

RIDER FOR SECTION 184 MORTGAGE - LEASEHOLD

THIS RIDER FOR SECTION 184 MORTGAGE is made this _____ day of _____, 20____ 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]

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

1. The interests of the Borrower in the property described above were created by a lease agreement from _____ as lessor dated _____, 20____. Any reference to the "Property" shall be construed as referring only to the interest of Borrower created by such lease or any replacement lease (as applicable).
2. If the Security Instrument is assigned to the Secretary of Housing and Urban Development ("Secretary"), any foreclosure proceeding may take place in a tribal court, Federal district court, or other court of competent jurisdiction or non-judicially, if applicable. Section 184 of the Housing and Community Development Act grants to any such court the jurisdiction to convey to the Secretary the remaining life of a lease on the property and to order eviction of the delinquent Borrower.
3. Any purchaser at foreclosure sale other than the Secretary must receive the written consent of the lessor or, if lessor is not an Indian tribe, the tribe of which lessor is a member. The purchaser shall receive a lease for the remaining term of the existing lease unless the tribe consents to an assumption of the existing lease.
4. This Security Instrument may be assumed, subject to credit approval by the Lender/HUD and the consent of the tribe to an assumption of the existing lease or the grant of the new lease. Assumption shall not cause any adjustment of the interest rate.
5. A sale of property subject to the Security Instrument without an assumption of the Security Instrument may be made if a new lease for the remaining term of the existing lease is granted.

STATEMENT OF OCCUPANCY. Borrower(s) will occupy the subject property as a principal residence within sixty (60) days of the loan closing. In the case of new construction borrower(s) must occupy within 60 days of completion of construction and/or issuance of the certificate of occupancy. Borrower(s) further understand that occupancy is a requirement for the life of the 184 loan and that the home shall not be vacated or converted to rental while encumbered with a 184 mortgage. Borrower(s) further confirm and understand and agree that failure to occupy the property as a principal residence as provided above, shall constitute a default under the terms and conditions of the loan, and upon the occurrence of such default the whole sum of principal and interest shall immediately become due and payable at the option of the holder of the note.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants in this Rider for Section 184 Mortgage.

_____ (SEAL)

Borrower

_____ (SEAL)

Borrower

March 3, 2010