

AHP Retention Agreement for Ownership Purchase Projects

The language below should be inserted into the Deed or as a Restrictive Covenant to the Deed. If it is attached to the Deed as an addendum or attachment, the Deed must reference the addendum or exhibit. If recorded as a Restrictive Covenant, the document must reference the Deed.

Grantees, for and in consideration of receiving direct subsidy funds from the Federal Home Loan Bank of Cincinnati's (the FHLB Cincinnati) Affordable Housing Program (AHP), must maintain ownership in this property and reside in this property as their primary residence for a period of five (5) years (Retention Period) from the date of the loan closing or certification of project completion.

- (i) The FHLB Cincinnati, whose mailing address is P.O. Box 598; Cincinnati, OH 45201-0598, is to be given written notice of any sale, transfer, assignment of title or deed such as to the Secretary of HUD, foreclosure, or refinancing of the unit by the household occurring during the AHP 5-year Retention Period.
- (ii) In the case of a sale, transfer, assignment of title or deed, or refinancing of the unit by the household during the Retention Period, the Bank shall be repaid the lesser of: (A) the AHP subsidy, reduced on a pro rata basis per month until the unit is sold, transferred, or its title or deed transferred, or is refinanced, during the AHP 5-year retention period; or (B) any net proceeds from the sale, transfer, or assignment of title or deed of the unit, or the refinancing, as applicable, minus the AHP-assisted household's investment; unless one of the following exceptions applies:
 - 1. The unit was assisted with a permanent mortgage loan funded by an AHP advance;
 - 2. The subsequent purchaser, transferee, or assignee is a very low- or low- or moderate-income household as defined in the applicable Federal Housing Finance Agency regulations for the AHP (in which case the retention period ends with the conveyance to such purchaser);
 - 3. The amount of the AHP subsidy that would be required to be repaid is \$2,500 or less; or
 - 4. Following a refinancing, the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, incorporating the requirements of clauses (i), (ii), and (iii) contained herein.
- (iii) The obligation to repay Subsidy to the FHLB Cincinnati shall terminate after any event of foreclosure or, conveyance by deed in lieu of foreclosure, an assignment of a Federal Housing Administration first mortgage to the Secretary of HUD, or death of the AHP-assisted homeowner.

AHP Retention Agreement for Rental Projects

The language below should be inserted into the Deed or as a Restrictive Covenant to the Deed. If it is attached to the Deed as an addendum or attachment, the Deed must reference the addendum or exhibit. If recorded as a Restrictive Covenant, the document must reference the Deed.

As a condition and in consideration of receipt of direct subsidy funds from the Federal Home Loan Bank of Cincinnati's (the FHLB Cincinnati) Affordable Housing Program (AHP), the Project Owner, for itself and all successors, agrees that:

- (i) The _____ ("Project's") rental units, or applicable portion thereof, must remain occupied by and affordable for households with incomes at or below _____ (insert levels committed to be served in the approved AHP Application) or as modified by FHLB for a period of fifteen (15) years ("Retention Period") from the date of the issuance of the certificate of occupancy or certification of project completion, _____ (insert date);
- (ii) The FHLB Cincinnati, whose mailing address is P.O. Box 598; Cincinnati, OH 45201-0598, is to be given notice of any sale, transfer, assignment of title or deed, refinancing, or foreclosure, or change in ownership of the Project by the Project Owner occurring during the Retention Period;
- (iii) In the case of a sale, transfer, assignment of title or deed, or refinancing of the Project by the Project Owner during the Retention Period, an amount equal to the full amount of the direct AHP subsidy shall be repaid to the FHLB Cincinnati, unless the Project continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the income-eligibility and affordability restrictions committed to in the AHP application (as stated above) for the duration of the AHP 15-year Retention Period; and
- (iv) The income-eligibility and affordability restrictions applicable to the Project terminate after any foreclosure, deed in lieu of foreclosure, or assignment of the first mortgage to the Secretary of HUD.