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LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

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**FEDERAL HOME LOAN OF ATLANTA
AFFORDABLE HOUSING PROGRAM OWNER
SUBORDINATE DEED OF TRUST**

Recorder's Cover Sheet

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Preparer Information: Mark L. Smith, 101 1/2 W. Jefferson, Winterset, IA 50273, Phone:
515-462-3731

Taxpayer Information: Brenda Sue Vodraska, 3163 Walnut LN, Truro, IA

Return Document To: Capital Bank, N.A., 185 Harry Truman Pky, Suite 102, Annapolis, MD
21401

Grantors: See attached

Grantees:
Brenda Sue Vodraska

Legal Description:

Document or instrument number if applicable:

After Recording Return To:
Capital Bank, N.A.
185 Harry Truman Parkway, Suite 102
Annapolis MD 21401

FEDERAL HOME LOAN BANK OF ATLANTA
Affordable Housing Program – Owner-Occupied

SUBORDINATE MORTGAGE

THIS SUBORDINATE MORTGAGE for Affordable Housing Program (the “*AHP*”) funds is made on **09/09/2022** (the “*Closing Date*”) by **Brenda Sue Vodraska** (the “*Borrower*”) residing at **3163 WALNUT LN, TRURO, IA** to **Capital Bank NA** (the “*Lender*”), maintaining offices at **185 Harry S Truman Pkwy, Suite 102, Annapolis, MD 21401**.

WHEREAS, the Federal Home Loan Bank of Atlanta (“*FHLBank Atlanta*”) is providing AHP funds to the Borrower through the Lender for costs in connection with the purchase of a home by the Borrower which shall be used as the Borrower’s primary residence;

WHEREAS, FHLBank Atlanta and the Lender entered into an Agreement for Affordable Housing Program Set-Aside Products (as amended from time to time, the “*AHP Agreement*”) to issue funds to the Borrower through the Lender pursuant to the AHP, as provided in the Affordable Housing Program Implementation Plan (as the same may be modified from time to time, the “*Implementation Plan*”), and AHP policies, procedures, guidelines, and instructions (together with the Implementation Plan, collectively, as the same may be modified from time to time, “*FHLBank Atlanta’s AHP Policies and Procedures*”; and together with the Federal Housing Finance Agency’s Affordable Housing Program Regulations 12 CFR Part 1291 et seq., as may be amended from time to time, the “*AHP Regulations*,” collectively, “*AHP Requirements*”);

WHEREAS, the Lender has determined that the Borrower meets the definition of an eligible home buyer as defined by FHLBank Atlanta and as provided by the AHP Requirements; and

WHEREAS, the Borrower is indebted to the Lender in the amount of **10,000.00**, that financed the purchase of the AHP-Assisted Unit (the “*AHP Subsidy*”), which indebtedness is evidenced by the Borrower’s Note of even date herewith (as amended from time to time, the “*Note*”).

NOW THEREFORE, TO SECURE TO LENDER (a) the repayment of the indebtedness evidenced by the Note and (b) the performance of the covenants and agreements of the Borrower herein contained, the Borrower does hereby mortgage, grant, convey, and assign to Lender the AHP-Assisted Unit (hereinafter defined) described below.

1. MORTGAGE AS SECURITY

- A. This Mortgage secures to the Lender: (i) the repayment of the AHP Subsidy; and (ii) the performance of the Borrower’s covenants and agreements under this Mortgage and the Note. For this purpose, the Borrower does hereby mortgage, grant and convey to Lender,

WITH MORTGAGE COVENANTS UPON THE STATUTORY CONDITION AND WITH THE STATUTORY POWER OF SALE, the following described property:

County of **Madison**, and State of **IA**, specifically described as follows:

AHP-Assisted Unit Address: **3163 WALNUT LN, TRURO, IA, 50257-8018**

TO HAVE AND TO HOLD this property unto Lender and Lender's successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage.

Which is more particularly described in the Legal Description attached hereto as Exhibit A (the "**AHP-Assisted Unit**").

- B. This Mortgage is subject and subordinate to mortgage(s) recorded against the AHP-Assisted Unit dated as of the Closing Date.

2. REPAYMENT TERMS

This Mortgage will expire five years from the date hereof (such five-year period, the "**Retention Period**") and no payments will be due on the AHP Subsidy, except as set forth below in the case of a sale or refinancing during the Retention Period.

3. AHP SUBSIDY

The Borrower hereby acknowledges and agrees that the AHP Subsidy represents a reduction in the Borrower's purchase costs for the acquisition of the AHP-Assisted Unit described in paragraph 1.A above, which is, or will be, used as the Borrower's primary residence.

4. NOTICE OF A SALE, REFINANCING OR TRANSFER

The Borrower hereby agrees that the Lender and FHLBank Atlanta or its designee shall be given thirty (30) days prior written notice of a sale, refinancing, or transfer of the AHP-Assisted Unit during the Retention Period.

Such notice shall be mailed or sent by a nationally recognized overnight carrier, sent by facsimile transmission (with confirmation copy), or served personally at the addresses indicated below, or at such other address as shall be designated by a party by future written notice to the other parties. Notice sent by facsimile transmission shall be effective on the date transmitted; notice sent by personal service shall be effective on the date of delivery; notice sent by U.S. mail shall be effective three (3) business days after such notice is deposited in the mail with first class postage prepaid, addressed as aforesaid; and notice sent by overnight carrier shall be effective the day following delivery to said carrier

Notices to FHLBank Atlanta shall be sent to:

Federal Home Loan Bank of Atlanta
1475 Peachtree Street, NE
Atlanta, Georgia 30309
Attention: Community Investment Services

Notices to Lender shall be sent to:

**Capital Bank NA, 185 Harry S Truman Pkwy, Suite 102
Annapolis, MD 21401**

5. REPAYMENT OBLIGATION

- A. In the event of a sale or refinancing of the AHP-Assisted Unit prior to the end of the Retention Period, an amount equal to a pro rata share of the AHP Subsidy, reduced for every month the Borrower has owned the AHP-Assisted Unit, shall be repaid to FHLBank Atlanta from any net proceeds realized upon the sale or refinancing of the AHP-Assisted Unit unless:
- (i) The AHP-Assisted Unit was assisted with a permanent mortgage loan funded by an AHP subsidized advance;
 - (ii) The subsequent purchaser, transferee, or assignee is a low- or moderate-income household, as determined by FHLBank Atlanta. FHLBank Atlanta or its designee shall determine the household's income using one or more proxies that are reliable indicators of the subsequent purchaser's income, pursuant to applicable Finance Agency guidance, unless documentation demonstrating that household's actual income is available. FHLBank Atlanta and the Lender are not required to request or obtain such documentation, but must use it in lieu of a proxy if available;
 - (iii) The amount of the AHP Subsidy that would be required to be repaid in accordance with the calculation in paragraph (a)(7)(v) of Section 1291.15 of the AHP Regulations is \$2,500 or less; or
 - (iv) Following a refinancing, the AHP-Assisted Unit continues to be subject to a satisfactory and legally enforceable retention agreement or mechanism described in Section 1291.15(a)(7) of the AHP Regulations.
- B. The Lender shall be entitled to collect the portion of AHP Subsidy owed by the Borrower as determined by this Section 5 by taking the following actions:
- (i) The Lender shall give notice to the Borrower following the Borrower's breach of any covenant or agreement in this Mortgage, specifying the nature of said breach and the action and time within which to cure such breach.

- (ii) If the breach is not cured on or before the date specified in the notice, the Lender at its option and in its sole discretion may require immediate payment of all sums secured by this Mortgage and due and payable pursuant to Section S(A) without further demand. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided herein including, but not limited to, reasonable attorney's fees and costs of title evidence.

6. THIRD PARTY BENEFICIARY

The Borrower agrees that FHLBank Atlanta is an intended, third party beneficiary of this Mortgage and is entitled to rely upon all rights, representations, warranties, and covenants made by Borrower herein to the same extent as if FHLBank Atlanta were the Lender hereunder.

7. RECEIPT OF ADDITIONAL AHP SUBSIDY DURING RETENTION PERIOD

The AHP-Assisted Unit may not receive funds from multiple AHP Competitive or Set-aside product(s) offered by FHLBank Atlanta during the Retention Period.

8. MONITORING

Borrower agrees to comply with all requests by Lender for information or documentation arising from Lender's obligations to obtain information from the Owner under the AHP Requirements.

9. MISCELLANEOUS

- A. The Borrower acknowledges and agrees that the AHP Subsidy is subject to the terms and conditions of this Mortgage, the Note, and the AHP Requirements, as the same may be amended from time to time.
- B. The Borrower agrees to the terms and conditions of this Mortgage and certifies that its representations contained in its AHP application and any related certifications are true, complete and accurate.
- C. By executing this Mortgage in the space indicated below, the Borrower fully understands and agrees to the terms and conditions contained herein. The Borrower acknowledges that he/she must satisfy all terms and conditions contained in this Mortgage.
- D. The Borrower agrees to be responsible for all tax issues (including, but not limited to, reporting and payment) arising from receipt of the funds secured hereunder.
- E. To the extent the Lender and the Borrower have entered into any other agreements pertaining to the AHP-Assisted Unit, the terms of such agreements remain in full force and effect, provided *however*, in the event of any conflict between such agreements and this Mortgage, unless otherwise expressly provided in this Mortgage, the terms of this Mortgage shall prevail.

- F. The Borrower acknowledges receipt of a true copy of this Mortgage.
- G. This Mortgage shall be governed by the laws of the United States and, to the extent federal law incorporates or defers to state law, the laws of the State where the AHP-Assisted Unit is located (excluding, however, the conflict of laws rules of such State).
- H. In the event that any portion of this Mortgage conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage that can be given effect without the conflicting provision.
- I. The Borrower's obligation to repay the Set-Aside Subsidy shall terminate after any foreclosure, deed in lieu of foreclosure, assignment of a Federal Housing Administration first mortgage to the Department of Housing and Urban Development, or the death of the Borrower.
- J. This Mortgage shall be binding upon and inure to the benefit of the successors and permitted assigns of the Lender, the Borrower, and FHLBank Atlanta.
- K. This Mortgage may not be changed orally, but may be changed only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.
- L. If more than one person is the Borrower of the AHP-Assisted Unit, their obligations under this Mortgage shall be joint and several, and references in this Mortgage to "Borrower" shall be deemed to refer to each of such persons.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned Borrower(s) execute(s) this Mortgage under seal on the day and year first above written:

WITNESS:

Brenda Vodraska (SEAL)
Borrower

Borrower (SEAL)

STATE OF , COUNTY OF ss.:

On **09/09/2022**, before me, the undersigned, a Notary Public in and for said State, personally appeared **Brenda Vodraska**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and acknowledged to me that he executed the same in her/his/their capacity, and that by her/his/their signature on the instrument, the individual(s) or the person upon behalf of which the individual acted, executed the instrument.

Mark L. Smith

Notary Public

My Commission Expires: *5/10/24*

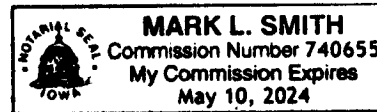


Exhibit "A" – LEGAL DESCRIPTION:

A tract of land ^{located} in the Northeast Quarter (¼) of the Southwest Quarter (¼) and in the Northwest Quarter (¼) of the Southeast Quarter (¼) of Section Twenty-four (24), Township Seventy-four (74) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa, containing 3.000 acres, as shown in Plat of Survey filed in Book 2, Page 139 on March 2, 1989, in the Office of the Recorder of Madison County, Iowa.

