



Retention Agreement for Rental Projects

The language below should be inserted into the Deed or recorded 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.