

**SAMPLE NOTE FOR USE IN 2007 PILOT HOMEOWNER REHABILITATION
PROGRAM**

Remove this notice before executing 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.

NOTE

DATE: «close_date»

HOMEOWNER'S PROMISE TO PAY

FOR VALUE RECEIVED, «Homeowner_name(s)» (“Homeowner”), residing at «property_address», «property_city», «property_state» (“Property”) promises to pay to the order of «lender_name» (“Lender”), maintaining offices at «headquarters_street_address», «headquarters_city_state_zip», «rehabilitation_assistance_amount» Dollars (“Rehabilitation Assistance”) in lawful money of the United States of America, which is the amount of the Rehabilitation Assistance that the Homeowner received from the Lender through the Federal Home Loan Bank of Pittsburgh (“FHLBank”) 2007 Pilot Homeowner Rehabilitation Program.

INTEREST

No interest shall accrue on the Rehabilitation Assistance.

PAYMENTS; PREPAYMENTS PERMITTED

Homeowner shall make all payments hereunder at such address as the Lender may provide to the Homeowner. The Homeowner may repay the Rehabilitation Assistance, in whole or in part, at any time without penalty.

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.

NOTICE OF SALE OR REFINANCING

Homeowner shall notify the Lender if the Homeowner sells or refinances the Property, which secures this Note, 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.

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.

FORGIVENESS

The Homeowner hereby acknowledges and understands that the Rehabilitation Assistance must be used to rehabilitate the Homeowner’s Property, which is used as the Homeowner’s primary residence. Provided that the proceeds from the Rehabilitation Assistance are used for the approved purposes set forth herein, and no Event of Default has occurred, the Rehabilitation Assistance will be forgiven at the expiration of the Retention Period and no payment will be due on the Rehabilitation Assistance.

CHANGES IN TERMS

This Note 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.

WAIVERS

All parties to the Note, whether maker, principal, surety, guarantor, or endorser, hereby waive demand, notice, and protest.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the date and year above set forth.

Homeowner

Homeowner