

LOAN NO. 28-110100-5

2000 042849 **SECOND MORTGAGE AGREEMENT**

WHEREAS,

Joshua G. Kietzman
Is the purchaser of or owner providing rehabilitation of a home on certain real property 1205 W. 43rd PL, Hobart, Indiana in Lake County,
described as:

LOT 2 IN BLOCK 10 IN COUNTRY CLUB ESTATES SUBDIVISION, IN THE CITY OF HOBART, AS PER PLAT THEREOF, RECORDED DECEMBER 13, 1926 IN PLAT BOOK 20 PAGE 41, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

and;

WHEREAS, HFS BANK, FSB of Hobart, Indiana received a direct pay subsidy in the amount of \$ 5,000.00 (Subsidy) under the Home Savings Program (HSP) of the Federal Home Loan Bank of Indianapolis (FHLBI), subject to the Federal Housing Finance Board, FHFB, regulations 12 C.F.R. 960.1 et seq. For the purposes of providing funding for Downpayment and Closing Costs assistance or Owner Occupied rehabilitation of the above mentioned home, and;

WHEREAS, for a period of 5 years (retention period) after the date of the within Agreement the HSP requires (1) that all purchasers of the Premises qualify as "low and moderate-income households" or "very low-income households" as defined in 12 C.F.R. 960.1 and (2) that the use of said Premises otherwise shall remain consistent with the purposes of the HSP, and;

WHEREAS, if any time during said Retention Period the foregoing requirements are not complied with, **HFS BANK, FSB** will be required to reimburse FHLBI for the amount of the Subsidy less subsidy forgiven on a prorata basis of the Subsidy for each month that the foregoing requirements were complied with and;

WHEREAS, Joshua G. Kietzman Purchasers,
1205 W. 43rd PL, Hobart, Indiana 46342 Address

(Collectively the "Undersigned") are purchasers of the above described Premises;

NOW THEREFORE in consideration of the Premises and as an inducement to **HFS BANK, FSB** disbursing the Subsidy to Purchaser, come the Undersigned and represents and warrants as follows:

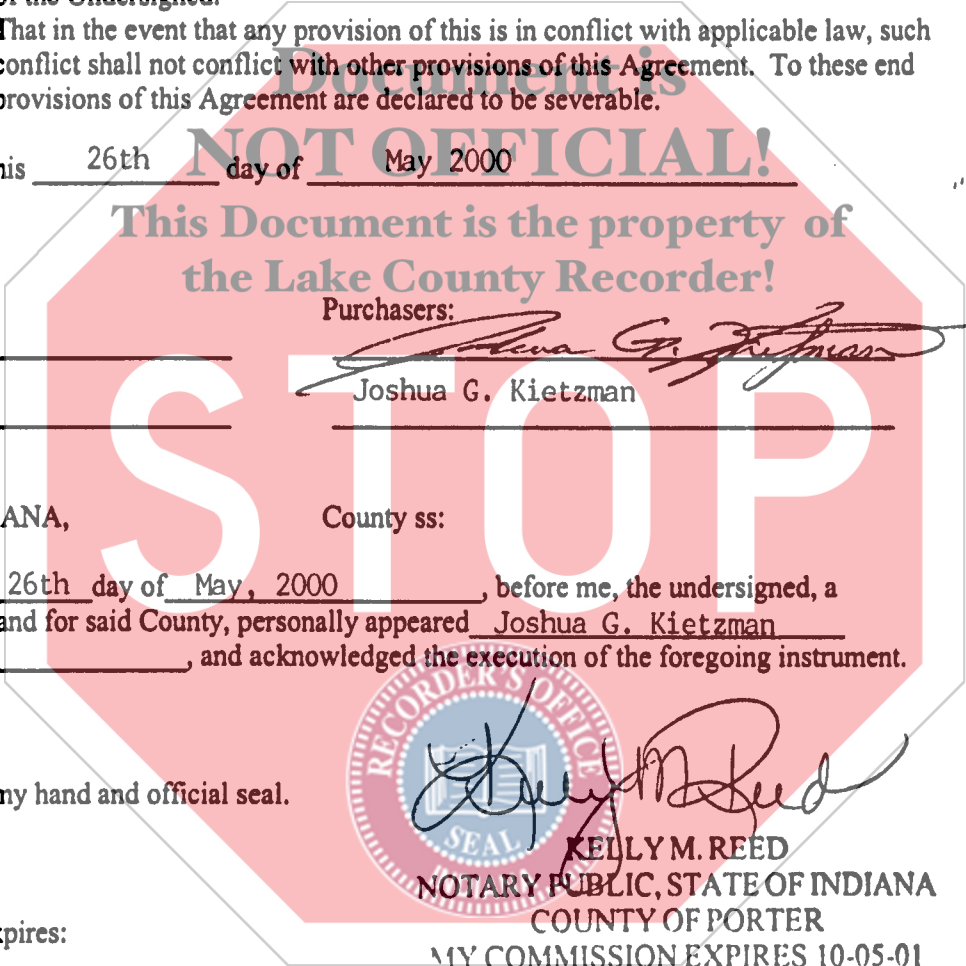
1. That the Undersigned qualifies as a "low-and moderate-income household" or "very low-income household" as defined in 12 C.F.R. 960.1.

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2. That if within 5 years of the date of the within Agreement (1) the Undersigned sells the Premises or (2) the Undersigned otherwise uses the Premises in a manner inconsistent with the purposes of the HSP, the Undersigned shall immediately reimburse *HFS BANK, FSB*, from sale proceeds if applicable, for the amount of the Subsidy then owing to the FHLBI as based on the prorata subsidy forgiveness for months that the household was in compliance.
3. That the covenants of the within Agreement shall bind the successors and assigns of the Undersigned.
4. That in the event that any provision of this is in conflict with applicable law, such conflict shall not conflict with other provisions of this Agreement. To these end provisions of this Agreement are declared to be severable.

Signed this 26th day of May 2000



Witnesses:

Purchasers:

Joshua G. Kietzman

Joshua G. Kietzman

STATE OF INDIANA,

County ss:

On this 26th day of May, 2000, before me, the undersigned, a Notary Public in and for said County, personally appeared Joshua G. Kietzman, and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal.

Kelly M. Reed

KELLY M. REED
NOTARY PUBLIC, STATE OF INDIANA
COUNTY OF PORTER

My commission expires:

MY COMMISSION EXPIRES 10-05-01

This instrument prepared by: Charlotte Neidow