Recorded: 12/21/2022 at 12:47:22.0 PM
County Recording Fee: $17.00
Iowa E-Filing Fee: $3.00
Combined Fee: $20.00
Revenue Tax:
Delaware County, Iowa
Daneen Schindler RECORDER
BK: 2022 PG: 3735

**Document Prepared By/Return To: Community 1st Credit Union, Attn: Jennifer Kiser (319) 297-3030**
**1100 Hutchinson Ave, Ottumwa, IA 52501**

**COMMUNITY 1ST CREDIT UNION**
**CDFI MORTGAGE DOWN PAYMENT ASSISTANCE GRANT**
**PROPERTY LIEN – SUBORDINATE MORTGAGE**

**In consideration of ($ 4,625.00 ) Four Thousand Six Hundred Twenty-five and NO/100 received from the CDFI Mortgage Down Payment Assistance Grant through Community 1st Credit Union, for Down Payment to purchase a property commonly referred to as**
**165 Liberty St, Manchester IA 52057**

**and legally described as: See Attached CDFI Exhibit A**

**The undersigned property owner(s) Brandon K Gudenkauf,** single person
**with legal or equitable title to said property as their principal residence, hereby agree and consent to the creation and imposition of a lien to, and in favor of, Community 1st Credit Union, as lien holder upon the above-described property, subject to the terms and conditions outlined below.**

1. **Owner(s) will occupy the property as their principal residence for the duration of the five-year affordability period. Lien will be forgiven at a rate of 1/5 per year for a five-year term. Except as provided under item 2, if any of the following circumstances should occur during the term of this lien, repayment of this lien shall become effective with the corresponding balance immediately due and payable:**

   a. **Property Sale: Upon sale or transfer of title to a new owner, the remaining balance of the assistance shall be repaid, per the schedule below. Included shall be contract for deed conveyance, granting a purchase option, and entering into any other type of contract or life estate for disposition.**

| | Effective Beginning | Remaining Balance |
|---|---|---|
| 100% Down Payment Assistance | 12/21/2022 | $ 4,625.00 |
| 80% Down Payment Assistance | 12/21/2023 | $ 3,700.00 |
| 60% Down Payment Assistance | 12/21/2024 | $ 2,775.00 |
| 40% Down Payment Assistance | 12/21/2025 | $ 1,850.00 |
| 20% Down Payment Assistance | 12/21/2026 | $ 925.00 |
| 0% Down Payment Assistance | 12/21/2027 | $ 0.00 |

   **If there are not sufficient net proceeds of sale to pay the balance due, Community 1st Credit Union will accept a lesser payment amount equal to the total net proceeds, based on the following formula: Sales Price – (Superior Mortgage Repayment + Closings Costs) = Net Proceeds.**

   b. **Property Vacation/Rental: If during the five-year affordability period the property is vacated, abandoned, or rented for tenant occupancy, the full assistance amount shall be repaid, regardless of time passed or the remaining balance.**

   c. **Foreclosure: In the event of foreclosure, Community 1st Credit Union will pursue repayment funds, based on the net proceeds formula.**

2. If, upon the death of the undersigned, title to the property should be conveyed to the heir(s) of the owner(s) or to any beneficiary as provided in the owner(s) will, the provision of item 1.a. shall bedeemed without effect; provided said heir or beneficiary for the remaining term of thelien:

   a. Does not sell or transfer the property to another party, as described under item 1.a.; and,
   b. Maintains and establishes the property as their principal residence for occupancy; and,
   c. Does not rent any portion of the property for tenant occupancy; except for that allowed when the financial assistance was provided.

3. In the event of foreclosure, or a deed in lieu of foreclosure of the First Mortgage, the principal residence provision, wherein the undersigned property owner(s) are required to occupy the property as their principal residence, will automatically terminate. Notwithstanding the termination of the principal residency requirement, the remaining lien balance shall remain due and payable according to the schedule above.

4. Subordination of liens for refinancing will be done on a case-by-case basis provided there is sufficient equity to cover this lien and the new mortgage terms meet the same requirements as the initial mortgage. If formal lien subordination is required, a written request must be submitted ten (10) days prior.

5. Provided all provisions of the lien are met, the lien will be released at the end of the five-year affordability period.

6. Upon violation of any term or condition of this lien, which would effectuate the repayment schedule, the undersigned will immediately satisfy outstanding obligations.

7. Payments or correspondence required by this lien shall be directed to Community 1st Credit Union, in care of Mortgage Services, 1100 Hutchinson Ave, Ottumwa, IA52501.

8. The undersigned releases all claims of homestead and dower and subordinates the same in favor of said lien and declares the lien paramount thereto.

Brandon Gudenkauf — 12-21-22

Brandon K Gudenkauf — Date

_____ — _____

Date

Subscribed and sworn to this date December 21, 2022 by the undersigned notary public.

NOTARIAL SEAL IOWA — Peg Rahe, Commission Number 730088, My Commission Expires August 23, 2025

Signature: Peg Rahe

Notary Public, State of Iowa

(Notary Seal)

# CDFI SUBORDINATION

## EXHIBIT "A"

**The North one-half (N1/2) of the East one-half (E1/2) of the West one-half (W1/2) of Lot Five (5), Burrington's Addition to Manchester, Iowa, according to plat recorded in Book I L.D., Page 245, excepting any instruments of record which might affect the title to the above described part of lot, wherein descriptions were made on the basis that the said lot was two hundred ten (210.0) feet in its dimensions**