (subject to the provisions of Section 6.a. hereof); or (ii) any other Default, if any, as defined in Section 6 of this CCAL Mortgage Rider; or (iii) payment in full of the Sums Secured or (iv) any refinancing of the Sums Secured; or (v) any sale or conveyance of the full ownership interest in the Property, during the applicable Required Owner Occupancy Period as defined herein.
- b. If the Recapture Obligation becomes due and payable as provided in Section 8.a.(i), (ii) or (iii) hereinabove, the amount of the Recapture Obligation due and payable, as determined by SONYMA, will equal the entire amount of the CCAL Mortgage Loan funds but reduced by 1/120th thereof for each full and complete month that Borrower has owned and occupied the Property as Borrower's principal residence and the Lender's Loan remains outstanding in compliance with this CCAL Mortgage Rider (the "Remaining CCAL Mortgage Loan").
- c. If the Recapture Obligation becomes due and payable as provided in Section 8.a.(iv) or (v) hereinabove, the amount of the Recapture Obligation due and payable, as determined by SONYMA, shall be the Remaining CCAL Mortgage Loan, except that, if the Remaining CCAL Mortgage Loan is greater than Net Profit, as defined in this Section 8.c., then the amount of the Recapture Obligation to be repaid by the Borrower shall be the Net Profit. The Net Profit is the amount equal to the total proceeds of any sale or conveyance of the full ownership interest in the Property, or in the event of any refinancing of the Sums Secured the current appraised value of the Property, less the sum of the following: (i) repayment due on the outstanding balance of the principal and accrued interest payable on the Lender's Loan and other components of the Sums Secured (exclusive of the initial amount of the Recapture Obligation); and (ii) Borrower's initial down payment made on the Property (the initial cash portion of the purchase price); and (iii) costs of any capital improvements paid or incurred by Borrower with respect to the Property; and (iv) closing costs paid or incurred by Borrower with respect to any sale or conveyance of the full ownership interest in the Property or any refinancing of the Sums Secured. If the Net Profit is zero or less, no Recapture Obligation will be due. Notwithstanding the above, if Borrower owns and occupies the Property as his principal place of residence in compliance with the terms of this CCAL Mortgage Rider for the applicable Required Owner Occupancy Period and the Lender's Loan remains outstanding after the expiration of such Required Owner Occupancy Period, the Recapture Obligation will be reduced to zero and extinguished and Borrower will not be required to repay any portion of the CCAL Mortgage Loan.

9. THE REQUIRED OWNER OCCUPANCY PERIOD

For CCAL Mortgage Loans, the Required Owner Occupancy Period shall be for a period of ten (10) years commencing on the latter of: (i) the date hereof; or (ii) the Borrower's acquisition of title to and occupancy of the Property as Borrower's principal place of residence.

10. FULFILLMENT AND RELEASE OF THE CCAL RIDER

Provided that the Borrower has complied with all the terms of the Security Instrument including but

not limited to this CCAL Mortgage Rider, this CCAL Mortgage Rider will be deemed of no further force and effect upon the tenth (10th) anniversary of the date the Required Owner Occupancy Period commenced and as of such date ("Fulfillment Date") neither party to the Security Instrument will have any further rights or obligations under this CCAL Mortgage Rider against each other, except that, if the Borrower has failed to fulfill the owner occupancy requirements hereof, or has not paid any Recapture Obligation that has become due hereunder, or has otherwise defaulted under the terms of the Security Instrument in which this CCAL Mortgage Rider is incorporated, then the security interest created by this CCAL Mortgage Rider through the Security Instrument (in other words, the portion of the lien on the Property which secures the Recapture Obligation) will continue irrespective of the Fulfillment Date ("Extended Fulfillment Date") until the amount of the Recapture Obligation plus all costs of collection payable under the terms of the Security Instrument have been discharged by the Borrower. On or after the Extended Fulfillment Date, if the Borrower has complied with all of the requirements of this CCAL Mortgage Rider, the Lender will, upon written request by Borrower, execute and furnish Borrower with a release letter solely with respect to and only affecting the CCAL Mortgage Rider ("CCAL Release"). In accord with Section 23 of the Security Instrument (Lender's Obligation to Discharge this Security Instrument), Borrower will not be required to pay for the CCAL Release. Upon discharge of this CCAL Mortgage Rider by means of the CCAL Release, the Security Instrument shall in all other respects continue in force and effect except as expressly provided therein.

11. NOTICES

Any notices, demands, certifications, requests, communications, or the like ("Notices") required or permitted to be given under this CCAL Mortgage Rider, unless otherwise specifically provided in the Security Instrument, will be in writing and will be delivered personally or by regular, certified, or registered mail, correct postage prepaid, to the company and address to which you make your mortgage payments set forth in the Security Instrument. Notices will be deemed given when actually, personally delivered and receipted or when deposited with the post office registry clerk or in an official United States post box.

12. COVENANTS RUN WITH THE LAND

All of the terms, covenants and conditions hereof run with the land and will apply to, bind, and inure to the benefit of the Borrower and the Lender and their respective heirs, personal representatives, successors and assigns and all subsequent holders of this Security Instrument, and all subsequent owners, encumbrancers, tenants and subtenants of the Property or any part thereof or interest therein, except to the extent expressly provided to the contrary herein.

13. ANY AMENDMENT MUST BE IN WRITING

The Security instrument may not be modified, amended, changed, discharged or terminated orally, but only by an agreement in writing, in a form suitable for recording, signed by the party against whom the enforcement of the modification, amendment, change, discharge or termination is sought.

14. INTERPRETATION

If there is more than one Borrower each will be separately liable. Words such as, "Borrower," "Lender," "SONYMA," or "mortgagee" will as appropriate include their respective heirs, executors, administrators, representatives, successors, and permitted assigns. If there is more than one Borrower the words "Borrower" used herein will be read as if written in the plural. Words in the masculine or feminine gender appearing herein will be deemed to refer to either or both male or female persons, as the case may be and the sense of the sentence requires.

Borrower and Lender agree that each party and its counsel have reviewed this instrument and that

the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation hereof or of any amendments or exhibits hereto.

15. COUNTERPARTS

This instrument may be executed in one or more duplicate originals bearing the same date ("Counterpart(s)").

Borrower states that the Borrower has read this CCAL Mortgage Rider, received a completely filled in duplicate Counterpart hereof and has duly signed the CCAL Mortgage Rider as of the date set forth at the top of the first page hereof.

Borrower(s):

Exhibit 2

SONYMA #: _____

**SONYMA CLOSING COST ASSISTANCE LOAN
RIDER TO THE NEW YORK FIXED RATE NOTE - SINGLE FAMILY -
FANNIE MAE/FREDDIE MAC UNIFORM INSTRUMENT**

Borrower's Name: _____

Address of Property: _____

This State of New York Mortgage Agency ("SONYMA") Closing Cost Assistance Loan ("CCAL") Rider ("CCAL Note Rider") is made as of _____, _____ (the closing date), and is incorporated into and shall be deemed to amend and supplement the note and any riders thereto ("Note") of the same date given by the undersigned to evidence the Borrower's promise to pay and related obligations to _____ ("Lender") of the same date herewith, and is secured by the mortgage made by Borrower to Lender of the same date herewith ("Security Instrument" or "Mortgage") including without limitation the CCAL rider annexed thereto ("CCAL Mortgage Rider"). Unless otherwise defined herein, terms used in the CCAL Note Rider shall have the same meanings as such terms respectively bear in the Security Instrument. The Borrower acknowledges and agrees that this CCAL Note Rider is subject to the terms and conditions of the CCAL Mortgage Rider which is incorporated herein by reference as if fully set forth. Notwithstanding anything herein to the contrary, with respect to any inconsistency between the following provisions and anything contained in the Note or Security Instrument, the terms contained in this CCAL Note Rider shall govern.

Any request for release of this CCAL Note Rider should be directed to the servicing company to which you make mortgage payments.

1. BORROWER'S PROMISE TO PAY

Borrower hereby acknowledges that, pursuant to certain agreements between the State of New York Mortgage Agency ("SONYMA"), a public benefit corporation with offices at 641 Lexington Avenue, New York, New York 10022, and the Lender, Lender has furnished Borrower with the benefits of monies ("CCAL Mortgage Loan") in the amount of the initial Recapture Obligation (as defined in Section 4 of the CCAL Mortgage Rider) under the Closing Cost Assistance Loan as funds to be used solely in connection with the Borrower's closing costs for purchase of the Property (as defined in the Security Instrument), in conjunction with the Borrower's SONYMA approved first mortgage loan from the Lender ("Lender's Loan") and any related obligations evidenced by the Note and secured by the Security Instrument. The Borrower, in addition to remaining obligated to pay any sums otherwise evidenced by the Note according to the terms thereof, hereby agrees and promises to pay the Recapture Obligation as provided in the CCAL Mortgage Rider.

2. BORROWER'S AGREEMENT TO COMPLY WITH MORTGAGE CCAL RIDER REPRESENTATIONS, WARRANTIES, PROMISES, AND REQUIREMENTS

In addition to the Borrower's representations, warranties, and promises made in the Security Instrument, the Borrower further represents, warrants, and promises as follows:

- a. Borrower has, as necessary, read, completed, signed, and submitted to Lender the: CCAL Recapture Notification, Note, Security Instrument, CCAL Mortgage Rider, CCAL Note Rider, and any additional documentation required by the Lender under CCAL ("CCAL Eligibility Documentation");
- b. Such CCAL Eligibility Documentation contains no misrepresentation or misinformation;
- c. Borrower is a first-time home buyer (one who has not had a present ownership interest in a principal residence, including a manufactured home, at any time during the three year period immediately prior to the date of the application for the Lender's Loan and does not own a vacation or investment home as of such Lender's Loan application date), and qualifies as a first-time home buyer for the purposes and requirements of qualified mortgage revenue bonds issued by SONYMA under Section 143 of the Internal Revenue Code of 1986, as amended in connection herewith;
- d. Borrower will keep the Property in reasonably good repair;
- e. Borrower agrees to comply with all the requirements of the Security Instrument including but not limited to those of the CCAL Mortgage Rider. Borrower further represents and warrants that Borrower is eligible to receive the CCAL Mortgage Loan funds, keep and observe all of the terms, covenants and conditions hereof;
- f. Borrower understands that the amount of the CCAL Mortgage Loan represents a reduction in the Borrower's cash outlay for closing costs associated with the acquisition of the Property, and that the CCAL Mortgage Loan is repayable, subject to the terms of the CCAL Mortgage Rider, in the amount of the Recapture Obligation as determined by SONYMA; and
- g. In return for the benefit of the CCAL Mortgage Loan, the Borrower understands that he is required to own and occupy the Property as his principal place of residence for the term of the CCAL Mortgage Rider ("Required Owner Occupancy Period"), or the Recapture Obligation will become due and payable.

3. THE RECAPTURE OBLIGATION

- a. For value received, Borrower promises to pay to Lender, pursuant to SONYMA's agreement with the Lender, the sum of _____ Dollars (\$ _____) (the closing cost assistance amount and "Recapture Obligation"), payable according to and in the manner and times provided in the CCAL Mortgage Rider.
- b. Except as provided otherwise pursuant to the Security Instrument or herein, the Recapture Obligation will not require the payment of installments and will be a standing obligation which will be without interest, loan charges, or late charges.

4. THE RECAPTURE OBLIGATION IS DUE AND PAYABLE UPON A DEFAULT

Subject to the periods allowed pursuant to the Security Instrument's provisions with respect to notice and opportunity to cure a default, the Recapture Obligation evidenced by this CCAL Note Rider may, in Lender's sole discretion, become immediately due and payable if any one or more of the following events of default ("Default") occurs:

- (a) Borrower: (i) does not occupy the Property as his home and principal place of residence within sixty (60) days of the date of the CCAL Note Rider; or (ii) (A) does not, except as provided herein, maintain ownership and occupancy of the Property as Borrower's home and principal residence throughout, or (B) rents, sells, conveys any interest in or otherwise vacates the Property during, the Required Owner Occupancy Period; or (C) pays the full amount of the Sums Secured;
- (b) Borrower fails to: (1) make any payment due on any of the Sums Secured within 30 days after the date that such payment was due; or (2) keep and adhere to any representation, warranty, covenant, promise, or agreement made by Borrower under the Security Instrument or other CCAL Eligibility Documentation; or
- (c) any misrepresentation, fraud, or other default exists or occurs under the CCAL Eligibility Documentation, in connection with any of the Sums Secured, or otherwise under the Note, Security Instrument, or the CCAL Note Rider, or CCAL Mortgage Rider.

Any Default existing or occurring under this CCAL Note Rider will constitute a default under the Note, Security Instrument, CCAL Mortgage Rider, respectively, and *vice versa*.

5. AMOUNT OF THE RECAPTURE OBLIGATION TO BE REPAID

The amount to be repaid by and recaptured from Borrower under this CCAL Note Rider will be the amount of the Recapture Obligation payable as determined by SONYMA pursuant to the provisions of the CCAL Mortgage Rider.

6. THE REQUIRED OWNER OCCUPANCY PERIOD

For CCAL Mortgage Loans, the Required Owner Occupancy Period shall be for a period of ten (10) years commencing on the latter of: (i) the date hereof; or (ii) the Borrower's acquisition of title to and occupancy of the Property as Borrower's principal place of residence.

7. FULFILLMENT AND RELEASE OF THE NOTE CCAL RIDER

Provided that the Borrower has complied with all the terms hereof, this CCAL Note Rider will be deemed of no further force and effect upon the tenth (10th) anniversary of the date the Required Owner Occupancy Period commenced and as of such date ("Fulfillment Date") neither party to the Note will have any further rights or obligations under this CCAL Note Rider against each other, except that, if the Borrower has failed to fulfill the owner occupancy requirements hereof, or has not paid any Recapture Obligation that has become due hereunder, or has otherwise defaulted under the terms of the Note in which this CCAL Note Rider is incorporated, then the Recapture Obligation evidenced by this CCAL Note Rider will be and remain due and payable irrespective of the Fulfillment Date ("Extended Fulfillment Date") until the amount of the Recapture Obligation plus all costs of collection payable under the terms of the Note and the Security

Instrument have been discharged by the Borrower. On or after such Extended Fulfillment Date, if the Borrower has complied with all of the requirements of the CCAL Note Rider, the Lender will, upon written request by Borrower, execute and furnish Borrower with a release letter solely with respect to and only affecting the CCAL Note Rider ("CCAL Release"). Borrower will not be required to pay for the CCAL Release. Upon discharge of the CCAL Note Rider by means of the CCAL Release, the Note shall in all other respects continue in force and effect except as expressly provided therein.

8. NOTICES

Any notices, demands, certifications, requests, communications, or the like ("Notices") required or permitted to be given under this CCAL Note Rider, unless otherwise specifically provided in the Note, will be in writing and will be delivered personally or by regular, certified, or registered mail, correct postage prepaid, to each party concerned at its respective address set forth in the Security Instrument. Notices will be deemed given when actually, personally delivered and receipted or when deposited with the post office registry clerk or in an official United States post box.

9. ANY AMENDMENT MUST BE IN WRITING

The Note and this CCAL Note Rider may not be modified, amended, changed, discharged or terminated orally, but only by an agreement in writing, in a form suitable for recording, signed by the party against whom the enforcement of the modification, amendment, change, discharge or termination is sought.

10. INTERPRETATION

If there is more than one Borrower each will be separately liable. Words such as, "Borrower," "Lender," "SONYMA," or "mortgagee" will as appropriate include their respective heirs, executors, administrators, representatives, successors, and permitted assigns. If there is more than one Borrower the words "Borrower" used herein will be read as if written in the plural. Words in the masculine or feminine gender appearing herein will be deemed to refer to either or both male or female persons, as the case may be and the sense of the sentence requires.

Borrower and Lender agree that each party and its counsel have reviewed this instrument and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation hereof or of any amendments or exhibits hereto.

11. COUNTERPARTS

This instrument may be executed in one or more duplicate originals bearing the same date ("Counterpart(s)").

Borrower states that the Borrower has read this CCAL Note Rider, received a completely filled in duplicate Counterpart hereof and has duly signed the Closing Cost Assistance Loan Note Rider as of the date set forth at the top of the first page hereof.

Borrower(s):

**SONYMA CLOSING COST ASSISTANCE LOAN
RELEASE OF RIDERS TO NOTE AND SECURITY INSTRUMENT**

**Borrower's
Name(s):** _____

**Address of
Property:** _____

CCAL Recapture Obligation: \$ _____ **Closing Date:** _____

Required Owner Occupancy Period: _____ **Months** **Fulfillment Date:** _____

On the above Closing Date, the above referenced Borrower(s) executed:

- (i) the SONYMA Closing Cost Assistance Loan ("CCAL") Rider to New York - Single Family Fannie Mae/Freddie Mac Mortgage (Form C1) or, as applicable, the SONYMA CCAL Rider to the Security Agreement - Co-op (Form C7) which were incorporated into and were deemed to amend and supplement, as applicable, the Mortgage or the Security Agreement, and any riders thereto (collectively, the "Security Instrument") and
- (ii) the SONYMA CCAL Rider to the New York Fixed Rate Note - Single Family - Fannie Mae/Freddie Mac Uniform Instrument (Form C2; collectively with Form C1, the "CCAL Riders") or, as applicable, the SONYMA CCAL to the Cooperative Loan Note (Form C8; collectively with Form C7, the "CCAL Co-op Riders") which were incorporated into and were deemed to amend and supplement the note and any riders thereto ("the Note").

The applicable Security Instrument was recorded in the Office of the County Clerk of _____ County, State of New York on ____ / ____ / ____ in (Liber) (Reel) _____ at Page _____, and further assigned by assignment dated _____ from _____ to the State of New York Mortgage Agency and recorded on ____ / ____ / ____ in (Liber)(Reel) _____, Page _____ in the office of the clerk of the County of _____.

The applicable Forms UCC1 and UCC1CA d for the Closing Cost Assistance Loan were filed in the Office of the County Clerk of _____ County, State of New York on ____ / ____ / ____, under the Initial Financing Statement # _____, and further assigned, if applicable by Form UCC3 on ____ / ____ / ____, under File # _____.

The Borrower(s) has complied, as applicable, with all of the terms set forth in the CCAL Riders or CCAL Co-op Riders, and as of the above Fulfillment Date, the CCAL Riders or CCAL Co-op Riders are hereby deemed null and void. As a result, the above CCAL Recapture Obligation is no longer due and owing and shall not be considered a component of the Sums Secured as defined in the Security Instrument. Borrower(s) is hereby released, as applicable, of all obligations under the CCAL Riders or the CCAL Co-op Riders.

This CCAL Release affects, as applicable, only the CCAL Riders or the CCAL Co-op Riders and does not, in any way, release the Borrower(s) from any of the terms or obligations of the Note and Security Instrument. The Note and Security Instrument shall in all other respects continue to be in full force and effect.

Servicing Institution

By: _____

Title: _____

STATE OF NEW YORK) ss.:
COUNTY OF)

On the ____ day of _____ in the year _____, before me, the undersigned, a notary public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

Notary Public
Commission expires:

SONYMA CLOSING COST ASSISTANCE LOAN
RECAPTURE NOTIFICATION

Mortgage Lender Name: _____

Borrower(s): _____

PART I - RECAPTURE NOTIFICATION

A home purchase financed with a mortgage loan made possible with the assistance of a State of New York Mortgage Agency ("SONYMA") loan (the "MRB Loan") and closing cost assistance funds provided by SONYMA (the "CCAL Loan"), secured by a rider to lien of the MRB Loan (the "CCAL Loan Rider"), requires a repayment or recapture of the CCAL Loan to Lender upon the occurrence of any of the conditions set forth below. The amount that must be recaptured from the Borrower and repaid to the Lender is called the "Recapture Amount" and shall be determined by SONYMA.

Unless otherwise defined herein, terms used in this CCAL Recapture Notification shall have the same meanings as such terms respectively bear in the CCAL Loan Rider executed on the closing date of the home. With respect to any inconsistency between the provisions contained herein and anything contained in the CCAL Loan Rider, the provisions contained in the CCAL Loan Rider shall govern.

The Borrower shall pay the Recapture Amount upon the date of the earliest occurrence of the following: (1) the sale or conveyance of any ownership interest in the property secured by the CCAL Loan (the "Residence"); (2) any refinancing or payoff of the MRB Loan; (3) Borrower's failure to occupy the Residence as Borrower's principal residence as described in the CCAL Loan Rider and (4) any other Default as defined in the CCAL Loan Rider.

The Recapture Amount shall equal lesser of the Remaining CCAL Loan and the Net Profit. The Remaining CCAL Loan is the amount of the CCAL Loan less 1/120th thereof for each full and complete month the MRB Loan was outstanding and the Residence was owned and occupied as the Borrower's principal residence. The Net Profit is the amount equal to the difference between the total proceeds of the sale or other disposition of the Residence (or if a refinance, the current appraised value of the Residence) less the sum of the following: (i) repayment due on the outstanding balance of the principal and accrued interest payable on the MRB Loan and other components of the Sums Secured, as defined in the CCAL Loan Rider, exclusive of the amount of the CCAL Loan; and (ii) Borrower's initial down payment made on the Residence (the initial cash portion of the purchase price); and (iii) costs of any capital improvements made to the Residence by Borrower; and (iv) closing costs paid or incurred by the Borrower with respect to the sale of the Residence. If the Net Profit is zero or less, no recapture obligation is due. Notwithstanding the above, if the Borrower sells his or her Residence and pays the MRB Loan in full after the expiration of the 10 year recapture period, the Borrower will not be required to repay any portion of the CCAL Loan.

For additional information, please consult the following attachments to this CCAL Recapture Notification:

Attachment 1 - Recapture Worksheet

Attachment 2 - Example of How to Compute the Recapture Amount

BORROWERS SHOULD MAINTAIN THE RECAPTURE NOTIFICATION AND ATTACHMENTS FOR THEIR RECORDS.

PART II- PROCEDURE

Prior to sale of the Residence or payoff of the MRB Loan, contact the servicing institution to which your MRB Loan payments are being made to determine the amount of recapture owed, if any. The following documents must be submitted:

1. Completed CCAL Recapture Worksheet (Attachment I).
2. Copy of executed contract of sale on the Residence, or if a refinance, copy of a current appraisal report of the Residence.
3. Payoff letter from MRB Loan servicing institution which states the entire payoff amount, including, but not limited to, the current outstanding principal balance of loan and accrued interest.
4. Estimated Borrower closing costs associated with the sale or refinance, as applicable. This list should include a description of each item as well as the estimated cost of each item. Eligible closing costs include, but are not limited to, expenses paid or incurred by the Borrower such as broker's or realtor's fees, attorneys' fees, transfer taxes and filing fees. Such expenses must be reasonable and customary for the area in which the Residence is located.
5. Description of any capital improvements paid or incurred by the Borrower with respect to the Residence as well as documentation supporting the cost of such improvements. Such documentation should include copies of contracts for work performed, copies of paid receipts for materials purchased and canceled checks for such work.

PART III - CERTIFICATION

(I/We) have read the Closing Cost Assistance Loan Recapture Notification as set forth in Part I hereof, and understand that (I/We) may be required to pay the recapture amount to Lender as a result of financing a portion of (my/our) Residence purchase with a CCAL Loan.

(I/We) acknowledge receipt of this Closing Cost Assistance Loan Recapture Notification.

Execution at Time of Loan Application

Borrower

Borrower

Date

Attachment I

CCAL RECAPTURE WORKSHEET

- A. Original CCAL Loan Amount \$ _____
- B. Determine the Remaining CCAL Loan (see CCAL Loan Rider).
- 1) Mortgagor's recapture period: _____ months
 - 2) Number of full months Mortgagor has owned and occupied the Residence (number of full months elapsed from date of closing to anticipated date of sale): _____ months
 - 3) B(1) minus B(2) = _____ months
 - 4) B(3) divided by B(1) = : _____
 - 5) Calculate the Remaining CCAL Loan [B(4) multiplied by A]: \$ _____
- C. Determine Mortgagor's Net Profit.
- 1) Sales Price of current sale (or appraised value, if a refinance): \$ _____
 - 2) Less:
 - a. Repayment due on MRB Loan (outstanding principal and accrued interest): $-\$$ _____
 - b. Mortgagor's Downpayment on original purchase: $-\$$ _____
 - c. Capital Improvements made to the Residence by the Borrower : $-\$$ _____
 - d. Borrower's Closing Costs of current sale or refinance: $-\$$ _____
 - 3) Subtotal [C(2a)+C(2b)+C(2c)+C(2d)] \$ _____
 - 4) Net Profit [C(1) - C(3)]: \$ _____
- D. Amount of CCAL Loan to be repaid to Lender:
Lesser of Net Profit [C(4)] or the Remaining CCAL Loan [B(5)]** \$ _____

If result is less than zero, no recapture is due.

Note: Attach all documentation listed on page 2 to support this worksheet, including a copy of the appraisal report if the CCAL is being paid in full due to a refinance of the mortgage.

Attachment II

EXAMPLE OF HOW TO COMPUTE THE CCAL RECAPTURE AMOUNT

J and M, first time homebuyers, purchase a residence for \$50,000. The purchase is financed with a \$48,500 State of New York Mortgage Agency ("SONYMA") Loan ("MRB Loan"), a \$3,300 Closing Cost Assistance Loan mortgage loan (the "CCAL Loan") (which funds closing costs) and a \$1,500 downpayment contributed by J and M. The recapture period is 10 years. Due to a job change, J and M must sell the residence three years after they purchase it. During the time J and M owned the residence they added a bathroom and constructed a deck, investing a total of \$10,000 in improvements to the residence. The residence sells for \$62,000. J and M owe \$45,500 on their MRB loan - \$45,400 of outstanding principal and accrued interest of \$100. J and M incur \$3,000 in closing costs. J and M calculate the recapture amount as follows.

A.	Original CCAL Loan Amount	\$ <u>3,300</u>
B.	Determine the Remaining CCAL Loan (see CCAL Loan Rider).	
1)	Mortgagor's recapture period:	<u>120</u> months
2)	Number of full months Mortgagor has owned and occupied the Residence (number of full months elapsed from date of closing to anticipated date of sale):	<u>36</u> months
3)	B(1) minus B(2) =	<u>84</u> months
4)	B(3) divided by B(1) = :	<u>0.70</u>
5)	Calculate the Remaining CCAL Loan [B(4) multiplied by A]:	\$ <u>2,310</u>
C.	Determine Mortgagor's Net Profit.	
1)	Sales Price of current sale (or current appraised value, if a refinance):	\$ <u>62,000</u>
2)	Less: a. Repayment due on MRB Loan (outstanding principal and accrued interest):	\$ <u>45,500</u>
	b. Mortgagor's Downpayment on original purchase:	\$ <u>1,500</u>
	c. Capital Improvements made to the Residence by the Borrower:	\$ <u>10,000</u>
	d. Borrower's Closing Costs of current sale or refinance:	\$ <u>3,000</u>
3)	Subtotal [C(2a)+C(2b)+C(2c)+C(2d)]	\$ <u>60,000</u>
4)	Net Profit [C(1) - C(3)]:	\$ <u>2,000</u>
D.	Amount of CCAL Loan to be repaid to Lender:	
	Lesser of Net Profit [C(4)] or the Remaining CCAL Loan [B(5)] =	\$ <u>2,000</u>

If result is less than zero, no recapture is due.

J and M must repay \$2,000 of the remaining \$2,310 CCAL Loan to the Lender upon the sale of their Residence.

Note: Attach all documentation listed on page 2 to support this worksheet, including a copy of the appraisal report if the CCAL is being paid in full due to a refinance of the mortgage.

**CLOSING COST ASSISTANCE LOAN ("CCAL") ATTACHMENT TO
SONYMA RESERVATION WORKSHEET AND LOCK CERTIFICATION**

LENDER: _____ ORIGINATOR ID #: _____

APPLICANT(s)
LAST NAME: _____ FIRST NAME: _____

LAST NAME: _____ FIRST NAME: _____

1) Are there any subsidies, other than the CCAL involved in the transaction?
(Y/N) _____

2) If yes, what is the source (provider), amount and purpose (i.e. closing cost, downpayment, rehabilitation) of these subsidies?

(i) Source: _____

Amount: \$ _____

Purpose: _____

(ii) Source: _____

Amount: \$ _____

Purpose: _____

Note: CCAL assistance will be provided where necessary after application of the above subsidy amounts.

3) What is the anticipated amount of CCAL assistance needed?
Closing Cost Assistance \$ _____

Note: Total CCAL assistance must be at least \$1,000 but not greater than the higher of (a) 3% of the Mortgage Loan amount or (b) \$3,000.

COMPLETED BY: _____

TELEPHONE #: _____ FAX #: _____

FOR SONYMA USE ONLY

Reservation Date: _____ Flip: _____

SONYMA # _____



STATE OF NEW YORK MORTGAGE AGENCY
CLOSING COST ASSISTANCE LOAN ("CCAL")

CCAL LOAN REQUEST FOR DISBURSEMENT FORM
[PLEASE PRINT LEGIBLY OR TYPE]

[To Be Faxed to SONYMA Single Family, Attn: Olivia Jervis
Three (3) Business Days Prior to Closing - Fax # (917) 274-0396]

PAYABLE TO [LENDER NAME]:

CONTACT NAME: TELEPHONE #

FAX #

BORROWER(S) NAME: SONYMA #

PROPERTY ADDRESS:

CCAL LOAN ASSISTANCE SCHEDULED
AMOUNT REQUESTED \$ CLOSING
DATE:

CCAL ASSISTANCE CERTIFICATION

(Lender Name) hereby certifies that all closing costs listed on the

attached schedule are standard and customary for the area in which the subject property is located and complies with the CCAL Seller's Guide Addendum Exhibit 9 - List of Allowable Closing Cost Assistance Loan Expenses. We understand that the total amount requested must be at least \$1,000, and: (i) if the loan reservation date is before October 21, 2008, cannot exceed the greater of (a) 5% of the Mortgage Loan amount or (b) \$5,000; or (ii) if the loan reservation date is on or after October 21, 2008, cannot exceed the greater of (a) 3% of the Mortgage Loan amount or (b) \$3,000. In no event, however, can the amount requested exceed the actual closing costs.

TOTAL ASSISTANCE REQUESTED \$

Note: Borrower's required minimum cash contribution from their own funds and any other closing cost assistance must be applied first; balance will be from CCAL.

Lender Authorized Officer's Signature

Title Date

TO BE COMPLETED BY SONYMA

SONYMA hereby approves a CCAL Loan in the amount of \$. Please complete the CCAL Rider to the Fannie Mae/Freddie Mac Mortgage (Form C1) and CCAL Rider to the Fannie Mae/Freddie Mac Note (Form C2), or for cooperative loans, the CCAL Rider to the SONYMA Security Agreement - Co-op (Form C7) and CCAL Rider to the SONYMA Cooperative Loan Note (Form C8), in the amount approved ("recapture amount") and incorporate them into the standard required security instrument and note forms.

Approved: (SONYMA Authorized Signature) Date:



Exhibit 7

SONYMA #: _____

**SONYMA CLOSING COST ASSISTANCE LOAN
RIDER TO SECURITY AGREEMENT - CO-OP**

Borrower's Name: _____

Address of Property: _____

This State of New York Mortgage Agency ("SONYMA") Closing Cost Assistance Loan ("CCAL") Rider ("CCAL Security Agreement Rider") is made as of this _____ day of _____, _____ (the closing date), and is incorporated into and shall be deemed to amend and supplement a security agreement and any riders thereto (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure the undersigned's note to _____ (the "Lender") of the same date herewith ("Note"). Unless otherwise defined herein, terms used in this CCAL Security Agreement Rider shall have the same meanings as such terms respectively bear in the Security Instrument. With respect to any inconsistency between the following provisions and anything contained in the Security Instrument, the terms contained in this CCAL Security Agreement Rider shall govern.

Any request for release of this CCAL Security Agreement Rider should be directed to the servicing company to which you make loan payments.

1. BORROWER'S ACKNOWLEDGMENT OF CLOSING COST ASSISTANCE LOAN PARTICIPATION

Borrower hereby acknowledges that, pursuant to certain agreements between the State of New York Mortgage Agency ("SONYMA"), a public benefit corporation with offices at 641 Lexington Avenue, New York, New York 10022, and the Lender, Lender has furnished Borrower with the benefits of monies ("CCAL Loan") in the amount of the initial Recapture Obligation (as defined in Section 4 of this CCAL Security Agreement Rider) under the Closing Cost Assistance Loan, as funds to be used solely in connection with the Borrower's closing costs for purchase of the Property (as defined in the Security Instrument), in conjunction with the Borrower's SONYMA approved first cooperative share loan from the Lender ("Lender's Loan") and any related obligations evidenced by the Note and secured by the pledge of a security interest of the Borrower to the Lender with respect to Borrower's right, title and interest in and to the shares of stock and proprietary lease described in the Security Instrument. The Recapture Obligation is hereby added to and made a component of the Lender's Loan pursuant to Section 4 of this CCAL Security Agreement Rider.

2. BORROWER'S CCAL REPRESENTATIONS, WARRANTIES, AND PROMISES

In addition to the Borrower's representations, warranties, and promises made in the Security Instrument, the Borrower further represents, warrants, and promises as follows:

- a. Borrower has, as necessary, read, completed, signed, executed and submitted to Lender the following documents: Note, rider to the Note in connection with the CCAL ("CCAL Note Rider"), the Security Instrument, this CCAL Security Agreement Rider, CCAL Recapture Notification and any additional documentation required by the Lender under CCAL ("CCAL Eligibility Documentation");
- b. Such CCAL Eligibility Documentation contains no misrepresentation or misinformation;

- c. Borrower is a first-time home buyer (one who has not had a present ownership interest in a principal residence, including a manufactured home, at any time during the three year period immediately prior to the date of the application for the Lender's Loan and does not own a vacation or investment home as of such Lender's Loan application date), and qualifies as a first-time home buyer for the purposes and requirements of qualified mortgage revenue bonds issued by SONYMA under Section 143 of the Internal Revenue Code of 1986 as amended in connection herewith;
- d. Borrower lawfully owns the Property and that the Borrower has (or the undersigned legally authorized representative of the Borrower, if any has) the right to and does pledge all right, title, and interest of the Borrower in and to the Property to the Lender. In addition, the Borrower gives Lender a general warranty of title. Borrower agrees to comply with all the requirements of the Security Instrument including but not limited to those of this CCAL Security Agreement Rider. Borrower further represents and warrants that Borrower is eligible to receive the CCAL Loan funds, and keep and observe all of the terms, covenants and conditions hereof.
- e. Borrower understands that the amount of the CCAL Loan represents a reduction in the Borrower's cash outlay for closing costs associated with the acquisition of the Property and that the CCAL Loan is repayable, subject to the terms of this CCAL Security Agreement Rider, in the amount of the Recapture Obligation as determined by SONYMA; and
- f. In return for the benefit of the CCAL Loan, the Borrower understands that he is required to own and occupy the Property as his principal place of residence for the term of this CCAL Security Agreement Rider ("Required Owner Occupancy Period"), or the Recapture Obligation will become due and payable.

3. BORROWER'S CCAL COMPLIANCE COVENANTS

In addition to the covenants and agreements made in the Security Instrument and any riders thereto, the Borrower and Lender further agree, covenant and promise as follows:

- a. Borrower will own and occupy the Property as his principal place of residence for the Required Owner Occupancy Period set forth herein; and
- b. As the purchaser, owner, and occupant of the Property and the beneficiary of the CCAL Loan funds provided with respect to the Property, Borrower agrees to pay the amount of the Recapture Obligation as required herein. Borrower agrees to provide to the Lender any documents required by SONYMA with respect to SONYMA's determination of the amount of the Recapture Obligation.

4. THE CCAL LOAN RECAPTURE OBLIGATION

- a. For value received, Borrower promises to pay to Lender, pursuant to SONYMA's agreement with the Lender, the sum of _____ Dollars (\$ _____) (the closing cost assistance amount and "Recapture Obligation"), payable according to and in the manner and times provided hereinafter. The priority of the Recapture Obligation secured by the lien of the Security Instrument is equal with that of any other amounts due under the Sums Secured as defined in Section 4 of this CCAL Security Agreement Rider, subject to the provisions of Section 8 of this CCAL Security Agreement Rider with respect to the application of any payments and the amount of the Recapture Obligation to be repaid. The Recapture Obligation is included in the scope of the covenants, agreements, and protections affecting the Sums Secured in the Security Instrument, as modified herein.
- b. Notwithstanding anything to the contrary contained therein, the Security Instrument is amended to require compliance with this CCAL Security Agreement Rider, and to obligate the Borrower to pay the Recapture Obligation at such times and in such manner as may be required pursuant to this CCAL

Security Agreement Rider. Any provision containing an agreement, pledge, or promise by Borrower to make any payment under the Security Instrument is deemed to include an agreement, pledge, or promise by Borrower to comply with this CCAL Security Agreement Rider's terms and make any payment required hereby.

- c. Section 1 of the Security Instrument is modified so as to:

Delete the period at the end of the section and insert in place thereof the following:
", and the amount of the Recapture Obligation, as set forth in the rider hereto (the " CCAL Security Agreement Rider ") in connection with the Closing Costs Assistance Loan (the "CCAL") of the same date herewith."

- d. Section 2 of the Security Instrument is modified so as to:

(1) Delete the period at the end of the section and insert in place thereof the following:
", the rider to the Note in connection with the CCAL ("CCAL Note Rider ") and CCAL Security Agreement Rider all of the same date herewith."

- (2) Insert thereafter the following:

I agree to pay to the Lender: (A) all the amounts that I owe Lender as stated in the Note including, but not limited to, all renewals, extensions and modifications of the Note and the CCAL Security Agreement Rider; (B) any amounts that Lender spends under this Security Agreement to protect the value of the Property and Lender's rights in the Property; and (C) any amounts, plus interest, spent by Lender or the State of New York Mortgage Agency ("SONYMA ") to protect Lender's or SONYMA's interest in the Property in connection with the CCAL Security Agreement Rider (collectively, the "Sums Secured").

- e. Section 11 of the Security Instrument is modified so as to:

Insert after the phrase "under the Note", the following: ", CCAL Note Rider, CCAL Security Agreement Rider,";

- f. Section 12.(H) of the Security Instrument is modified so as to:

Delete the semi-colon at the end of the section and insert in place thereof the following:
", other than the security interest described in the CCAL Note Rider and the CCAL Security Agreement Rider of the same date herewith;"

- g. Section 14 of the Security Instrument is modified so as to:

- (1) Delete the word "and" which follows the clause, "Third, to the payment of my debt in full;"

- (2) Insert thereafter the clause, "(D) Fourth, to pay the Recapture Obligation as may be required under the CCAL Security Agreement Rider; and"; and

- (3) Delete "(D)" and insert in place thereof "(E)"; and

- (4) Add a clause to the end of Section 14 stating:

In the event that any payment is required pursuant to the CCAL Security Agreement Rider, because of resale, foreclosure, or other disposition of the Property, the Recapture Obligation will be reduced and satisfied to the extent of the amount of the Recapture Obligation payable pursuant to Section 8 of the CCAL Security Agreement Rider.

- h. If the Borrower fails to make any payment required pursuant to the Security Instrument or CCAL Security Agreement Rider, the lien created by this Security Instrument will remain a lien on the Property to secure payment of the unpaid portion of the Sums Secured including, but not limited to, the Recapture Obligation as provided herein.

5. BORROWER TO PROVIDE SONYMA WITH NOTICE UPON INSTITUTION OF ACTION OF FORECLOSURE WITH RESPECT TO THE PROPERTY

If any action or proceeding of foreclosure is instituted with respect to the Property, the Borrower will immediately upon service thereof, deliver to SONYMA, whose address appears in Section 1 of this CCAL Security Agreement Rider, a true copy of each notice, petition, summons or papers howsoever designated, served in such action or proceeding or in any such action or proceeding, in addition to any obligation to notify any party set forth in the Security Instrument.

6. THE RECAPTURE OBLIGATION IS DUE AND PAYABLE UPON A DEFAULT

Subject to the Security Instrument's provisions with respect to notice and opportunity to cure a default, the Recapture Obligation secured by the Security Instrument may, in Lender's sole discretion, become immediately due and payable, if any one or more of the following events of default ("Default") occurs:

- a. Borrower: (i) does not occupy the Property as his home and principal place of residence within sixty (60) days of the date of this CCAL Security Agreement Rider; or (ii) (A) does not, except as provided herein, maintain ownership and occupancy of the Property as Borrower's principal residence throughout the Required Owner Occupancy Period, or (B) rents, sells, conveys any interest in or otherwise vacates the Property during the Required Owner Occupancy Period; or (C) pays the full amount of the Sums Secured;
- b. Borrower fails to: (1) make any payment due on any of the Sums Secured within thirty (30) days after the date that such payment was due; or (2) keep and adhere to any representation, warranty, covenant, promise, or agreement made by Borrower under the Security Instrument; or
- c. any misrepresentation, fraud, or other default exists or occurs under the CCAL Eligibility Documentation, in connection with any of the Sums Secured, or otherwise under the Security Instrument or this CCAL Security Agreement Rider.

Any Default existing or occurring under this CCAL Security Agreement Rider will constitute a default under the Security Instrument, and *vice versa*.

7. THE RECAPTURE OBLIGATION REQUIRES NO PAYMENT OF INTEREST

Except as provided otherwise herein, the Recapture Obligation secured hereby will not require the payment of installments and will be a standing obligation which will be without interest.

8. AMOUNT OF THE RECAPTURE OBLIGATION TO BE REPAID

- a. The amount to be repaid by and recaptured from Borrower under this CCAL Security Agreement Rider will be the amount of the Recapture Obligation, as determined by SONYMA pursuant to Sections 8.b. and 8.c. hereof, payable upon the date of the earliest occurrence of the following: (i) Borrower's failure to occupy the Property as Borrower's principal place of residence (subject to the provisions of Section 6.a. hereof); or (ii) any other Default, if any, as defined in Section 6 of this CCAL Security Agreement Rider; or (iii) payment in full of the Sums Secured or (iv) any refinancing of the Sums Secured; or (v) any sale or conveyance of the full ownership interest in the Property, during the applicable Required Owner Occupancy Period as defined herein.
- b. If the Recapture Obligation becomes due and payable as provided in Section 8.a.(i), (ii) or (iii) hereinabove, the amount of the Recapture Obligation due and payable as determined by SONYMA

will equal the entire amount of the CCAL Loan funds but reduced by 1/120th thereof for each full and complete month that Borrower has owned and occupied the Property as Borrower's principal residence and the Lender's Loan remains outstanding in compliance with this CCAL Security Agreement Rider (the "Remaining CCAL Loan").

- c. If the Recapture Obligation becomes due and payable as provided in Section 8.a.(iv) or (v) hereinabove, the amount of the Recapture Obligation due and payable as determined by SONYMA shall be the Remaining CCAL Loan, except that, if the Remaining CCAL Loan is greater than Net Profit, as defined in this Section 8.c., then the amount of the Recapture Obligation to be repaid by the Borrower shall be the Net Profit. The Net Profit is the amount equal to the total proceeds of any sale or conveyance of the full ownership interest in the Property, or in the event of any refinancing of the Sums Secured the current appraised value of the Property, less the sum of the following: (i) repayment due on the outstanding balance of the principal and accrued interest payable on the Lender's Loan and other components of the Sums Secured (exclusive of the initial amount of the Recapture Obligation); and (ii) Borrower's initial down payment made on the Property (the initial cash portion of the purchase price); and (iii) costs of any capital improvements paid or incurred by Borrower with respect to the Property; and (iv) closing costs paid or incurred by Borrower with respect to any sale or conveyance of the full ownership interest in the Property or any refinancing of the Sums Secured. If the Net Profit is zero or less, no Recapture Obligation will be due. Notwithstanding the above, if Borrower owns and occupies the Property as his principal place of residence in compliance with the terms of this CCAL Security Agreement Rider for the applicable Required Owner Occupancy Period and the Lender's Loan remains outstanding after the expiration of such Required Owner Occupancy Period, the Recapture Obligation will be reduced to zero and extinguished and Borrower will not be required to repay any portion of the CCAL Loan.

9. THE REQUIRED OWNER OCCUPANCY PERIOD

For CCAL Loans, the Required Owner Occupancy Period shall be for a period of ten (10) years commencing on the latter of: (i) the date hereof; or (ii) the Borrower's acquisition of title to and occupancy of the Property as Borrower's principal place of residence.

10. FULFILLMENT AND RELEASE OF THE CCAL RIDER

Provided that the Borrower has complied with all the terms of the Security Instrument including but not limited to this CCAL Security Agreement Rider, this CCAL Security Agreement Rider will be deemed of no further force and effect upon the tenth (10th) anniversary of the date the Required Owner Occupancy Period commenced and as of such date ("Fulfillment Date") neither party to the Security Instrument will have any further rights or obligations under this CCAL Security Agreement Rider against each other, except that, if the Borrower has failed to fulfill the owner occupancy requirements hereof, or has not paid any Recapture Obligation that has become due hereunder, or has otherwise defaulted under the terms of the Security Instrument in which this CCAL Security Agreement Rider is incorporated, then the security interest created by this CCAL Security Agreement Rider through the Security Instrument (in other words, the portion of the lien on the Property which secures the Recapture Obligation) will continue irrespective of the Fulfillment Date ("Extended Fulfillment Date") until the amount of the Recapture Obligation plus all costs of collection payable under the terms of the Security Instrument have been discharged by the Borrower. On or after the Extended Fulfillment Date, if the Borrower has complied with all of the requirements of this CCAL Security Agreement Rider, the Lender will, upon written request by Borrower, execute and furnish Borrower with a release letter solely with respect to and only affecting the CCAL Security Agreement Rider ("CCAL Release"). Borrower will not be required to pay for the CCAL Release. Upon discharge of this CCAL Security Agreement Rider by means of the CCAL Release, the Security Instrument shall in all other respects continue in force and effect except as expressly provided therein.

11. NOTICES

Any notices, demands, certifications, requests, communications, or the like ("Notices") required or permitted to be given under this CCAL Security Agreement Rider, unless otherwise specifically provided in the Security Instrument, will be in writing and will be delivered personally or by regular, certified, or registered mail, correct postage prepaid, to

the company and address to which you make your loan payments set forth in the Security Instrument. Notices will be deemed given when actually, personally delivered and receipted or when deposited with the post office registry clerk or in an official United States post box.

12. COVENANTS RUN WITH THE LAND

All of the terms, covenants and conditions hereof run with the land and will apply to, bind, and inure to the benefit of the Borrower and the Lender and their respective heirs, personal representatives, successors and assigns and all subsequent holders of this Security Instrument, and all subsequent owners, encumbrancers, tenants and subtenants of the Property or any part thereof or interest therein, except to the extent expressly provided to the contrary herein.

13. ANY AMENDMENT MUST BE IN WRITING

The Security Instrument may not be modified, amended, changed, discharged or terminated orally, but only by an agreement in writing, in a form suitable for recording, signed by the party against whom the enforcement of the modification, amendment, change, discharge or termination is sought.

14. INTERPRETATION

If there is more than one Borrower each will be separately liable. Words such as, "Borrower," "Lender," "SONYMA," or "mortgagee" will as appropriate include their respective heirs, executors, administrators, representatives, successors, and permitted assigns. If there is more than one Borrower the words "Borrower" used herein will be read as if written in the plural. Words in the masculine or feminine gender appearing herein will be deemed to refer to either or both male or female persons, as the case may be and the sense of the sentence requires.

Borrower and Lender agree that each party and its counsel have reviewed this instrument and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation hereof or of any amendments or exhibits hereto.

15. COUNTERPARTS

This instrument may be executed in one or more duplicate originals bearing the same date ("Counterpart(s)").

Borrower states that the Borrower has read this CCAL Security Agreement Rider, received a completely filled in duplicate Counterpart hereof and has duly signed the CCAL Security Agreement Rider as of the date set forth at the top of the first page hereof.

Borrower(s):

Exhibit 8

SONYMA #: _____

**SONYMA CLOSING COST ASSISTANCE LOAN
RIDER TO THE COOPERATIVE LOAN NOTE**

Borrower's Name: _____

Address of Property: _____

This State of New York Mortgage Agency ("SONYMA") Closing Cost Assistance Loan ("CCAL") Rider ("CCAL Note Rider") is made as of _____, _____ (the closing date), and is incorporated into and shall be deemed to amend and supplement the note and any riders thereto ("Note") of the same date given by the undersigned to evidence the Borrower's promise to pay and related obligations to _____ ("Lender") of the same date herewith, and is secured by the pledge of a security interest of the Borrower to the Lender with respect to Borrower's right, title and interest in and to the shares of stock and proprietary lease described in a security agreement of the same date herewith ("Security Instrument") including, without limitation, the rider annexed thereto ("CCAL Security Agreement Rider"). Unless otherwise defined herein, terms used in the CCAL Note Rider shall have the same meanings as such terms respectively bear in the Security Instrument. The Borrower acknowledges and agrees that this CCAL Note Rider is subject to the terms and conditions of the CCAL Security Agreement Rider which is incorporated herein by reference as if fully set forth. Notwithstanding anything herein to the contrary, with respect to any inconsistency between the following provisions and anything contained in the Note or Security Instrument, the terms contained in this CCAL Note Rider shall govern.

Any request for release of this CCAL Note Rider should be directed to the servicing company to which you make loan payments.

1. **BORROWER'S PROMISE TO PAY**

Borrower hereby acknowledges that, pursuant to certain agreements between the State of New York Mortgage Agency ("SONYMA"), a public benefit corporation with offices at 641 Lexington Avenue, New York, New York 10022, and the Lender, Lender has furnished Borrower with the benefits of monies ("CCAL Loan") in the amount of the initial Recapture Obligation (as defined in Section 4 of the CCAL Security Agreement Rider) under the Closing Cost Assistance Loan as funds to be used solely in connection with the Borrower's closing costs for purchase of the Property (as defined in the Security Instrument), in conjunction with the Borrower's SONYMA approved first mortgage loan from the Lender ("Lender's Loan") and any related obligations evidenced by the Note and secured by the Security Instrument. The Borrower, in addition to remaining obligated to pay any sums otherwise evidenced by the Note according to the terms thereof, hereby agrees and promises to pay the Recapture Obligation as provided in the CCAL Security Agreement Rider.

2. BORROWER'S AGREEMENT TO COMPLY WITH CCAL SECURITY AGREEMENT RIDER REPRESENTATIONS, WARRANTIES, PROMISES, AND REQUIREMENTS

In addition to the Borrower's representations, warranties, and promises made in the Security Instrument, the Borrower further represents, warrants, and promises as follows:

- a. Borrower has, as necessary, read, completed, signed, and submitted to Lender the: CCAL Recapture Notification, Note, Security Instrument, CCAL Security Agreement Rider, CCAL Note Rider, and any additional documentation required by the Lender under CCAL ("CCAL Eligibility Documentation");
- b. Such CCAL Eligibility Documentation contains no misrepresentation or misinformation;
- c. Borrower is a first-time home buyer (one who has not had a present ownership interest in a principal residence, including a manufactured home, at any time during the three year period immediately prior to the date of the application for the Lender's Loan and does not own a vacation or investment home as of such Lender's Loan application date), and qualifies as a first-time home buyer for the purposes and requirements of qualified mortgage revenue bonds issued by SONYMA under Section 143 of the Internal Revenue Code of 1986, as amended in connection herewith;
- d. Borrower will keep the Property in reasonably good repair;
- e. Borrower agrees to comply with all the requirements of the Security Instrument including but not limited to those of the CCAL Security Agreement Rider. Borrower further represents and warrants that Borrower is eligible to receive the CCAL Loan funds, keep and observe all of the terms, covenants and conditions hereof;
- f. Borrower understands that the amount of the CCAL Loan represents a reduction in the Borrower's cash outlay for closing costs associated with acquisition of the Property, and that the CCAL Loan is repayable, subject to the terms of the CCAL Security Agreement Rider, in the amount of the Recapture Obligation as determined by SONYMA; and
- g. In return for the benefit of the CCAL Loan, the Borrower understands that he is required to own and occupy the Property as his principal place of residence for the term of the CCAL Security Agreement Rider ("Required Owner Occupancy Period"), or the Recapture Obligation will become due and payable.

3. THE RECAPTURE OBLIGATION

- a. For value received, Borrower promises to pay to Lender, pursuant to SONYMA's agreement with the Lender, the sum of _____ Dollars (\$_____) (the closing cost assistance amount and "Recapture Obligation"), payable according to and in the manner and times provided in the CCAL Security Agreement Rider.
- b. Except as provided otherwise pursuant to the Security Instrument or herein, the Recapture Obligation will not require the payment of installments and will be a standing obligation which will be without interest, loan charges, or late charges.

- c. Section 10 of the Note is modified so as to:
- (1) Delete the phrase "and then" which follows the clause, "third, on account of interest," and insert in place thereof the word "fourth "; and
 - (2) Delete the period at the end of the section and insert in place thereof the following: “; and then, to pay the Recapture Obligation as may be required under the CCAL Security Agreement Rider.”.

4. THE RECAPTURE OBLIGATION IS DUE AND PAYABLE UPON A DEFAULT

Subject to the periods allowed pursuant to the Security Instrument's provisions with respect to notice and opportunity to cure a default, the Recapture Obligation evidenced by this CCAL Note Rider may, in Lender's sole discretion, become immediately due and payable if any one or more of the following events of default ("Default") occurs:

- a. Borrower: (i) does not occupy the Property as his home and principal place of residence within sixty (60) days of the date of the CCAL Note Rider; or (ii) (A) does not, except as provided herein, maintain ownership and occupancy of the Property as Borrower's home and principal residence throughout, or (B) rents, sells, conveys any interest in or otherwise vacates the Property during, the Required Owner Occupancy Period; or (C) pays the full amount of the Sums Secured;
- b. Borrower fails to: (1) make any payment due on any of the Sums Secured within 30 days after the date that such payment was due; or (2) keep and adhere to any representation, warranty, covenant, promise, or agreement made by Borrower under the Security Instrument or other CCAL Eligibility Documentation; or
- c. any misrepresentation, fraud, or other default exists or occurs under the CCAL Eligibility Documentation, in connection with any of the Sums Secured, or otherwise under the Note, Security Instrument, or the CCAL Note Rider, or CCAL Security Agreement Rider.

Any Default existing or occurring under this CCAL Note Rider will constitute a default under the Note, Security Instrument, CCAL Security Agreement Rider, respectively, and *vice versa*.

5. AMOUNT OF THE RECAPTURE OBLIGATION TO BE REPAID

The amount to be repaid by and recaptured from Borrower under this CCAL Note Rider will be the amount of the Recapture Obligation payable as determined by SONYMA pursuant to the provisions of the CCAL Security Agreement Rider.

6. THE REQUIRED OWNER OCCUPANCY PERIOD

For CCAL Loans, the Required Owner Occupancy Period shall be for a period of ten (10) years commencing on the latter of: (i) the date hereof; or (ii) the Borrower's acquisition of title to and occupancy of the Property as Borrower's principal place of residence.

7. FULFILLMENT AND RELEASE OF THE NOTE CCAL RIDER

Provided that the Borrower has complied with all the terms hereof, this CCAL Note Rider will be deemed of no further force and effect upon the tenth (10th) anniversary of the date the Required Owner Occupancy Period commenced and as of such date ("Fulfillment Date") neither party to the Note will have any further rights or obligations under this CCAL Note Rider against each other, except that, if the Borrower has failed to fulfill the owner occupancy requirements hereof, or has not paid any Recapture Obligation that has become due hereunder, or has otherwise defaulted under the terms of the Note in which this CCAL Note Rider is incorporated, then the Recapture Obligation evidenced by this CCAL Note Rider will be and remain due and payable irrespective of the Fulfillment Date ("Extended Fulfillment Date") until the amount of the Recapture Obligation plus all costs of collection payable under the terms of the Note and the Security Instrument have been discharged by the Borrower. On or after such Extended Fulfillment Date, if the Borrower has complied with all of the requirements of the CCAL Note Rider, the Lender will, upon written request by Borrower, execute and furnish Borrower with a release letter solely with respect to and only affecting the CCAL Note Rider ("CCAL Release"). Borrower will not be required to pay for the CCAL Release. Upon discharge of the CCAL Note Rider by means of the CCAL Release, the Note shall in all other respects continue in force and effect except as expressly provided therein.

8. NOTICES

Any notices, demands, certifications, requests, communications, or the like ("Notices") required or permitted to be given under this CCAL Note Rider, unless otherwise specifically provided in the Note, will be in writing and will be delivered personally or by regular, certified, or registered mail, correct postage prepaid, to each party concerned at its respective address set forth in the Security Instrument. Notices will be deemed given when actually, personally delivered and receipted or when deposited with the post office registry clerk or in an official United States post box.

9. ANY AMENDMENT MUST BE IN WRITING

The Note and this CCAL Note Rider may not be modified, amended, changed, discharged or terminated orally, but only by an agreement in writing, in a form suitable for recording, signed by the party against whom the enforcement of the modification, amendment, change, discharge or termination is sought.

10. INTERPRETATION

If there is more than one Borrower each will be separately liable. Words such as, "Borrower," "Lender," "SONYMA," or "mortgagee" will as appropriate include their respective heirs, executors, administrators, representatives, successors, and permitted assigns. If there is more than one Borrower the words "Borrower" used herein will be read as if written in the plural. Words in the masculine or feminine gender appearing herein will be deemed to refer to either or both male or female persons, as the case may be and the sense of the sentence requires.

Borrower and Lender agree that each party and its counsel have reviewed this instrument and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation hereof or of any amendments or exhibits hereto.

11. COUNTERPARTS

This instrument may be executed in one or more duplicate originals bearing the same date ("Counterpart(s)").

Borrower states that the Borrower has read this CCAL Note Rider, received a completely filled in duplicate Counterpart hereof and has duly signed the CCAL Note Rider as of the date set forth at the top of the first page hereof.

Borrower(s):



Exhibit 9

CLOSING COST ASSISTANCE LOANS (“CCAL”)

List of Allowable Expenses Payable by CCAL

Closing Costs shall include all allowable, reasonable, and customary expenses paid at closing, such as:

- Attorney (lender and borrower), title insurance, and survey fees, recording taxes and fees, UCC filing fees;
- Borrower-paid origination fees or points (as allowed by SONYMA);
- Prepaid interest;
- Prepaid escrows for property taxes and insurance (hazard, PMI, and flood);
- Items POC (i.e., application, credit, flood certification, and appraisal fees, hazard insurance premium);
- Pro-rated seller reimbursements for property taxes, rent, fuel, sewer, and water, etc.;
- Pest inspection;
- Initial premium under a standard annual PMI payment plan;
- Construction loan fees and costs that are typically associated with the closing of a permanent SONYMA mortgage, but were assessed at the closing of the construction loan [i.e., attorney (lender and borrower), title insurance, and survey fees, recording taxes and fees].

List of Expenses NOT Payable by CCAL

- Optional property inspection/engineer’s report;
- One-time mortgage insurance premiums;
- Homebuyer counseling fees;
- Fee to record Assignment of Mortgage (Under Section 2412 of the Public Authorities Law, the fee to record an assignment on behalf of SONYMA is waived.);
- Fees associated with subsidies from third-parties (i.e., not-for-profits) such as application fees, recording fees, etc.;
- Application and other such fees charged by a cooperative corporation;
- Construction loan fees and costs that are not typically associated with the closing of a permanent SONYMA mortgage such as points, discount fees, recording of a building loan agreement, etc.

Closing Costs shall conform to Section 2.203 - Permissible Expenses of the Seller’s Guide.

Note: SONYMA will not permit the combination of application, commitment, underwriting, doc prep fees, or other such fees to exceed \$400.

Exhibit 10

MORTGAGE AND CLOSING COST ASSISTANCE LOAN COVER PAGE

The mortgage dated _____, 200__ between _____
_____ (Lender)
and _____ [Borrower(s)] has a
principal amount of \$_____. In addition there is a SONYMA Closing Cost
Assistance Loan in the amount of \$_____ (see page 3 of the SONYMA CCAL
Rider to New York – Single Family Fannie Mae/Freddie Mac Mortgage).

The total maximum amount secured by this Mortgage **for mortgage tax purposes** is
\$_____.



**SONYMA CLOSING COST ASSISTANCE LOAN
INTEREST RATE OPTION FORM**

Lender Name: _____

SONYMA Loan # _____ Loan Amount: \$ _____

I/We, _____ [the "Borrower(s)"],
the undersigned, have applied to the State of New York Mortgage Agency ("SONYMA") for mortgage financing,
through the above named Lender, to purchase the property located at _____
_____ (the "Residence").

I/We understand that I/we am/are liable to SONYMA, as of the date my/our loan is reserved with SONYMA, for
payment of a Lock-in Fee in the amount of one percent (1.0%) of the Loan Amount referenced above. This Lock-in
Fee will be collected by the Lender at the time of application. If I/we cancel, withdraw, or make material
misrepresentations on application, I/we will forfeit the one percent.

I/We understand that SONYMA is currently offering a Closing Cost Assistance Loan ("CCAL"), for which I/we am/are
eligible if I/we qualify for SONYMA mortgage financing. I/we hereby acknowledge receipt of the terms of SONYMA
CCAL, some of which are described as follows:

- SONYMA, through its CCAL will pay the qualifying amount of my/our closing costs, once I /we have made
the minimum **1% or 3%** downpayment. (The minimum downpayment depends on the type of property
I/we am/are financing.)
- CCAL provides assistance in an amount up to the greater of **\$3,000** or **3%** of the mortgage Loan Amount,
but in no event can the assistance exceed the actual closing costs.
- CCAL bears no interest (0%) and requires no monthly payments.
- The CCAL will be **forgiven** after ten years provided I/we live in the Residence and make my /our regularly
scheduled monthly mortgage payment. If I/we pay my/our SONYMA mortgage in full during the first 10
years of the purchase of the Residence, a portion of the CCAL may have to be repaid. Every month that
I/we make a regularly scheduled payment on my/our SONYMA mortgage, 1/120th of the CCAL will be
forgiven.

I/We understand that if I/we opt to utilize a CCAL in the financing of the Residence, the interest rate of the
SONYMA loan will be 0.50% higher than the interest rate currently being offered for the SONYMA program for
which I/we am/are applying.*

*Please note the above CCAL Rate Adjustment is not applicable for the Homes for Veterans Program or purchase
of an Energy-Star labeled home.

I/We have reviewed the above SONYMA Closing Cost Assistance Loan parameters and have chosen to:

- Accept to use CCAL for my/our home purchase under the terms specified below and as specified in the
CCAL Recapture Notification (Form #C4).
****Interest Rate:** _____ **Lock-in Period:** _____ **Days**
- Decline to use CCAL for my/our home purchase. My interest rate and lock period are specified below.
****Interest Rate:** _____ **Lock-in Period:** _____ **Days**

**For loans reserved with a Short-Term Lock, the loan must close within One Hundred Days (100) days of the Lock-in (Reservation) Date. For
loans reserved with a Long-Term Lock, the loan must close within two hundred and forty (240) days of the Lock-in (Reservation) Date. For
loans that do not close by this date, an extension can be requested by submitting a Commitment Extension Request Form (Form 235) to
SONYMA. Please note that, if the extension is approved by SONYMA, the loan will close at an interest rate that is the higher of the initial
Lock-in rate or the rate available on the mortgage closing date for the applicable program.

Change Option (Available only until the loan is approved by SONYMA)

By checking this box, I/we am/are exercising my/our one-time option to change to the selection above. I/We
understand that if I/we decline to use CCAL for my/our home purchase, any additional funds necessary to close
my/our loan must be derived from a verifiable source acceptable to SONYMA. I/We have executed revised loan
documents reflecting this change.

Initial: _____ **Date:** _____

Borrower

Date

Borrower

Date