

**NYS HOME Program
Manufactured Housing Replacement
Beneficiary Agreement Addendum**

1. NYS HOME Assistance:

HOME funds have been provided by the Housing Trust Fund Corporation (HTFC) to _____, the Local Program Administrator (LPA) for the replacement of the manufactured home unit located at _____. \$_____ is being provided to assist you with the direct costs of manufactured housing replacement, referred to below as "HOME Assistance." The work to be completed detailed in the scope of work and contract between you, the LPA, and the contractor(s) is incorporated to this agreement by reference. Targeted completion date for all work is _____.

2. Terms of the NYS HOME Assistance:

- a. The HOME Assistance is being provided only to pay for the purchase of a replacement manufactured home (or modular home as approved by the HTFC) and related costs.
- b. Funds will be disbursed only as costs are incurred, documented and approved by you, the LPA and HTFC.
- c. The HOME Assistance will be secured as a lien against the property you are purchasing through a Grant Enforcement Mortgage or Note and Mortgage.
- d. Acceptance of the HOME Assistance makes you subject to a Period of Affordability (POA) or term that this lien is in effect. The POA and the term of the lien is 10 years and begins on the date the unit is completed in HUD's Integrated Disbursement and Information System (IDIS) by HTFC, not the date on the lien documents.
- e. The HOME Assistance is being provided at zero percent interest and does not require repayment if you reside in the property as principal resident(s) throughout the 10-year POA.
- f. The principal balance will be reduced by 1/10^h of the total lien amount annually, on the anniversary date of completion in IDIS. At the completion of the Period of Affordability, the balance will be zero and you will have no obligations remaining under this agreement or lien.
- g. It is your responsibility (or that of the LPA) to request a Satisfaction of Lien be processed at the end of the POA.

3. Conditions of Receiving the HOME Assistance:

The HOME Assistance will be provided to the LPA to pay for the approved costs of manufactured home replacement provided you comply with the following:

- a. You agree to participate in the selection of a replacement manufactured home (or modular home as approved by the HTFC) meeting the requirements of the NYS HOME Program and sign all required contracts.
- b. You agree to cooperate with the LPA to store your belongings and temporarily relocate as needed to facilitate the removal of your existing home and installation of the replacement home. Costs for this may or may not be covered by the HOME assistance and must be discussed up front with the LPA.
- c. You agree to allow the manufactured home to be installed and will not withhold approval of payment for the home or related work approved by the LPA.
- d. You agree to allow access to the property by the LPA to verify and inspect the work.
- e. The installation and replacement home must meet NYS and/or municipal code compliance. All HTFC property standards must be met.
- f. The value of the replacement home cannot exceed the After-Rehab Value Limit as published annually by HUD for the local jurisdiction at the time of commitment as verified by the LPA.
- g. You agree to allow a lien(s) to be recorded on your property for the POA. The lien(s) will be signed after all costs have been determined and before the start of work to replace your home. The signed lien document is to be held in the LPA file until the replacement is complete at which time the lien(s) will be recorded. If there is a change in the amount of assistance, a new document must be signed for the proper amount and be recorded. The first document will be shredded.
- h. You agree to comply with the principal residency requirement described in this agreement below and the other conditions of the Note and Mortgage/Grant Enforcement Mortgage.
- i. You agree to repay some or all of the funds in the event of noncompliance or sale as described in this agreement and the lien.

4. HOME Note and Mortgage/Grant Enforcement Mortgage:

The HOME Assistance will be secured by a lien(s) with the HTFC that will be subordinated only to senior debt approved by the HTFC.

5. Monitoring and Enforcement of Principal Residency:

You are required to occupy the unit as your principal residence for at least the POA:

- a. Renting out your unit or failing to occupy the premises during the POA constitutes default under the terms of the lien and HOME requirements and will require repayment of the HOME Assistance in accordance with paragraph 6.
- b. During the POA, the LPA or HTFC may contact you or otherwise monitor to verify that you continue to occupy the unit. Failure to respond or cooperate will be considered default and require repayment as described in paragraph 6.

6. Repayment of Assistance:

No repayment is required if you occupy the premises as your principal residence throughout the POA. However, full or partial repayment will be required under the following conditions:

- a. If you fail to comply with the provisions of this agreement and the lien for the duration of the POA, HOME Assistance must be repaid to the HTFC.
- b. Upon sale of the Premises with no assumption of the HOME Assistance as set forth below, whether voluntary or involuntary, the amount recaptured by HTFC from you will be the prorated amount of the HOME investment and shall not exceed the amount of net proceeds you receive from the sale. Net proceeds are equal to the sales price of the Premises minus any superior loan repayment, other than HOME funds, and any closing costs.
- c. **Assumption permitted:** If the home is sold during the POA and the subsequent homebuyer is approved by HTFC as a low-income HOME eligible homebuyer and agrees to assume the HOME assistance and be subject to the HOME requirements for the remainder of the POA, no repayment of the funds from the net proceeds will be required.

7. Refinancing:

Refinancing of any mortgage senior to this HOME Assistance mortgage must be approved by HTFC. HTFC will agree to subordinate the HOME mortgage to new financing according to the current Policy and only in the event of refinancing for better terms that will not put the collateral or ownership at risk.

8. Monitoring and Enforcement:

The HTFC and the LPA will have the right to enforce any or all of these requirements or those contained in the Assistance Agreement and Note and Mortgage/Grant Enforcement Mortgage.

9. Default:

Failure to comply and/or default with any of the provisions of this agreement or the Note and Mortgage/Grant Enforcement Mortgage, at any time during the POA, will constitute a default and require full repayment of the original HOME assistance amount.

This agreement must be executed and dated prior to submitting this project for set up in IDIS.

Acknowledged and accepted by Homeowner(s):

Homeowner Name

Signature

Date

Homeowner Name

Signature

Date

Acknowledged and accepted by LPA:

LPA Agency Name

SHARS ID and IDIS Activity Number (s)

LPA Representative Name/Title

LPA Signature

Date

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious, or fraudulent statements or entries, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000, or imprisoned for not more than five years, or both.