

**SECONDARY MORTGAGE LOAN
MORTGAGE NOTE
FIRST TIME HOME BUYERS TAX CREDIT LOAN PROGRAM
“Prefund Program”**

Place of Making:

Date:

BORROWER

(herein the “Borrower”)

The word “Borrower” includes all borrowers under this Second Mortgage Note (herein the “Note”)

LENDER

New Jersey Housing and Mortgage Finance Agency, whose office is located at 637 South Clinton Avenue. P.O. Box 18550, Trenton, New Jersey 08650-2085

(from now on called the “Lender”)

The Lender and any other holder of this Note may transfer this Note.

LOAN PURPOSE

The Lender has agreed to make this loan to the Borrower under the First Time Home Buyer Tax Credit Loan Program, which provides loan proceeds to assist eligible borrowers with downpayment or closing cost, or both, and the Borrower agrees to repay the loan first with the proceeds of the Borrower’s federal tax credit refund and if that amount is insufficient with other funds subject to the Borrower Promises to Pay and Term provision of this Note. The Borrower has agreed to have this loan secured by a mortgage lien on the Borrower’s residence which is the property located at

in the municipality of _____,

AKA Block No. _____

Lot No. _____ on the municipality tax map (the “Property”).

**BORROWER
PROMISES TO
PAY AND**

In return for this loan, the Borrower promises to pay to the order of the Lender the sum of _____

March 22, 2010

TERM: Dollars (\$) (herein the "principal") together with interest at the rate of zero percent (0%) per annum until June 30, 2011. Borrower pledges to repay the amount with the proceeds of the federal First Time Home Buyers Tax Credit refund. If the tax credit refund proceeds are insufficient to repay the loan and the Borrower has not been repaid the loan in full on or before June 30, 2011, the loan interest rate on the unpaid principal balance, commencing July 1, 2011, will be the same interest rate as the first mortgage note interest rate and the loan will become co-terminus with the first mortgage. Repayment is due immediately upon sale and conveyance of the property pursuant to an "arm's length" transaction, foreclosure or deed in lieu of foreclosure, or refinance. In the event of an "arm's length" sale and conveyance, repayment shall be from "net sales proceeds" (funds left after payoff of superior mortgage liens, real estate commission and other reasonable and customary transaction fees and costs).
The mortgage securing this Note will not be subordinated.

The Borrower shall make payment to the Lender at 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085 or at such other place as is designated by the Lender.

PREPAYMENT: The Borrower may repay the unpaid principal in full or in part at any time before it is due. This is known as prepayment. No penalty shall be charged.

SECURED NOTE This Note is secured by a second mortgage of even date herewith. This Note.

LENDER'S RIGHT OF ACCELERATION The Lender may declare the unpaid principal under this Note due immediately for any cause that gives the Lender the right of acceleration under the mortgage which secures this Note. The Lender may also exercise its right of acceleration if a foreclosure action has been commenced under any superior mortgage.
If the Lender declares acceleration, the Borrower shall pay for the Lender's costs of collection and reasonable attorney's fees. The Lender's failure to accelerate for any cause shall not prevent the Lender from doing so for a later occurring cause.

COSTS OF COLLECTION If the Borrower fails to repay this loan in accordance with the Borrower's Promise to Pay and as specified by this Note the Borrower shall pay the Lender's cost of collection and reasonable attorney's fees.

WAIVER OF FORMAL ACTS Except as may be required by law, the Lender does not have to do any of the following before enforcing the Lender's rights:
(a) demand payment of amounts due (known as Presentment);
(b) give notice that amounts due have not been paid (known as Notice of Dishonor); and

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(c) obtain an official certificate of non-payment (known as a protest).

RESPONSIBILITY UNDER NOTE If more than one Borrower signs this note, each one is obligated to pay the amount due under the Note. The Lender may enforce this Note against any one or more Borrowers or against all Borrowers together.

CHANGE This Note cannot be changed except in writing signed by the Borrower and the Lender.

NOTICE TO BORROWER Read this promissory note or loan agreement before you sign. Do not sign this promissory note or loan agreement if it contains blank spaces. The promissory note or loan agreement is secured by a secondary mortgage on your real property.

SIGNATURES The Borrower agrees to the terms of this Note by signing below.

Witnessed: _____ L.S.

_____ L.S.

Folder:
V:TCLP Program 2nd Mortgage Note 3/22/10
(To be used for prefund loans that close after 01/01/10)