

TAX-EXEMPT FINANCING RIDER

This Tax-Exempt Financing Rider is made this _____ day of _____, 20____, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("*Borrower*") to secure Borrower's Note ("*Note*") to _____ ("*Lender*") of the same date and covering the property described in the Security Instrument to which this Rider is attached.

In addition to the covenants and agreements made in the Security Instrument, Borrower further covenants and agrees as follows:

Lender, or such of its successors or assigns as made by separate instrument assume responsibility for assuring compliance by the Borrower with the provisions of this Tax-Exempt Financing Rider, may require immediate payment in full of all sums secured by this Security Instrument if:

- (a) All or part of the Property is sold or otherwise transferred (other than by devise, descent or operation of law) by Borrower to a purchaser or other transferee:
 - (i) Who cannot reasonably be expected to occupy the Property as a principal residence within a reasonable time after the sale or transfer, all as provided in Section 143(c) and (i)(2) of the Internal Revenue Code; or
 - (ii) Who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (i)(2) of the Internal Revenue Code (except that "100 percent" shall be substituted for "95 percent or more" where the latter appears in Section 143(d)(1)); or
 - (iii) At an acquisition cost which is greater than 90 percent of the average area purchase price (greater than 110 percent for targeted area residences), all as provided in Section 143(e) and (i)(2) of the Internal Revenue Code; or
 - (iv) Who has a gross income in excess of applicable median family income as provided in section 143(f) and (i)(2) of the Internal Revenue Code.
- (b) Borrower fails to occupy the Property described in the Security Instrument without prior written consent of Lender or its successors or assigns described at the beginning of this Tax-Exempt Financing Rider, or
- (c) Borrower omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code in an application for the loan secured by this Security Instrument.

References are to the Internal Revenue Code of 1986, as amended, in effect on the date of execution of the Security Instrument and are deemed to include the implementing regulations.

By signing below, Borrower accepts and agrees to the terms and provisions in this Tax-Exempt Financing Rider.

_____/_____
 (Borrower-Signature) (Type/Print Name) Date: _____

_____/_____
 (Borrower-Signature) (Type/Print Name) Date: _____

Lender: _____
 NMLS ID: _____
 Loan Originator: _____
 NMLS ID: _____