

This instrument was prepared by:

Rev 7-12-10

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**FLORIDA HOUSING FINANCE CORPORATION  
FLORIDA ASSIST PROGRAM  
SUBORDINATE MORTGAGE**

**THIS SUBORDINATE MORTGAGE** (this "Mortgage") is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ (herein, the "Borrower" or "Mortgagor") whose address is \_\_\_\_\_ . This Mortgage is given to **Florida Housing Finance Corporation**, a public corporation, whose address is 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329 (herein, the "Lender" or "Mortgagee").

The Borrower is indebted to the Lender in the principal amount of \_\_\_\_\_ Dollars (U.S. \$ \_\_\_\_\_).

This debt is evidenced by the Borrower's Promissory Note (the "Note") dated the same date as this Mortgage.

The Note provides that repayment of the indebtedness evidenced thereby shall be deferred for the term of the First Mortgage loan (as that term is defined below) or until \_\_\_\_\_, 20\_\_, the date the last payment is due on the First Mortgage loan (that date is the "Maturity Date" of the Note). The Note is due and payable in full on the Maturity Date. The Note also provides that if at any time before the Maturity Date, the Borrower (a) sells, transfers or disposes of the Property or Home, either voluntarily or involuntarily, (b) fails or ceases to occupy the Home as the Borrower's primary residence, (c) dies, or, if married, the Borrower's surviving spouse dies, or (d) refinances or satisfies the First Mortgage loan, then, upon the occurrence of any such event, the Note shall become immediately due and payable in full without notice or demand.

The "First Mortgage" loan referred to in this Mortgage and in the Note means the loan being made to the Borrower on or about the same date as this Mortgage by \_\_\_\_\_ (the "First Mortgage Lender") for the purchase of the Property, which mortgage loan shall be secured by a first mortgage lien on the Property (the "First Mortgage") in favor of the First Mortgage Lender.

The Borrower applied to the First Mortgage Lender for both the First Mortgage loan and the subordinate loan evidenced by the Note and secured by this Mortgage.

This Mortgage is subordinate to the First Mortgage.

**TO SECURE** to Mortgagee the repayment of the indebtedness evidenced by the Note, the payment of all other sums advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of the Mortgagor herein contained, the Mortgagor does hereby mortgage, grant and convey to Mortgagee the following described Property located in the County of \_\_\_\_\_, State of Florida (insert legal description):

**THIS MORTGAGE AND THE NOTE SECURED BY THIS MORTGAGE ARISE OUT OF OR ARE GIVEN TO SECURE THE REPAYMENT OF A LOAN ISSUED IN CONNECTION WITH THE FINANCING OF HOUSING AND ARE EXEMPT FROM DOCUMENTARY STAMP TAX AND INTANGIBLE TAX PURSUANT TO SECTION 420.513(1), FLORIDA STATUTES.**

**TOGETHER** with all the improvements now or hereafter erected on 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, 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" or "Home."

**MORTGAGOR COVENANTS** represents and warrants to Mortgagee and its successors and assigns that Mortgagor is indefeasibly seized of the estate hereby conveyed in fee simple; has full right to mortgage, grant and convey the Property; and that the Property is unencumbered, except for other encumbrances of record. Mortgagor warrants title to the Property and will defend same against the lawful claims and demands of all persons whomsoever.

**PROVIDED ALWAYS** that if Mortgagor shall pay to Mortgagee, all sums due or to become due under the Note or this Mortgage and shall perform, comply with, and abide by each and every stipulation, agreement, condition, and covenant of the Note and of this Mortgage, and shall pay all taxes that may accrue on the Property and all costs and expenses that Mortgagee may be put to in collecting the Note and in foreclosure of this Mortgage or otherwise, including costs and reasonable attorney's fee, then this Mortgage and the estate hereby created shall cease and be null and void.

**MORTGAGOR FURTHER COVENANTS** and agrees with Mortgagee as follows:

**1. Payment.** Mortgagor shall promptly pay when due the principal amount evidenced by the Note and all other sums of money payable by virtue of the Note or this Mortgage.

**2. Funds for Taxes and Insurance.** Subject to applicable law or a written waiver by Mortgagee, Mortgagor shall pay to Mortgagee with the monthly payments of principal and interest under the Note, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development assessment, if any) plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Mortgagee on the basis of assessments and bills and reasonable estimates thereof. Mortgagor shall not be obligated to make such payments of Funds to Mortgagee to the extent that Mortgagor makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional lender.

If Mortgagor pays Funds to Mortgagee, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency. Mortgagee shall apply these funds to pay said taxes, assessments, insurance premiums and ground rents. Mortgagee may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Mortgagee pays Mortgagor interest on the Funds and applicable law permits Mortgagee to make such a charge. Mortgagor and Mortgagee may agree in writing at the time of execution of this Mortgage that interest or earnings on the Funds shall be paid to Mortgagor, and unless such agreement is made or applicable law requires such interest to be paid, Mortgagee shall not be required to pay Mortgagor any interest or earnings on the Funds, Mortgagee shall give to Mortgagor, without charge, an annual accounting of the Funds showing credits and debits to the Funds and purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Mortgagee, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rent, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Mortgagor's option, either promptly repaid to Mortgagor or credited to Mortgagor on monthly installments of Funds.

If the amount of the Funds held by Mortgagee are not sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Mortgagor shall pay to Mortgagee any amount necessary to make up the deficiency in one or more payments, as Mortgagee may require.

Upon payment in full of all sums secured by this Mortgage, Mortgagee shall promptly refund to Mortgagor any Funds held by Mortgagee, if under paragraph 17 hereof the Property is sold or the Property is otherwise acquired by Mortgagee, Mortgagee shall apply, no later than immediately prior to the sale of Property or its acquisition by Mortgagee, any Funds held by Mortgagee as a credit against the sums secured by this Mortgage.

**3. Application of Payments.** Unless applicable law provides otherwise, all payments received by Mortgagee under the Note and paragraphs 1 and 2 hereof shall be applied by Mortgagee first in payment of amounts payable to Mortgagee by Mortgagor under paragraph 2 hereof; then to the interest due under the Note; then to principal of the Note; then to any other monies due under the Note or this Mortgage in that order.

**4. Prior Mortgages and Deeds of Trust; Charges; Liens.** Mortgagor shall perform all of Mortgagor'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 Mortgagor's covenants to make payments when due. Mortgagor shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which have attained or may attain a priority over this Mortgage, and leasehold payments or ground rents, if any

**5. Hazard Insurance.** Mortgagor 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 Mortgagee may require and in such amounts and for such periods as Mortgagee may require. The insurance carrier providing the insurance shall be chosen by the Mortgagor subject to approval by Mortgagee; **provided**, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Mortgagee and shall include a standard mortgage clause in favor of, and in a form acceptable to Mortgagee. Mortgagee shall have the right to hold the policies and renewals thereof, subject to the terms of any other mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage. In the event of loss, the Mortgagor shall give prompt notice to the insurance carrier and to the Mortgagee. Mortgagee may make proof of loss if not made promptly by the Mortgagor. If the Property is abandoned by the Mortgagor, or if the Mortgagor fails to respond to Mortgagee within thirty (30) days from the date notice is mailed by Mortgagee to the Mortgagor that the insurance carrier offers to settle a claim for insurance benefits, Mortgagee is authorized to collect and apply the insurance proceeds at Mortgagee's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

**6. Preservation and Maintenance of Property; Leaseholds; Condominiums, Planned Unit Developments.** Mortgagor 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, Mortgagor shall perform all of Mortgagor'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 constituent any other documents.

**7. Protection of Mortgagee's Security.** If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Mortgagee's interest in the Property, then Mortgagee, at Mortgagee's option, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Mortgagee's interest in the Property. If Mortgagor is required to maintain mortgage insurance as a condition of this Mortgage or any other mortgage or deed of trust, Mortgagor 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 Mortgagor's written agreement or applicable law. Any amounts disbursed by Mortgagee pursuant to this paragraph, with interest thereon, at the rate of twelve percent (12%) per annum, shall become additional indebtedness of the Mortgagor secured by this Mortgage. Unless Mortgagor and Mortgagee agree otherwise, such amounts shall be payable upon demand. Nothing contained in this Paragraph 5 shall require Mortgagee to incur any expense or take any action hereunder.

**8. Inspection.** Mortgagee may make or cause to be made reasonable entries upon and inspections of the Property upon notice to Mortgagor specifying reasonable cause therefore related to the Lender's interest in the Property.

**9. 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.

**10. Mortgagor Not Released; Forbearance by Mortgagee Not a Waiver.** No extension of the time for payment or modification of the terms or conditions of the Note or this Mortgage granted to Mortgagor shall operate or release Mortgagor, in any manner, from liability under the Note or this Mortgage. Mortgagee 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 Mortgagor and Mortgagor's successors in interest. Any forbearance by Mortgagee 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.

**11. Successors and Assigns Bound; Joint and Several Liability; Co-Signers.** The covenants and agreements and references to Mortgagor and Mortgagee herein contained shall bind, and the rights hereunder shall inure to, their respective heirs, successors and assigns, subject to the provisions of Paragraph 16 hereof. All covenants and agreements of Mortgagor shall be joint and several. Any Mortgagor who co-signs this Mortgage, but does not execute the Note is co-signing this Mortgage only to mortgage, grant and convey that Mortgagor's interest in the property to Mortgagee under the terms of this Mortgage; is not personally liable on the Note or under this Mortgage; agrees that Mortgagee and any other Mortgagor 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 Mortgagor's consent and without releasing that Mortgagor or modifying this Mortgage as to that Mortgagor's interest in the Property. This Mortgage and the Note secured thereby are non-assumable, except as may be provided in Paragraph 16 hereof.

**12. Notice.** Except for any notice required under applicable law to be given in another manner: (a) any notice to

the Mortgagor provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified mail at the Property Address or at such other address as Mortgagor may designate by notice to the Mortgagee as provided herein, and (b) any notice to Mortgagee shall be given by certified mail, to the address stated herein with a copy to U. S. Bank, N. A. , 17500 Rockside Road, Bedford, OH 44146, or to such other address as Mortgagee may designate by notice to the Mortgagor as provided herein.

**13. Governing Law; Severability; Costs.** 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.

**14. Mortgagor's Copy.** Mortgagor shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation thereof.

**15. Rehabilitation Loan Agreement.** Mortgagor shall fulfill all of Mortgagor's obligations under any home rehabilitation, improvement, repair, or other loan agreement which is entered into with Mortgagee. At Mortgagee's option, Mortgagor shall execute and deliver to Mortgagee, in a form acceptable to Mortgagee, an assignment of any rights, claims or defenses which Mortgagor may have against parties who supply labor, materials or services in connection with improvements made to the Property.

**16. 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 Mortgagor is divested of title by judicial sale, levy or other proceeding, or if foreclosure action is instituted against the Property, or if a prior mortgage is refinanced or satisfied, or if the Property is leased or rented, all sums secured by this Mortgage shall immediately become due and payable. Provided, however, a transfer to person who is an heir or devisee of Mortgagor, upon the death of Mortgagor, shall be permissible provided that the Note and this Mortgage are not then in default and that said person: (a) occupies the Property as their principal place of residence; (b) qualifies under the income eligibility requirements set forth in Rule 67-45, Florida Administrative Code; and (c) executes such documents (including without limitation an agreement assuming the obligations under the Note and this Mortgage) and pays such fees and charges as Mortgagee may reasonably require. Mortgagee shall give Mortgagor notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is given in accordance with Paragraph 12 hereof within which Mortgagor must pay all sums secured by this Mortgage. If said sums are not paid in full prior to the expiration of this period, Mortgagee may invoke any remedies permitted by this Mortgage without further notice or demand.

**17. Acceleration; Remedies.** Upon the Mortgagor's breach of any covenant or agreement of the Mortgagor in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, or in the event that the Mortgagor shall have made a material misrepresentation or material omission in Mortgagor's application for the loan evidenced by the Note, Mortgagee, 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, Mortgagee shall give notice to Mortgagor 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 Mortgagor, 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 Mortgagor 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 Mortgagor acceleration and foreclosure. Mortgagee 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."

**18. Mortgagor's Right to Reinstate.** Notwithstanding the acceleration of the sums secured by this Mortgage due to the Mortgagor's breach, the Mortgagor shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Mortgagor pays Mortgagee all sums which would be then due under this Mortgage and the Note had no acceleration occurred; (b)

Mortgagor cures all breaches of any other covenants or agreements of Mortgagor contained in this Mortgage; (c) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this Mortgage, and in enforcing Mortgagee's remedies as provided in Paragraph 17 hereof, including, but not limited to, reasonable attorneys' fees and court costs; and (d) the Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Property and the Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor, this Mortgage and the obligations secured shall hereby remain in full force and effect as if no acceleration had occurred.

**19. Assignment of Revenues; Appointment of Receiver.** As additional security hereunder, Mortgagor hereby assigns to Mortgagee the revenues of the Property, provided that Mortgagor shall, prior to acceleration under Paragraph 17 hereof or abandonment of the Property, have the right to collect and retain such revenues as they become due and payable. Upon acceleration under Paragraph 17 hereof or abandonment of the Property, Mortgagee 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 revenues of the Property including those past due. All revenues 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 revenues actually received.

**20. Release.** Upon payment of all sums secured by this Mortgage, Mortgagee shall prepare a written satisfaction of this Mortgage. The Mortgagee shall not bear the cost of recording the Satisfaction of Mortgage; it shall be the responsibility of the Mortgagor.

**21. Subordination.** Lender and Borrower acknowledge and agree that this Mortgage is subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage and to all advances heretofore made or which may hereafter be made pursuant to the First Mortgage including all sums advanced for the purpose of (a) protecting or further securing the lien of the First Mortgage, curing defaults by the Borrower under the First Mortgage, or for any other purpose expressly permitted by the First Mortgage or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property. The terms and provisions of the First Mortgage are paramount and controlling, and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure of the First Mortgage, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property shall have no further force or effect on subsequent owners or purchasers of the Property. Any person, including his successors or assigns (other than the Borrower or a related entity of the Borrower), receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the First Mortgage shall receive title to the Property free and clear from such restrictions.

Further, if the Senior Lien Holder acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Security Instrument shall terminate at the discretion of the Lender upon the Senior Lien Holder's acquisition of title, such termination will not be unreasonably withheld provided that (i) the Lender has been given written notice of a default under the First Mortgage, (ii) the Lender shall not have cured the default under the First Mortgage within the 30-day period provided in such notice sent to the Lender, and (iii) there is not sufficient equity in the Property to satisfy the senior lien (assuming reasonable costs) and the lien of this loan.

**22. 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.

**23. Special Florida Assist Program Covenants, Warrants, Representations.** Mortgagor covenants, represents and warrants to Mortgagee that: (a) the Mortgagor, along with his/her/their family, will occupy the Property as their principal residence; (b) the Property is a single-family residence and is an eligible homeownership activity under Rule 67-45, Florida Administrative Code; and (c) Mortgagor's total family income at the time of its application for the Loan was no greater than eighty percent (80%) of the area median income, so that Mortgagor is a Low-Income person or household within the meaning of Rule 67-45, Florida Administrative Code.

**REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER  
SUPERIOR MORTGAGES OR DEEDS OF TRUST.**

Mortgagee requests the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice, at Mortgagee's address set forth on page one of this Mortgage of any default under the superior encumbrance and of any sale or other foreclosure action.

**IN WITNESS WHEREOF**, Mortgagor has executed this Mortgage on the date first above written.

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

Signed, sealed in the presence of and delivered:

\_\_\_\_\_  
Printed Name of Witness

\_\_\_\_\_  
Printed Name of Mortgagor

\_\_\_\_\_  
Printed Name of Witness

\_\_\_\_\_

\_\_\_\_\_  
Printed Name of Witness

\_\_\_\_\_  
Printed Name of Mortgagor

\_\_\_\_\_  
Printed Name of Witness

**STATE OF FLORIDA**  
**COUNTY OF \_\_\_\_\_**

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_, Mortgagor(s). Said person(s) is (are) personally known to me or has (have) produced a valid driver's license as identification.

\_\_\_\_\_  
Notary Public; State of Florida  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_