

**SAMPLE PENNSYLVANIA MORTGAGE FOR USE IN 2007 PILOT HOMEOWNER
REHABILITATION PROGRAM
SUBJECT TO ANY ADDITIONAL STATE LAW REQUIREMENTS.**

Remove this notice before executing and recording this document.

**PLEASE CONSULT LEGAL COUNSEL TO ENSURE FULL COMPLIANCE WITH
RECORDING AND OTHER REQUIREMENTS OF STATE LAW. BY PROVIDING
YOU WITH THIS DOCUMENT, THE FEDERAL HOME LOAN BANK OF
PITTSBURGH IS IN NO WAY PROVIDING LEGAL ADVICE OR MAKING ANY
REPRESENTATION AS TO THE EFFECTIVENESS OF THE DOCUMENT.**

GENERAL TERMS

The Rehabilitation Assistance being secured by this Mortgage has been made pursuant to the Federal Home Loan Bank Act, 12 U.S.C. 1421 et seq., and the Affordable Housing Program regulations issued thereunder, 12 C.F.R. Part 951 as well as the policies, procedures, and guidelines of the 2007 Pilot Homeowners Rehabilitation Program of the FHLBank, as each may be amended from time to time.

NOTICE OF SALE OR REFINANCING

Homeowner shall notify the Lender if the Homeowner sells or refinances the Property during the 5-year term of the Note ("Retention Period").

In the case of a sale of the Property prior to the end of the Retention Period, an amount equal to a pro rata share of the Rehabilitation Assistance received by the Homeowner, reduced for every year the Homeowner owned the Property, must be repaid to the FHLBank from any net gain realized upon the sale, after deduction for sales expenses, unless the Property is purchased by a very low-, low- or moderate-income household, as such term is defined at Section 951.1 of the AHP Regulations.

In the case of a refinancing of the Property 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 Property, be repaid to the FHLBank from any net gain realized upon the refinancing, unless, following the refinancing, the Property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, incorporating the requirements of this section.

The obligation to repay the Rehabilitation Assistance to the FHLBank shall terminate after any foreclosure.

Any repayments of Rehabilitation Assistance received by the Lender shall be paid forthwith to the FHLBank.

EVENT OF DEFAULT

It shall be an Event of Default if the Lender determines that the Rehabilitation Assistance will not be or was not used for the purposes approved by the Lender, in which case the Rehabilitation Assistance not used in compliance with the approved purposes must be immediately repaid by the Homeowner. The Lender may declare this Mortgage to be in default, and accelerate all outstanding indebtedness, by declaring all sums remaining due under this Mortgage to be immediately due and payable in their entirety, and may institute an action of mortgage foreclosure against the Homeowner, or such other form of civil action as is determined appropriate by the Lender. If it is necessary for the Lender to institute such legal action, the Homeowner agrees that the Homeowner will pay all costs and reasonable attorney's fees actually incurred by the Lender.

PRESERVATION AND MAINTENANCE OF PROPERTY

The Homeowner shall maintain the Property in good repair and shall not commit waste or permit impairment of deterioration of the Property.

TAXES AND INSURANCE

The Homeowner agrees that all real estate taxes, water and sewage charges, and other charges that are levied against the Property will be paid in a timely manner. The Homeowner further agrees that the Homeowner will maintain adequate liability and hazard insurance to protect the Property against risk of loss, and that the Lender will be named as a Mortgagee on any such policy.

In the event that the Homeowner fails to maintain adequate liability and hazard insurance, the Lender may obtain such coverage and add its costs to the amount owed to the Lender by the Homeowner.

REMEDIES CUMULATIVE

All remedies provided in the Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or the Note or afforded by law or in equity, and may be exercised concurrently, independently or successively.

FOREBEARANCE IS NOT A WAIVER

Any forbearance by the Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law shall not be a waiver or preclude the exercise of any such right or remedy at any time.

GOVERNING LAW: SEVERABILITY

This Mortgage shall be governed by the laws of the Commonwealth of Pennsylvania. In the event that any provisions 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 the Mortgage and Note are declared to be severable.

NOTICE

Except for any notice required under applicable law to be given in another manner, (a) any notice to the Homeowner provided for in this Mortgage shall be given by mailing such notice by first class or registered or certified mail addressed to the Homeowner at the Property address or at such other address as the Homeowner may designate by notice to the Lender as provided herein, and (b) any notice to the Lender shall be given by first class or registered or certified mail return receipt requested, to the Lender address stated herein such other address as the Lender may designate by notice to the Homeowner as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to the Homeowner or the Lender when given in the manner designated herein.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Homeowner has executed this Mortgage on the day and year first above written.

WITNESS:

(Homeowner)

(Homeowner)

COMMONWEALTH OF PENNSYLVANIA :
 : SS
COUNTY OF _____ :

On this, the _____ day of _____, 20____, before me
_____ the undersigned officer, personally appeared
_____, known to me (or satisfactorily proven) to be the person
whose name(s) is (are) subscribed to within instrument and acknowledged that _____ executed the
same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public (SEAL)