General Instructions: Select one loan type. Then, be sure to select the correct corresponding box option for sections 2, 3, and 4 below. The option checked governs the terms of this Note. The unselected alternative option is not applicable to this Note, and no additional information should be completed in the unselected alternative option . Only one option should be checked for sections 2, 3, and 4 respectively. All blank sections not in boxes (any sections other than 2, 3, and 4) are to be completed regardless of the loan type selected.

NOTE
GREAT CHOICE PLUS/HFA ADVANTAGE PLUS

LOAN TYPE SELECTION (SELECT ONE)

☐ **Amortizing Note**

☐ **Forgivable Note**

[THIS LOAN IS NOT ASSUMABLE. THE UNAUTHORIZED TRANSFER OF THE PROPERTY IS PROHIBITED ACCORDING TO THE TERMS OF THIS LOAN.]

________________, ____________________________________, _________________________________

[Note Date] [City] [State]

____

[Property Address]

1. MY OBLIGATION TO REPAY

I acknowledge that I have received a loan from ____ (the "Lender") in the amount of U.S. $_______________ (the "Principal"). I agree to repay the Principal, together with any accrued interest, to the order of the Lender. All payments that I make under this Note will be in lawful currency of the United States using a payment method accepted by the Lender, including cash, check, money order, or other payment method accepted by the Lender.

I understand that the Lender may sell, assign, endorse, pledge or otherwise transfer its interest in this Note. The Lender or anyone who takes this Note by transfer and who is entitled to enforce this Note and receive payments due under it is called the "Note Holder."

☐ AMORTIZING NOTE OPTION

2. INTEREST

Interest shall accrue on unpaid Principal until the total amount of the Principal has been fully satisfied. I agree to pay interest at an annual rate of ___________%.

Unless I am in default as detailed in Section 4(B) of this Note, I will pay the interest rate required by this Section 2. In the event of default, interest shall accrue on the unpaid Principal balance at the annual rate of ____________% or the maximum rate allowed by law, whichever is less, from the date when the Principal was due until I pay the Principal in full.

3. REPAYMENT TERMS

(A) Scheduled Payments

I agree to repay Principal and any accrued interest through regular monthly installments. This amount is called my "Monthly Payment."

My Monthly Payment will be due on the 1st day of each month beginning on _____________, _______. I will make these Monthly Payments every month until all amounts due under this Note, including Principal and interest and any other charges described below, have been paid in full. Each Monthly Payment shall be credited as of its scheduled due date. The Monthly Payment will be applied to interest before the Principal. If, on ____________________, ______, any balance remains unpaid under this Note, I will pay the full unpaid balance on said date, which is called the "Maturity Date."

(B) Payment Location

Payments required under this Note shall be delivered to _______________________________ or to any other address or location designated by the Note Holder.

(C) Monthly Payment Amount

Each Monthly Payment shall be in the amount of U.S. $___________.

(D) Events Triggering Early Maturity

Notwithstanding the stated Maturity Date, the entire unpaid balance of this Note shall become immediately due and payable upon the earliest occurrence of any of the following events:

(i) the date on which the property, or any ownership interest in the property securing this Note (the "Property"), is sold, conveyed, assigned, or otherwise transferred;

(ii) the date on which the "First Lien Note" is refinanced or paid in full (the "First Lien Note" is the senior loan secured by the Property and evidenced by a promissory note and a security instrument on the Property dated the same date as this Note); or

(iii) the date on which the First Lien Note is accelerated, reaches its stated Maturity Date, or otherwise becomes due and payable for any reason.

(iv) the date on which I cease to occupy the Property as my primary residence.

4. DEFAULT BY BORROWER

(A) Late Payment Charges

The full amount of any Monthly Payment must be received by the Note Holder by the end of 15 calendar days after the date it is due. If the full amount is not received, I agree to pay a late charge to the Note Holder, which shall be 5% of my overdue Monthly Payment. A late charge will only be assessed once with respect to the same overdue payment and shall be paid immediately.

(B) Default Events

It shall be considered a default event under this Note if:

(i) I fail to remit the full Monthly Payment required under this Note to the Note Holder on or before its due date;

(ii) I fail to pay the full amount of Principal and any accrued interest on the Maturity Date;

(iii) I do not comply with the provisions of the "Security Instrument" (defined in Section 10 below) securing this Note; or

(iv) I do not comply with the provisions of the First Lien Note or the mortgage, mortgage deed, deed of trust, or security deed securing the First Lien Note.

(v) I cease to occupy the Property as my primary residence.

(vi) Any information I provide to Lender regarding the loan under the First Lien Note or this loan is in any way materially inaccurate or misleading as determined by the Note Holder.

(C) Default Written Notice

Upon the occurrence of a default event, the Note Holder may provide written notice specifying the nature of the default and any curative actions that I may take. The notice shall indicate that failure to cure the default by a specified date may result in acceleration of the amounts due as evidenced by this Note. The cure date included in the notice shall be at least thirty (30) days after the date the notice is delivered or mailed to me. If the default is not cured in a timely manner, the Note Holder may declare immediately due and payable all unpaid amounts owed under this Note, including the full amount of unpaid Principal and all accrued interest that I owe on that amount and other charges due under this Note (the "Default Balance").

(D) No Waiver of Rights

Any decision by the Note Holder not to require me to immediately pay the Default Balance as described above shall not constitute a waiver. The Note Holder may still require me to do so if the default continues or another Default Event occurs.

(E) Costs and Expenses of Enforcement

I agree to reimburse the Note Holder for all of its enforcement costs and expenses to the extent permitted by applicable law if the Note Holder requires me to immediately pay the Default Balance as described above. Such enforcement costs and expenses include, for example, reasonable attorneys' fees and costs.

☐ FORGIVABLE NOTE OPTION

2. INTEREST

Interest shall accrue at the annual rate of 0% (zero percent).

3. REPAYMENT TERMS

Under this Note, the payment obligation is deferred. Except as provided herein, no Monthly Payments are required before the Maturity Date. The Maturity Date shall be _______________, ________.

I agree to pay all outstanding amounts due under this Note, including Principal and any accrued interest when any of the following occur, whichever is earliest, prior to the Maturity Date:

(A) the date on which the property securing this Note (the "Property"), or any ownership interest in the Property, is sold, conveyed, assigned or otherwise transferred;

(B) the date on which the "First Lien Note" is refinanced, satisfied, or paid in full (the "First Lien Note" is the senior loan secured by the Property and evidenced by a promissory note and a security instrument on the Property dated the same date as this Note) unless waived by the Note Holder in writing; or

(C) the date on which the First Lien Note is accelerated, reaches its stated Maturity Date, or otherwise becomes due and payable for any reason.

(D) the date on which I cease to occupy the Property as my primary residence.

I may also be required to pay all obligations under this Note before the Maturity Date upon the occurrence of a default under this Note or under the "Security Instrument" described in Section 10 below.

Payments required under this Note shall be delivered to ___________________________________ or to any other address or location designated by the Note Holder.

Provided that Borrower is not in default and the events in (A) through (D) referenced in this Section have not occurred, any Principal balance or accrued interest that remains outstanding on the Maturity Date shall be irrevocably forgiven and discharged by the Lender. Upon such discharge, the indebtedness under this Note shall be extinguished in its entirety.

4. DEFAULT BY BORROWER

(A) Late Payment Charges

The full amount of any payment must be received by the Note Holder by the end of fifteen (15) calendar days after the date it is due. If the full amount is not received, I agree to pay a late charge to the Note Holder, which shall be 5% of my overdue payment of Principal and interest, if any. A late charge will only be assessed once with respect to the same overdue payment and shall be paid immediately.

(B) Default Events

I will be in default under this Note if:

(i) I fail to pay the full amount of Principal and any accrued interest on the Maturity Date;

(ii) I do not comply with the provisions of the "Security Instrument" (defined in Section 10 below) securing this Note; or

(iii) I do not comply with the provisions of the First Lien Note or the mortgage, mortgage deed, deed of trust, or security deed securing the First Lien Note.

(iv) I cease to occupy the Property as my primary residence.

(v) Any information I provide to Lender regarding the loan under the First Lien Note or this loan is in any way materially inaccurate or misleading as determined by the Note Holder.

(C) Default Written Notice

Upon the occurrence of a default event, the Note Holder may provide written notice specifying the nature of the default and any curative actions that I may take. The notice shall indicate that failure to cure the default by a specified date may result in acceleration of the amounts due as evidenced by this Note. The cure date included in the notice shall be at least thirty (30) days after the date the notice is delivered or mailed to me. If the default is not cured in a timely manner, the Note Holder may declare immediately due and payable all unpaid amounts owed under this Note, including the full amount of unpaid Principal and all accrued interest that I owe on that amount and other charges due under this Note (the "Default Balance").

(D) No Waiver of Rights

Any decision by the Note Holder to not require me to immediately pay the Default Balance as described above shall not constitute a waiver. The Note Holder may still require me to do so if the default continues or another Default Event occurs.

(E) Costs and Expenses of Enforcement

I agree to reimburse the Note Holder for all of its enforcement costs and expenses to the extent permitted by applicable law if the Note Holder requires me to immediately pay the Default Balance as described above. Such enforcement costs and expenses include, for example, reasonable attorneys' fees and costs.

5. VOLUNTARY PREPAYMENT RIGHTS

I may pay all or any portion of the Principal at any time before such amount is otherwise due under this Note. Any payment made toward the Principal before its scheduled due date shall be referred to as a "Prepayment." I will provide written notice to the Note Holder whenever I intend for a payment to be treated as a Prepayment. I will not designate a payment as a Prepayment unless all of the Monthly Payments then due (if any) under this Note have been made.

I may make a Prepayment in whole or in part at any time without incurring any penalty, premium, or additional charge. Unless otherwise required by applicable law, the Note Holder may first apply any prepayment to the accrued and unpaid interest, if any, attributable to the amount being prepaid and will apply the remaining portion of the Prepayment to reduce the Principal. A Prepayment will not extend, postpone, or otherwise modify the due date or amount of my Monthly Payment (if applicable) or Maturity Date unless the Note Holder expressly agrees to such changes in writing.

6. LIMITATION ON INTEREST AND OTHER LOAN CHARGES

I will not be required to pay, and the Note Holder will not be entitled to collect, any interest, fee, charge, or other amount in excess of the maximum amount permitted by applicable law. If applicable law establishes or otherwise identifies maximum loan charges, and that law is interpreted by a court of competent jurisdiction or other authoritative body with finality in such a way that any interest, fee, or charge assessed or collected in connection with this Note exceeds the amount permitted by applicable law, such amount shall be reduced to the highest lawful amount. Any portion of any charge previously received by the Note Holder that exceeds the lawful limit shall be directly returned to me or credited to me by reducing the outstanding Principal amount of my loan; the method of refunding me is solely determined by the Note Holder. If the Note Holder reduces the Principal, the reduction will be considered a partial Prepayment.

7. NOTICES

(A) Notice to Borrower

Except under circumstances in which a different method is required by applicable law, any required notice must be provided to me by delivering it to me or mailing it to me by first class mail at the Property Address identified in this Note or at any other address I designate in a notice to the Note Holder. I agree to promptly notify the Note Holder of any change to my physical or mailing address. Except under circumstances in which applicable law requires otherwise, notices may also be transmitted by electronic mail or other electronic means if me and the Note Holder agree to this in writing and if I have provided the Note Holder with my current e-mail address or other designated electronic contact information. If I consent to electronic delivery, I will promptly notify the Note Holder of any change to my e-mail address or other electronic contact information.

(B) Notice to Note Holder

Any notice that I am required to provide under this Note to the Note Holder shall be sent by first class mail to the Note Holder at the address designated in Section 3 above or to any substitute address identified by the Note Holder in a subsequent notice.

8. RESPONSIBLE PERSONS UNDER THIS NOTE

Each person who signs this Note shall be fully and personally responsible for keeping each and every promise made under this Note, including the promise to pay the full amount owed. Any guarantor, surety, endorser, or other person who assumes liability under this Note or takes over these obligations shall also be bound by the terms of this Note and must keep all promises made in this Note.

The Note Holder may pursue one or more responsible persons individually or together. This means that any one responsible person under this Note may be required to satisfy the entire debt owed pursuant to this Note.

9. WAIVER OF RIGHTS OF PRESENTMENT AND NOTICE OF DISHONOR

"Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid. I, together with any other person who has obligations under this Note, waive the rights of Presentment and Notice of Dishonor.

10. SECURED NOTE

There is a Mortgage, Mortgage Deed, Deed of Trust, or Security Deed (the "Security Instrument") dated the same date as this Note. The Security Instrument, in addition to the protections provided under this Note, ensures the Note Holder has rights and remedies in order to avoid potential losses if I fail to keep the promises I make in this Note. The Security Instrument also provides information regarding the circumstances under which acceleration may occur such that I must immediately pay all amounts due under this Note. These circumstances include, but are not limited to:

> The Lender's prior written consent is required in order for all or any part of the Property or any Interest in the Property to be sold, assigned, conveyed, or otherwise transferred. Such consent is also required if the Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred. In the event that Lender's prior written consent is not obtained, Lender may declare all amounts secured by this Security Instrument immediately due and payable in full except to the extent prohibited by Applicable Law.
>
> If the Lender chooses acceleration, the Lender shall provide the Borrower with notice of acceleration. The notice shall specify a period of no less than thirty (30) days from the date the notice in given within which all amounts secured by this Security Instrument shall be paid by the Borrower. If the Borrower does not make the required payment within the specified period, the Lender may exercise any right or remedy permitted under the Security Instrument without further notice or demand on Borrower. In such case, the Lender shall be entitled to collect all reasonable costs and expenses incurred in enforcing its rights and/or remedies including, but not limited to: (a) reasonable attorneys' fees and costs; (b) property inspection and valuation fees; and (c) other fees incurred to protect Lender's Interest in the Property and/or rights under this Security Instrument.

11. TERMINATION OF CERTAIN RESTRICTIONS ON FIRST LIEN FHA-INSURED MORTGAGE OR DEED OF TRUST

Any provisions included in this Note or any other collateral agreement that includes usage restrictions or otherwise restricts the Borrower's ability to sell the Property shall be of no further force of effect in the event of foreclosure or deed in lieu of foreclosure of a prior mortgage, mortgage deed, deed of trust, security deed, or assignment of the first mortgage, mortgage deed, deed of trust or security deed securing the First Lien Note to the Secretary of Housing and Urban Development. Title to the Property shall be free and clear from any such restrictions for any person (including their successors or assigns) who receives title to the Property through a foreclosure or deed in lieu of foreclosure of a prior mortgage, mortgage deed, deed of trust, or security deed.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

____ (Seal)
- Borrower

____ (Seal)
- Borrower

____ (Seal)
- Borrower

[Sign Original Only]