

Prepared by and Return to:

M Loblillo AVP (3A-103)
BMO Harris Bank N.A.
1200 E Warrenville Rd
Naperville IL 60563

2015 031837

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2015 MAY 22 PM 2:08

MICHAEL B. BROWN
RECORDER

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MORTGAGE, RETENTION, AND SUBORDINATION AGREEMENT

[State of Indiana]

THIS INSTRUMENT SECURES A ZERO (0) INTEREST RATE OR OTHER SUBSIDIZED LOW RATE LOAN.

THIS MORTGAGE, RETENTION, AND SUBORDINATION AGREEMENT ("Agreement") is made this 18th day of May, 2015, executed by RONDA HILL ("Borrower"), whose address is 7211 Schneider Ave, Hammond, IN 46323, and the FEDERAL HOME LOAN BANK OF CHICAGO ("Lender"), whose address is:

In care of: BMO Harris Bank, N.A.
1200 East Warrenville Road
Naperville IL 60563

Lender is advancing funds in the amount of \$6,000.00 ("Subsidy") to Borrower in accordance with Lender's Affordable Housing Program ("Program").

In addition to the Subsidy, Borrower obtained a mortgage loan from BMO Harris Bank N.A. ("Senior Lien Holder"), which loan is secured by a first mortgage lien on the property, defined below ("First Mortgage").

MORTGAGE PROVISIONS

Borrower, in consideration of the Subsidy made by Lender, and in order to secure the performance of Borrower's obligations hereunder, hereby mortgages, grants, and conveys to Lender the following described property located in Lake County, Indiana:

Lot 24, Block 1, Avondale, in the City of Hammond, as per plat thereof, recorded in Plat Book 20 page 7, in the Office of the Recorder of Lake County, Indiana.

which has the address of 7211 Schneider Ave., Hammond, IN 46323 together with all improvements now or hereafter erected thereon, and all easements, appurtenances, and fixtures now or hereafter a part thereof ("Property"). All replacements and additions shall also be covered by this Agreement.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, and convey the Property, and except for the First Mortgage and other encumbrances of

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record acceptable to Senior Lien Holder, the Property is unencumbered. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to such encumbrances of record.

Borrower and Lender covenant and agree as follows:

This Agreement is for the purpose of securing performance of each agreement of Borrower set forth herein, and payment of an amount up to the Subsidy to be determined in accordance with this Agreement. As set forth herein, Borrower shall not be required to pay Lender any amount if events giving rise to Borrower's payment obligation do not occur within five (5) years after the date of the loan closing for the First Mortgage ("Loan Closing Date").

Until any default, Borrower may hold and enjoy the Property. Borrower will pay all taxes, assessments, and charges of every kind on the Property or any interest therein, including improvements thereon.

Upon Borrower's satisfaction of the obligation secured hereby and performance of all the covenants and agreements of this Agreement, and upon Borrower's payment of the cost of release hereof, the mortgage created by this Agreement shall become void.

If Borrower fails to perform the covenants and agreements contained in this Agreement, or there is a legal proceeding that may significantly affect Lender's right in the Property (such as a proceeding in bankruptcy, probate, condemnation, or forfeiture, or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property.

Lender shall give notice to Borrower and Senior Lien Holder prior to acceleration following Borrower's breach of any covenant or agreement in this Agreement. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Agreement, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, and Senior Lien Holder has not exercised its right to cure the default, then Lender, at its option, may require immediate payment of all sums secured by this Agreement, without further demand, and may foreclose this Agreement by judicial proceeding.

Borrower waives all right of valuation and appraisalment.

This Agreement applies to, inures to the benefit of, and is binding not only on the parties hereto, but also their heirs, devisees, legatees, administrators, executors, assigns, and successors.

The invalidity, illegality, or unenforceability of any provision of this Agreement pursuant to judicial decree shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall remain in full force and effect, and applicable state law shall replace such invalid, illegal, or unenforceable provision to the extent possible.

RETENTION AGREEMENT

This forgivable Subsidy is originated pursuant to Lender's Program. Borrower has received the Subsidy under the Program, which will be secured by a second mortgage on the Property according to the

terms and conditions applicable to the Program. Borrower hereby acknowledges receipt of this forgivable Subsidy.

Borrower and Lender agree that, after the completion of each month following the Loan Closing Date, $1/60^{\text{th}}$ of the Subsidy will be forgiven. Upon completion of five (5) years after the Loan Closing Date, no amounts will remain due unless the Borrower is required to repay a *pro rata* portion of the Subsidy in the event of certain sales or refinancings of the Property occurring within five (5) years of the Loan Closing date, as described below. Borrower agrees to provide Lender all and any information that Lender or Senior Lien Holder deems to be necessary to release Borrower from its repayment obligation.

Borrower must notify Lender and Senior Lien Holder of any sale or refinancing of the Property that occurs within five (5) years of the Loan Closing Date.

Borrower and Lender agree that if the Property is sold within five (5) years of the Loan Closing Date to a purchaser whose income meets the eligibility requirements for participation in the Program, then Borrower shall not be required to repay any portion of the Subsidy. If the Property is sold to a purchaser whose income does not meet the eligibility requirements for participation in the Program, the Borrower shall repay a *pro rata* portion of the Subsidy from any net gain on sale, with repayment of the unforgiven Subsidy as follows: $1/60^{\text{th}}$ of the total Subsidy awarded to Borrower is to be repaid for each month remaining on the five- (5) year term from the Loan Closing Date. No credit will be given for partial months of ownership. The amount of Subsidy to be repaid shall not exceed the net gain on sale, as defined by Lender's repayment policy at the time of sale of the Property. Net gain will be computed by Lender (or its agent/servicer) based upon its review of the appropriate H.U.D. Settlement Statement for the purchase and sale of the property.

If Borrower refinances within five (5) years of the Loan Closing Date, which results in a net gain, and the Property does not remain subject to the encumbrance created by this Agreement, or another legally enforceable retention agreement or mechanism as permitted under the Program, the Borrower shall repay a *pro rata* portion of the Subsidy from any net gain on the refinancing, with repayment of the unforgiven Subsidy as follows: $1/60^{\text{th}}$ of the total Subsidy awarded to Borrower is to be repaid for each month remaining on the five- (5) year term from the Loan Closing Date. No credit will be given for partial months prior to refinancing. The amount of Subsidy to be repaid shall not exceed the net gain on refinancing, as defined by Lender's repayment policy at the time of refinancing of the Property.

If Borrower sells or refinances the Property, and such Property was assisted with a permanent mortgage loan funded by a Program subsidy advance, then Borrower shall not be required to repay any portion of the Subsidy.

Borrower's obligation to repay the Subsidy shall terminate if the Property is foreclosed upon or conveyed by deed in lieu of foreclosure, or if the FHA-insured First Mortgage is assigned to the Secretary of the U.S. Department of Housing and Urban Development.

Reimbursement of the Subsidy shall be made directly to the Federal Home Loan Bank of Chicago, 200 E. Randolph Drive, Chicago, IL 60601.

SUBORDINATION AGREEMENT

Senior Lien Holder is Borrower's primary lender for Borrower's purchase of the Property, and is the holder of a mortgage against the Property on the Loan Closing Date. To induce Senior Lien Holder to

advance funds under its mortgage loan, Lender does hereby unconditionally subordinate the lien created by this Agreement to the lien of the First Mortgage.

This Agreement shall expire on May 18, 2020, unless the terms of this Agreement require payment at an earlier date.

IN WITNESS WHEREOF, Borrower and Lender have executed this Mortgage, Retention, and Subordination Agreement.

Ronda Hill
Borrower Ronda Hill



STATE OF INDIANA)
):SS.
LAKE COUNTY)

Personally came before me this 18th day of MAY, 2015, the above named RONDA HILL to me known to be the person who executed the foregoing instrument and acknowledged the same.

Elizabeth Webster
Notary Public

My commission expires: _____

FEDERAL HOME LOAN BANK OF CHICAGO

BY ITS ATTORNEY-IN-FACT AND AGENT,

BMO HARRIS BANK N.A.

By Marie Lobrillo
Marie Lobrillo

Title: Assistant Vice President

LENDER ACKNOWLEDGEMENT

STATE OF ILLINOIS

DuPage COUNTY

Document is
NOT OFFICIAL!

This Document is the property of
the Lake County Recorder!

Personally came before me this 18th day of May, 2015, the above named Marie Lobrillo, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Nakia Jackson
Notary Public

My commission expires: 2/6/18

"OFFICIAL SEAL"
NAKIA JACKSON
Notary Public - State of Illinois
My Commission Expires February 06, 2018.

