

Colorado Housing and Finance Authority
www.chfainfo.com

Tax Exempt Financing Rider

This Tax Exempt Financing Rider is made as of the day and year set forth next to the signature given by the undersigned ("Borrower") and is incorporated into and shall be deemed to amend and supplement the First Deed of Trust ("Security Instrument") of even date herewith which secures the Borrower's Note ("Note") to the Lender identified in the Security Instrument and covering the mortgaged property described and defined in the Security Instrument (the "Property").

Additional Covenants:

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree: (1) that this loan is not assumable without the approval of the Lender; and (2) to amend the Security Instrument by adding additional grounds for acceleration as follows:

Lender, or such of its successors or assigns as may by separate instrument assume responsibility for assuring compliance by 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 by the 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 (*e.g.*, 60 days) 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, unless the residence is in a targeted area or such purchaser or other transferee is a veteran, if such veteran has not previously qualified for and received such financing, all as provided in Section 143(d) and (i)(2) of the Internal Revenue Code; or
 - (iii) At an acquisition cost that 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 family income in excess of the applicable percentage of applicable median family income, as provided in Section 143(f) and (i)(2) of the Internal Revenue Code; or
- (b) Borrower fails to occupy the Property described in the Security Instrument within a reasonable time (*e.g.*, 60 days) after financing is provided, 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 material fact with respect to the provisions of Section 143 of the Internal Revenue Code in and at the time of an application for the loan secured by this Security Instrument.

Borrower understands and agrees that this Tax Exempt Financing Rider shall be attached to and recorded with the Security Instrument, defined above. If the Security Instrument is recorded without this Tax Exempt Financing Rider attached, then without any further notice or consent, the undersigned Borrower(s) hereby appoints the Lender and/or Colorado Housing and Finance Authority (CHFA), or any person or entity acting upon the directions of either the Lender and/or CHFA, as its attorney-in-fact for the sole and limited purpose of re-recording the Security Instrument in the Property records to attach this Tax Exempt Financing Rider thereto.

References are to the Internal Revenue Code as amended and in effect on the date of the issuance of bonds, the proceeds of which will be used to finance the purchase of the Security Instrument, and are deemed to include the implementing regulations. For all loan types, except FHA loans, in addition to the covenants and agreements in the Security Instrument, Borrower and Lender further covenant and agree as follows:

1. In the case of acceleration pursuant to this Tax Exempt Financing Rider, Borrower shall have no right of reinstatement.
2. Upon acceleration under the Security Instrument or abandonment of the Property, Lender and/or its successors and assigns (in person, by agent, or by judicially-appointed receiver) shall be entitled to enter upon, take possession of, and manage the Property and to collect the rents of the Property, including those past due. Any rents collected by Lender and/or its successors and assigns or the receiver shall be applied first to the payment of the costs of management of the Property and collection of rents including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

By signing below, Borrower(s) accept(s) and agree(s) to the terms and provisions in this Tax Exempt Financing Rider.

Date

Date

Date

Date

State of Colorado)
) ss
_____ County of _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 20_____,
by _____ and _____
and _____ and _____ [Borrower(s)].

My Commission Expires: _____

Witness my hand and official seal.

Notary Public