

TAX-EXEMPT FINANCING RIDER
CONVENTIONAL MORTGAGE LOAN

THIS TAX-EXEMPT FINANCING RIDER is made this _____ day of _____, _____ and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to _____

("Lender") of the same date and covering the property described in the Security Instrument and located at:
(Property Address)

Hereafter referred to as the "Property".

In addition to the covenants and agreements made in the Security Instrument and all Riders attached thereto made a part thereof, Borrower and Lender further covenant and agree as follows:

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

(a) all or part of the property is sold or otherwise transferred by Borrower to a purchaser or other transferee:

(i) who cannot reasonably be expected to occupy the Property as a principal residence within a reasonable time after the sale or transfer, all as provided by Section 143(c) and (i)(2) of the Internal Revenue Code; or

(ii) who has had a present ownership interest in the principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (i)(2) of the Internal Revenue Code (except that the language "100 percent" shall be substituted for "95 percent or more" where the latter appears in Section 143(d)(1)), provided that this clause shall not apply if the property at that time is a "targeted area residence" as defined in Section 143(j) of the Internal Revenue Code; or

(iii) at an acquisition cost which is greater than 90 percent of the then applicable average area purchase price (greater than 110 percent for targeted area residences), all as provided in Section 143(e) and (i)(2) of the Internal Revenue Code; or

(iv) who has a gross family income in excess of the applicable percentage of the then applicable median family income as provided in Section 143(f) and (i)(2) of the Internal Revenue Code; or

(b) Borrower fails to occupy the Property without prior written consent of the Lender or its successors or assigns described at the beginning of this Conventional Mortgage Loan Tax-Exempt Rider; or

(c) Borrower omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code in an application for the loan secured by this Security instrument.

References are to the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the bonds, the proceeds of which will be used to finance the purchase of the Security Instrument and are deemed to include the implementing regulations

By signing below, the Borrower accepts and agrees to the terms and provisions in this Conventional Mortgage Loan Tax-Exempt Financing Rider.

Borrower Date

Co-Borrower Date