



# 2007 Pilot Homeowner Rehabilitation Program Agreement

This 2007 Pilot Homeowner Rehabilitation Program Agreement (“Agreement”) is made as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and among the FEDERAL HOME LOAN BANK OF PITTSBURGH, a corporation organized and existing under the laws of the United States of America, and having its principal place of business at 601 Grant Street, Pittsburgh, Pennsylvania 15219 (“FHLBank”), \_\_\_\_\_, a \_\_\_\_\_, and having a place of business at \_\_\_\_\_ (the “Member”), and \_\_\_\_\_, a \_\_\_\_\_, and having a place of business at \_\_\_\_\_ (the “Sponsor”).

## BACKGROUND

FHLBANK has established the 2007 Pilot Homeowner Rehabilitation Program (the “Pilot Program”) to provide funds to its members to assist qualified sponsors to offer rehabilitation assistance to qualified homeowners. The Member and the Sponsor have agreed to participate in the Pilot Program.

## OPERATIVE PROVISIONS

NOW, THEREFORE, intending to be legally bound hereby, incorporating the above-defined terms herein, in consideration of the foregoing and the mutual covenants herein contained, and for further good and valuable consideration, the FHLBank, the Member and the Sponsor (sometimes referred to individually, a “Party” or collectively, the “Parties”) agree as follows:

1. **AHP Regulations.** Pursuant to Section 10(j) of the Federal Home Loan Bank Act (12 U.S.C. 1430(j)) (the “Act”) and the regulations promulgated by the Federal Housing Finance Board (the “Finance Board”) thereunder at 12 C.F.R. Part 951, and the policies and procedures established by the Finance Board in connection therewith (collectively, the “AHP Regulations”). The Pilot Program is offered subject to requirements of the Act and the provisions of the AHP Regulations, which are incorporated by reference thereto into this Agreement. To the extent that the AHP Regulations are amended from time to time, this Agreement is deemed to incorporate such amendments to conform to any new requirements of such amendments. However, no such amendment shall affect the legality of actions taken prior to the effective date of such amendment.
2. **Pilot Program Guidebook.** The Pilot Program shall be operated in accordance with FHLBank’s 2007 Pilot Homeowner Rehabilitation Program Guidebook (the “Guidebook”). The Guidebook, as may be amended, modified, or supplemented from time to time by FHLBank, in its sole discretion, is incorporated herein by reference thereto. Any reference to this Agreement shall be a reference to this Agreement and the Guidebook. All capitalized terms used but not elsewhere defined herein shall have the respective meanings ascribed to such terms in the Guidebook. The Member and the Sponsor hereby acknowledge receipt of the Guidebook. All interpretations of the Guidebook and any other decisions regarding the Pilot Program shall be made by the FHLBank in its sole discretion and shall be final and binding on the Member and Sponsor.
3. **General Requirements of Participation.** Participation in the Pilot Program is subject to compliance by the Member and the Sponsor with all the terms, conditions and procedures set forth in this Agreement.
4. **Retention.**
  - (a) The term “Retention Period” means five (5) years from the date a retention agreement or mechanism as described in subparagraph (b) below is executed by a homeowner receiving funds under the Pilot Program (a “Homeowner”).
  - (b) The Member shall ensure, and the Sponsor agrees, that each housing unit that is rehabilitated under the Pilot Program shall be subject to a deed restriction or other legally enforceable retention agreement or mechanism, consistent with the AHP Regulations and this Agreement, and requiring at a minimum, that: (i) the FHLBank or its designee be given notice of any sale or refinancing of the unit occurring prior to the end of the Retention Period; (ii) in the case of a sale of the unit prior to the end of the Retention Period, an amount equal to a pro rata share of the rehabilitation assistance received by the Homeowner (“Rehabilitation Assistance”), reduced for every year the Homeowner owned the unit, be repaid to the FHLBank from any net gain realized upon the sale, after deduction for sales expenses, unless the unit is purchased by a very low-, low- or moderate-income household, as such term is defined at Section 951.1 of the AHP Regulations; (iii) in the case of a refinancing of the unit prior to the end of the Retention Period, an amount equal to a pro rata share of the Rehabilitation Assistance, reduced for every year the Homeowner owned the unit, be repaid to the FHLBank from any net gain realized upon the refinancing, unless, following the refinancing, the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, incorporating the requirements of clauses (i), (ii), and (iii) of this subparagraph (b); and (iv) the obligation to repay the Rehabilitation Assistance to the FHLBank shall terminate after any foreclosure.
  - (c) In the event that a housing unit that is rehabilitated under the Pilot Program is sold or refinanced prior to the end of the Retention Period and repayment of the Rehabilitation Assistance is required pursuant to this Paragraph 4 and the AHP Regulations, then the Repayment and Recovery Provisions set forth in Paragraph 5 hereinbelow shall apply. If due to circumstances that are not a result of an action or omission of the Member, a unit goes into foreclosure or another form of noncompliance occurs prior to the end of the unit’s Retention Period, the Member shall be required to recover and repay to the FHLBank only that

amount of the Rehabilitation Assistance that the Member can recover through reasonable collection efforts. If a unit in the Pilot Program goes into foreclosure or another form of noncompliance occurs due to an action or omission of the Member, then the Repayment and Recovery Provisions of Paragraph 5 hereinbelow shall apply.

- (d) Any repayments of Rehabilitation Assistance received by the Member or the Sponsor shall be paid forthwith to the FHLBank.

## 5. Repayment and Recovery Provisions.

### (a) *Noncompliance by Member*

The Member shall repay that portion of the Rehabilitation Assistance to the FHLBank, plus interest as conclusively determined by the FHLBank consistent with this Agreement that, as a result of the Member's actions or omissions, is not used in compliance with the terms of this Agreement or the requirements of the AHP Regulations, unless such noncompliance is cured by the Member within a reasonable period of time, as determined by the FHLBank, or the circumstances of such noncompliance are eliminated through an approved modification of the application for such Rehabilitation Assistance.

### (b) *Noncompliance by Sponsor*

The Sponsor shall repay to the FHLBank that portion of the Rehabilitation Assistance, plus interest as conclusively determined by the Bank consistent with this Agreement that, as a result of the Sponsor's actions or omissions, is not used in compliance with the terms of this Agreement or the requirements of the AHP Regulations, unless such noncompliance is cured by the Sponsor within a reasonable period of time, as determined by the FHLBank, or the circumstances of such noncompliance are eliminated through an approved modification of the application for such Rehabilitation Assistance. The Member agrees to make reasonable collection efforts to recover such repayment obligations from the Sponsor, if necessary. For purposes of this subparagraph, however, where the obligation to repay the Rehabilitation Assistance arises solely as a result of the Sponsor's actions or omissions, the Member shall not be obligated to the FHLBank for the return of the amount of the Rehabilitation Assistance that cannot be recovered from the Sponsor through reasonable collection efforts made by the Member. The Member agrees to report in writing to the FHLBank the reasonable collection efforts made by the Member.

- 6. **Documentation.** The Member and the Sponsor shall provide to FHLBank any documents related to the Pilot Program requested by the FHLBank.

- 7. **Representations and Warranties of the Member.** The Member hereby represents and warrants to FHLBank as follows:

- (a) **Existence and Power.** The execution and delivery of this Agreement and compliance by the Member with all provisions of this Agreement (i) are within the power and authority of the Member, and (ii) have been duly authorized by all requisite corporate proceedings. This Agreement has been duly executed and delivered by the Member and constitutes a valid and binding agreement of the Member, enforceable in accordance

with its terms, except as such enforceability may be limited by laws affecting the rights of creditors generally or by principles of equity.

- (b) **Authority.** The execution and delivery of this Agreement shall not conflict with or result in a breach of the terms, conditions or provisions of, give rise to a right of termination under, constitute a default under, or result in any violation of its Articles of Incorporation or Association, bylaws, or similar instruments or any mortgage, agreement, contract, instrument, order, judgment, decree, or current statute, law, rule or regulation to which the Member or any of its respective assets is subject.

- (c) **Compliance with All Laws.** The Member's participation in the Pilot Program is in compliance with all applicable state and federal laws and regulations.

- 8. **Representations and Warranties of the Sponsor.** The Sponsor hereby represents and warrants to FHLBank as follows:

- (a) **Existence and Power.** The execution and delivery of this Agreement and compliance by the Sponsor with all provisions of this Agreement (i) are within the power and authority of the Sponsor, and (ii) have been duly authorized by all requisite corporate proceedings. This Agreement has been duly executed and delivered by the Sponsor and constitutes a valid and binding agreement of the Sponsor, enforceable in accordance with its terms, except as such enforceability may be limited by laws affecting the rights of creditors generally or by principles of equity.

- (b) **Authority.** The execution and delivery of this Agreement shall not conflict with or result in a breach of the terms, conditions or provisions of, give rise to a right of termination under, constitute a default under, or result in any violation of its Articles of Incorporation or Association, bylaws, or similar instruments or any mortgage, agreement, contract, instrument, order, judgment, decree, or current statute, law, rule or regulation to which the Sponsor or any of its respective assets is subject.

- (c) **Compliance with All Laws.** The Sponsor's participation in the Pilot Program is in compliance with all applicable state and federal laws and regulations.

## 9. Miscellaneous.

- (a) **Indemnification by Member.** The Member agrees to indemnify and hold FHLBank harmless for any and all losses, liabilities, damages, claims, costs, and expenses, including, without limitation, attorneys' fees, incurred or suffered by FHLBank for any breach of this Agreement by the Member or the willful misconduct or negligence of the Member in the performance of its obligations or responsibilities under this Agreement or its reckless disregard of such obligations or responsibilities. Such defense shall be conducted by legal counsel acceptable to FHLBank.

- (b) **Indemnification by Sponsor.** The Sponsor agrees to indemnify and hold FHLBank harmless for any and all losses, liabilities, damages, claims, costs, and expenses, including, without limitation, attorneys' fees, incurred or suffered by FHLBank for any breach of this Agreement by the Sponsor or the willful misconduct or negligence

of the Sponsor in the performance of its obligations or responsibilities under this Agreement or its reckless disregard of such obligations or responsibilities. Such defense shall be conducted by legal counsel acceptable to FHLBank.

- (c) Notices. Any notice required under this Agreement shall be in writing and deemed sufficiently delivered when: (i) sent by certified United States mail, postage paid, return receipt requested, (ii) delivered in person, (iii) sent by telefacsimile transmission, (iv) sent by telegram or telex or (v) sent by electronic mail (e-mail) with a hard copy confirmation, and, if not otherwise specified, shall be directed by the Parties hereto at the addresses set forth below:

If to the Member:

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

Facsimile: ( ) \_\_\_\_\_  
e-mail: \_\_\_\_\_  
Attn: \_\_\_\_\_  
Title: \_\_\_\_\_

If to the Sponsor:

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

Facsimile: ( ) \_\_\_\_\_  
e-mail: \_\_\_\_\_  
Attn: \_\_\_\_\_  
Title: \_\_\_\_\_

If to FHLBank:

Federal Home Loan Bank of Pittsburgh

601 Grant Street

Pittsburgh, PA 15219-4455

Facsimile: (412) 288-4578

e-mail: \_\_\_\_\_

Attn: Community Investment Department

Any Party hereto may change the individual(s) or addresses listed hereinabove from time to time by written notice from an authorized individual of such Party to the other Parties hereto.

- (d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of each of the Parties hereto.
- (e) Governing Law. This Agreement shall be governed by the statutory and common law of the United States and, to the extent federal law incorporates or defers to state law or is not applicable, the laws (exclusive of the choice of law provisions) of the Commonwealth of Pennsylvania, including, without limitation, the Uniform Commercial Code in effect in said Commonwealth.
- (f) Amendments. The Parties hereto may from time to time enter into agreements amending, modifying or

supplementing this Agreement or changing the rights of Parties under this Agreement, and FHLBank may from time to time grant waivers or consents to a departure from the due performance of the obligations of the Parties under this Agreement. Any such agreement, waiver or consent must be in writing and shall be effective only to the extent specifically set forth in such writing.

- (g) Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed an original, but all of which taken together shall be one and the same instrument.
- (h) Telefacsimile Execution. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of a manually executed counterpart of this Agreement. Any Party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver a manually executed counterpart of this Agreement, but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability or binding effect of this Agreement.
- (i) Waivers. The respective rights and remedies of each Party hereto are cumulative, and no exercise or enforcement by any Party of any right or remedy hereunder shall preclude the exercise or enforcement by such Party of any other right or remedy hereunder, or which such Party is entitled by law to enforce. Any Party may waive any obligation of, or restriction upon, the other Parties hereto only in writing. No failure, refusal, neglect, delay, waiver, forbearance or omission of any Party to exercise any right under this Agreement or to insist upon full compliance by the other Parties with their obligations hereunder shall constitute a waiver of any provision of this Agreement.
- (j) Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.
- (k) Assignment. No Party hereto may assign this Agreement nor assign or delegate any right or obligation provided for hereunder, without the express prior written consent of the other Parties hereto, which consent shall not be unreasonably withheld. Any and all purported assignments without said written consent shall be null and void ab initio.
- (l) Relationship of the Parties. No Party hereto shall have any obligation or responsibility to the other Parties hereto except as specifically stated herein. It is the intention of the Parties hereto that this Agreement does not create a joint venture or partnership among the Parties, but rather constitutes a contractual arrangement among them.
- (m) Termination. Any Party to this Agreement may terminate its participation in the Pilot Program at any time by giving thirty (30) days' prior written notice to the other Parties hereto. If FHLBank terminates this Agreement, FHLBank shall remain obligated to fund any Rehabilitation Assistance that was approved but not yet funded by FHLBank prior to the termination date. Notwithstanding any termination hereunder, all

obligations of indemnification, reimbursement and the like set forth in this Agreement, including, without limitation, those set forth in Paragraph 9(a) and (b) hereof, shall survive the termination hereof.

- (n) Access to Records. FHLBank may from time to time request that the Member or the Sponsor allow the inspection of any of the books and records of the Member or the Sponsor, respectively, pertaining to this Agreement and the Member and the Sponsor shall allow such inspections and access to their books and records at reasonable times during their normal business hours and

upon reasonable terms without disruption to their normal business operations.

- (o) Entire Agreement. This Agreement constitutes the entire agreement among the Parties hereto and supersedes any and all prior agreements or understandings, verbal or written, among the parties with respect to the subject matter hereof.
- (p) Headings. The headings appearing at the beginning of each Paragraph of this Agreement are for convenience only and shall not in any way affect the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date and year first above written.

**FEDERAL HOME LOAN BANK OF PITTSBURGH**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
(Member)

\_\_\_\_\_  
(Sponsor)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_