

This instrument was prepared by:

SPACE ABOVE LINE RESERVED
FOR RECORDING PURPOSES ONLY

**FLORIDA HOUSING FINANCE CORPORATION
Homeownership Assistance Program / HAP**

MORTGAGE

THIS MORTGAGE is made this _____ day of _____, by _____ (herein "Borrower") in favor of the **Florida Housing Finance Corporation**, a public corporation duly organized and existing under the laws of the State of Florida, its successors and/or assigns, whose address is 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of U.S. \$_____ for a permanent loan under the Florida Homeownership Assistance Program, which indebtedness is evidenced by Borrower's note of even date herewith and any extensions and renewals thereof (herein "Note"), and is due and payable on _____.

TO SECURE to the Lender the repayment of the indebtedness evidenced by the Note; the payment of all other sums, advanced in accordance herewith to protect the lien of this Mortgage; and the performance of the covenants and agreements of the Borrower herein contained, the Borrower does hereby mortgage, grant and convey to Lender the property located in the County of _____, State of Florida and more particularly described in Exhibit A hereto and made a part hereof;

Which has the address of _____, Florida _____ (herein the "Property Address"); the property, and all easements, rights, appurtenances and rents, all of which shall be deemed to be and remain a part of the property covered by this Mortgage.

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, and appurtenances and rents, all of which shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property."

This Mortgage is subordinate to that certain Mortgage from Borrower to _____ securing a loan to acquire, construct or rehabilitate the improvements on the Property (the "First Mortgage").

BORROWER COVENANTS, represents and warrants to the Lender and its successors and assigns that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and that the Property is unencumbered, except for the liens listed in the Schedule of Permitted Encumbrances attached hereto as Exhibit B and made a part hereof. Borrower covenants, represents and warrants to the Lender and its successors and assigns that Borrower will defend generally the title to the Property against the claims of all persons whomsoever, except as provided herein.

THIS MORTGAGE IS GIVEN TO THE FLORIDA HOUSING FINANCE CORPORATION AND IS EXEMPT FROM TAXATION PURSUANT TO SECTIONS 199.183, 420.513(1), FLORIDA STATUTES.

BORROWER FURTHER COVENANTS and agrees with the Lender as follows:

1. Payment. The Borrower shall promptly pay when due the principal evidenced by the Note and any interest due as a result of a default.

2. Prior Mortgages and Deeds of Trust; Charges; Liens. The Borrower shall perform all of the Borrower's obligations under the First Mortgage and any other mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including the Borrower's covenants to make payments when due. The Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any.

3. Hazard Insurance. The Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as the Lender may require and in such amounts and for such periods as the Lender may require.

The insurance carrier providing the insurance shall be chosen by the Borrower subject to approval by the Lender; provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to the Lender and shall include a standard mortgagee clause in favor of, and in a form acceptable to the Lender. The Lender shall have the right to hold the policies and renewals thereof, subject to the terms of the First Mortgage.

In the event of loss, the Borrower shall give prompt notice to the insurance carrier and to the Lender. The Lender may make proof of loss if not made promptly by the Borrower.

If the Property is abandoned by the Borrower, or if the Borrower fails to respond to the Lender within thirty (30) days from the date notice is mailed by the Lender to the Borrower that the insurance carrier offers to settle a claim for insurance benefits, the Lender is authorized to collect and apply the insurance proceeds at the Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

4. Preservation and Maintenance of Property; Leaseholds. The Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, the Borrower shall perform all of the Borrower's obligations under the declaration or covenants creating or governing such condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development and any other constituent documents.

5. Protection of Lender's Security. If the Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects the Lender's interest in the Property, then the Lender, at the Lender's option, upon notice to the Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect the Lender's interest in the Property. If the Lender required mortgage insurance as a condition of making the Loan secured by this Mortgage, the Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with the Borrower's and the Lender's written agreement or applicable law.

Any amounts disbursed by the Lender pursuant to this Paragraph 5, with interest thereon, at the rate of twelve percent (12%) per annum, shall become additional indebtedness of the Borrower secured by the Mortgage. Unless the Borrower and the Lender agree to other terms of payment, such amounts shall be payable upon notice from the Lender to the Borrower requesting payment thereof. Nothing contained in this Paragraph 5 shall require the Lender to incur any expense or take any action hereunder.

6. Inspection. The Lender may make or cause to be made reasonable entries upon and inspections of the Property provided that the Lender shall give the Borrower notice prior to any such inspection specifying reasonable cause therefor related to the Lender's interest in the Property.

7. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation to the extent of the unpaid balance of all sums due or to become due under the Note or this Mortgage, are hereby assigned and shall be paid to Mortgagee, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

8. Borrower Not Released; Forbearance by Lender not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

9. Successors and Assigns Bound, Joint and Several Liability, Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 14 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note, (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property. This Mortgage and the Note secured thereby are non-assumable.

10. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

11. Governing Law; Severability. The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

12. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

13. Construction Loan Agreement. Borrower shall fulfill all of Borrower's obligations under any construction or other agreement which Borrower enters into with Lender or the holder of the First Mortgage. Lender, Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

14. Transfer of the Property. If all or any part of the Property or any interest in it is sold, transferred, gifted or otherwise conveyed, whether by voluntary act, involuntarily, by operation of law or otherwise, or if the Borrower is divested of title by judicial sale, levy or other proceeding, or if foreclosure action is instituted against the Property, or if the First Mortgage is satisfied or refinanced, or if the Property is leased or rented, all sums secured by this Mortgage shall immediately become due and payable as provided herein.

Lender shall give Borrower notice of acceleration which notice shall be given as provided in Paragraph 10 hereof and shall provide a period of not less than thirty (30) days within which the Borrower must pay all sums secured by this Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, the Lender may invoke any remedies permitted by this Mortgage without further notice or demand on the Borrower.

15. Acceleration; Remedies. Except as provided in Paragraph 16 hereof, upon the Borrower's breach of any covenant or agreement of the Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, or in the event that the Borrower shall have made material misrepresentations or material omissions in any of the documents or instruments submitted by Borrower in connection with the loan secured by this Mortgage or any other loan, the Lender, at the Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Prior to acceleration of this Mortgage, the Lender shall give notice to the Borrower as provided in Paragraph 10 hereof specifying (1) the breach (if the breach is curable); (2) the action required to cure such breach; (3) a date, not less than ten (10) days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrower to acceleration and foreclosure. The Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees, court costs, and costs of documentary evidence, abstracts and title reports.

Catastrophic Exception: "In the event the Lender and the servicer, at their sole and absolute discretion, after a loss mitigation analysis, find that a catastrophic event, including but not limited to the Borrower's death or extended illness, or the extended illness of a close family member who depends primarily on the Borrower for support has occurred which substantially and permanently impairs their ability to repay this Note and requires them to sell the Property for an amount less than the Note, that portion of the Note which cannot be satisfied from the proceeds of such sale shall be released."

16. Borrower's Right to Reinstate. Notwithstanding the Lender's acceleration of the sums secured by this Mortgage due to the Borrower's breach, the Borrower shall have the right to have any proceedings begun by the Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment foreclosing this Mortgage if: (a) the Borrower cures all breaches of any other covenants or agreements of the Borrower contained in this Mortgage; (b) the Borrower pays all reasonable expenses incurred by the Lender in enforcing the covenants and agreements of the Borrower contained in this Mortgage, and in enforcing the Lender's remedies as provided in Paragraph 15 hereof, including, but not limited to, reasonable attorneys' fees and court costs; and (c) the Borrower takes such action as the Lender may reasonably require to assure that the lien of this Mortgage, the Lender's interest in the Property and the Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by the Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

17. Assignment of Rents; Appointment of Receiver. As additional security hereunder, the Borrower hereby assigns to the Lender the rents of the Property, provided that the Borrower shall, prior to acceleration under Paragraph 15 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under Paragraph 15 hereof or abandonment of the Property, the Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by the receiver shall be applied first to 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 the reasonable attorneys' fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

18. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. The Lender shall not bear the cost of recording the Satisfaction of Mortgage; it shall be the responsibility of the Borrower.

19. Attorneys' Fees. As used in this Mortgage and in the Note, "attorneys' fees" shall include attorneys' fees, if any, incurred in connection with the collection or enforcement of this Mortgage or of the Note, whether or not suit is brought and whether incurred at trial, on appeal, in bankruptcy proceedings or otherwise.

20. Special Homeownership Assistance Program Covenants, Representations. Borrower covenants, represents and warrants to the Lender that: (a) the Borrower, along with his/her/their family, intends to reside as a household in the Property; (b) the Property is a single-family residence, (c) the Borrower's total family income at the time of its application for the loan secured by this Mortgage was no greater than eighty percent (80%) of the area median income, and (d) the Borrower is an "Eligible Homebuyer" under the Homeownership Assistance Program Rule 67-50, F.A.C.

REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE
UNDER THE FIRST MORTGAGE

Borrower and Lender request the holder of the First Mortgage or any other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address as set forth on page one of this Mortgage, of any default under such superior encumbrance and of any sale or other foreclosure action.

IN WITNESS WHEREOF, the Borrower has executed this Mortgage.

NOTICE TO BORROWER

**DO NOT SIGN THIS MORTGAGE IF IT CONTAINS BLANK SPACES.
ALL SPACES SHOULD BE COMPLETED BEFORE YOU SIGN.**

Sign, sealed and delivered in the presence of:

WITNESSES:

BORROWER:

Printed Name

Printed Name

Printed Name

Printed Name

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____,
by _____, Borrower. Said person is personally known to me or has
produced _____ as identification.

Notary Public; State of Florida
Print Name: _____
My Commission Expires: _____
My Commission No.: _____

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B

SCHEDULE OF PERMITTED ENCUMBRANCES

Superior Encumbrances

First Mortgage in favor of _____
(Name of Bank)