

MICHELLE "MICKI" UTSLER, COUNTY RECORDER  
MADISON IOWA

Space Above This Line Reserved for Recorder

Prepared by: *Jeremy Rounds, Southern Iowa Council of Governments, Box 102, Creston, Iowa 50801, 641.782.8491*

**Southern Iowa Council of Governments Housing Acquisition and Rehabilitation Program  
FORGIVABLE LOAN AGREEMENT, MORTGAGE, & PROMISSORY NOTE**

PAGE 1 OF 3

COMPUTER	<input checked="" type="checkbox"/>
RECORDED	<input checked="" type="checkbox"/>
COMPARED	<input checked="" type="checkbox"/>

WHEREAS, The Southern Iowa Council of Governments has established the Housing Acquisition and Rehabilitation Program to assist low and moderate income home-buyers acquire and rehabilitate homes in Winterset, Iowa, and;

WHEREAS, Armand and Mary Cason, husband and wife (hereinafter referred to as the OWNER) qualifies under the SICOG HOUSING ACQUISITION AND REHABILITATION PROGRAM for a total loan of Twenty-four Thousand Nine Hundred and Ninety-nine Dollars and No Cents (\$24,999 \*\*) for the purchase and rehabilitations of a home, and;

WHEREAS, a requirement of the SICOG Housing Acquisition and Rehabilitation Program is for the repayment of the loan to be in the amount shown in the Promissory Note below whenever the property is sold or transferred,

THEREFORE, in consideration of the awarding of the loan, the mutual covenants, and promises of the parties and other good and valuable consideration, OWNER agree as follows:

1. The premises shall only be used for purposes consistent with sound land management and use, as that term is defined in Title 44, Code of Federal Regulations, Section 206, as it now appears or may hereafter be amended;
2. The premises shall only be used as a primary residence;
3. The premises may not be leased, rented, or otherwise converted to income-generating status; and
4. Any transfer of ownership of said real estate shall result in the repayment of the program assistance in the amount contained herein, subject to the terms and conditions set forth in the Administrative Plan, Master Contract, and Funding Agreement for the SICOG Housing Acquisition and Rehabilitation Program.

**FORGIVABLE LOAN  
PROMISSORY NOTE**

FOR VALUE RECEIVED, the undersigned jointly and severally promises to pay to the order of **Southern Iowa Council of Governments, P.O. Box 102, Creston, Iowa 50801** OR ANY SUCCESSORS OR ASSIGNS, the sum of: Twenty-four Thousand Nine Hundred and Ninety-nine Dollars and No Cents (\$24,999 \*\*) as follows:

- A. If the below described property is sold or transferred from the date of **signing** to its tenth year anniversary, the following shall apply:
- If the home is sold or transferred before the first year anniversary, 0% of the promissory note shall be forgiven.
  - If the home is sold or transferred before the second year anniversary, 10% of the promissory note shall be forgiven.
  - If the home is sold or transferred before the third year anniversary, 20% of the promissory note shall be forgiven.
  - If the home is sold or transferred before the fourth year anniversary, 30% of the promissory note shall be forgiven.
  - If the home is sold or transferred before the fifth year anniversary, 40% of the promissory note shall be forgiven.
  - If the home is sold or transferred before the sixth year anniversary, 50% of the promissory note shall be forgiven.
  - If the home is sold or transferred before the seventh year anniversary, 60% of the promissory note shall be forgiven.
  - If the home is sold or transferred before the eighth year anniversary, 70% of the promissory note shall be forgiven.
  - If the home is sold or transferred before the ninth year anniversary, 80% of the promissory note shall be forgiven.
  - If the home is sold or transferred before the tenth year anniversary, 90% of the promissory note shall be forgiven.
- B. Upon the tenth year anniversary of the date of closing, 100% of the promissory note shall be forgiven.



the whole mortgage due and collectible or not), may (but need not) effect the insurance above provided for, and need not, but may and is hereby authorized to pay said taxes and special assessments (irregularities, in the levy or assessment of said taxes being expressly waived), and all such payments with interest thereon at the highest legal rate from time of payment shall be a lien against said premises.

6. **ACCELERATION OF MATURITY AND RECEIVERSHIP:** And it is agree that if default shall be made in the payment of said note, or any part of the interest thereon, or any other advance or obligation which may be secured hereby or any agreed protective disbursement, such as taxes, special assessments, insurance and repairs, or if Mortgagors shall suffer or commit waste on or to said security, or if there shall be a failure to comply with any and every condition of this mortgage, then, at the option of the Mortgagee, said note and the whole of the indebtedness secured by this mortgage, including all payments for taxes, assessments or insurance premiums, shall become due and shall become collectible at once by foreclosure or otherwise after such default or failure, and without notice of broken conditions; and at any time after the commencement of any action in foreclosure, or during the period of redemption, the court having jurisdiction of the case shall, at the request of the Mortgagee, appoint a receiver to take immediate possession of said property, and of the rents and profits accruing therefrom, and to rent or cultivate the same as he may deem best for the interest of all parties concerned, and shall be liable to account to said Mortgagors only for the net profits, after application of rents, issues and profits upon the costs and expenses of the receivership and foreclosure and the indebtedness, charges and expenses hereby secured and herein mentioned. And it is hereby agreed, that after any default in the payment of either principal or interest, such sums in default secured by this mortgage shall draw interest at the highest legal rate.

**EXECUTION**

Dated this 4<sup>th</sup> day of February, 2005, at Winterset, Iowa

Borrower acknowledges receipt of a copy of this instrument.

SIGNATURE <u>Armand Cason</u>	SIGNATURE <u>Mary Cason</u>
<u>Armand Cason</u>	<u>Mary Cason</u>

**STATE OF IOWA, COUNTY OF ADAIR**

BE IT KNOWN, that on this 4<sup>th</sup> day of February A.D. 2005, before me the undersigned, a Notary Public in and for the County and State aforesaid, came Armand and Mary Cason, to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereto set my hand and notary seal, the day and year last written above.

MY APPOINTMENT EXPIRES: 4-25-06

Douglas A. Davidson  
NOTARY PUBLIC

