



## FFD Real Estate Retention Agreement

---

FHLBank Pittsburgh has changed its policy on how to secure the required First Front Door (FFD) retention agreement. The only acceptable document to secure this agreement is the First Front Door Real Estate Retention Agreement, which is included on the following pages. FFD mortgages and notes or FFD riders will no longer be accepted.

This Retention Agreement is all-encompassing and will be the only documentation required to secure the FFD grant subsidy.

- The Retention Agreement must be completed by the member financial institution, executed by the borrower(s) and recorded as its own document
- The Retention Agreement does not require an additional note
- The Retention Agreement does not require the member's signature
- The Retention Agreement does not create an additional lien on the property, this real estate encumbrance is a deed restriction

FFD is one of FHLBank's community dividends - community grant and financing products that are funded by Bank cooperative activity and available as a benefit to member institutions. If you have questions about the FFD program, please contact Community Investment at 800-288-3400, option 4, or [firstfrontdoor@fhlpgh.com](mailto:firstfrontdoor@fhlpgh.com).

FFD Project # \_\_\_\_\_

## FFD Real Estate Retention Agreement Federal Home Loan Bank of Pittsburgh

This Real Estate Retention Agreement (this "**Agreement**") is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ (whether one or more than one, the "**Borrower**"), in favor of \_\_\_\_\_ ("**Lender**") having an office at \_\_\_\_\_.

### **Recitals:**

---

- A. Borrower acquired that certain real property located in the [City/Town/Township, etc.] of \_\_\_\_\_, County of \_\_\_\_\_, [State/Commonwealth] of \_\_\_\_\_, more commonly referred to as [insert mailing address] \_\_\_\_\_, and more particularly described in **Exhibit "A"** attached hereto and made a part hereof (the "**Property**") at a closing held on \_\_\_\_\_, 20\_\_\_\_ (the "**Closing Date**").
- B. In conjunction with its acquisition of the Property, the Borrower received direct subsidy funds from the Federal Home Loan Bank of Pittsburgh's ("**FHLBank Pittsburgh**") First Front Door Program in the amount of \$ \_\_\_\_\_ (the "**FFD Grant**") through the Lender.
- C. In consideration of the receipt of the FFD Grant, and in conformity with regulations of the Federal Housing Finance Agency (found at 12 C.F.R., Subchapter E, Part 1291) (as the same may be amended from time to time, the "**FHFA Regulations**") governing FHLBank Pittsburgh's First Front Door Program, the Borrower agrees to execute this Agreement.

**NOW THEREFORE**, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound hereby, the Borrower by this Agreement, agrees to be bound by the following terms contained herein.

1. **Borrower Agreement to Maintain Ownership.** Borrower hereby agrees to maintain ownership and residence in the Property as his primary residence during the Retention Period.
2. **Term and Termination.**
  - a. **Term.** The term of this Agreement shall last for a period of five (5) years from the Closing Date ("**Retention Period**"), unless earlier terminated pursuant to Section 2(c) below.
  - b. **Termination at the End of the Retention Period.** At the end of the Retention Period, this Agreement shall automatically terminate by its own terms, without any further action by the Lender or FHLBank Pittsburgh. In furtherance of the foregoing, any sort of title encumbrance, lien, or other right of the Lender or FHLBank Pittsburgh arising from this Agreement shall terminate at the close of the Retention Period.
  - c. **Termination Upon Foreclosure Event.** This Agreement shall automatically terminate by its own terms and without any further action by the Lender or FHLBank Pittsburgh upon the occurrence of any of the following events (each, a "**Foreclosure Event**"): (i) any event of foreclosure; (ii) transfer of the Property by a deed-in-lieu of foreclosure; (iii) an assignment of the first mortgage on the Property to the Secretary of HUD (assuming the FFD Grant is used in conjunction with FHA financing); or (iv) the death of the Borrower (or all Borrowers, if more than one).
3. **Effect of Sale, Transfer, Assignment of Title or Deed, or Refinancing During Retention Period.**
  - a. **Generally.** In the case of a sale, transfer, assignment of title or deed of the Property by the Borrower (collectively, "**Transfers**") or refinancing of the Property by the Borrower ("**Refinance**"); and collectively with the Transfers, "**Transfer Events**") prior to the end of the Retention Period, an amount equal to the lesser of (i) the FFD Grant, reduced on a pro rata basis per month until the occurrence of the Transfer Event during the Retention Period; or (ii) any net proceeds from the Transfer Event, as applicable, minus the Borrower's investment in the Property shall be repaid to FHLBank Pittsburgh (the "**Recapture**").

- b. **Exceptions for Transfer Events.** Notwithstanding subsection 4(a), no Recapture shall be due upon a Transfer Event so long as (i) the Property was assisted with a permanent mortgage loan funded by an Affordable Housing Program subsidized advance; (ii) the subsequent purchaser, transferee, or assignee is a low- or moderate-income household as determined by FHLBank Pittsburgh; or (iii) the amount of the Recapture, calculated in accordance with Section 3(a) is \$2,500 or less.
  - c. **Additional Exception for Refinance.** Notwithstanding subsection 4(a), no Recapture shall be due upon a Refinance so long as the Property continues to be subject to this Agreement (or some other deed restriction or other legally enforceable retention agreement or mechanism substantively similar to this Agreement, as determined in FHLBank Pittsburgh's sole discretion) after the Refinance.
4. **Notice of Transfer Event to Lender and FHLBank Pittsburgh.** FHLBank Pittsburgh, whose mailing address is "601 Grant Street, Pittsburgh, PA 15219, Attention: Community Investment Department," and the Lender are to be given immediate written notice of any Transfer Event of the Property occurring prior to the end of the Retention Period.
5. **Further Cooperation by the Borrower.** Borrower acknowledges that FHLBank Pittsburgh or the Lender may require/request additional documentation for various reasons during the Retention Period (including without limitation in connection with a Transfer Event or Foreclosure Event). In connection therewith, the Borrower agrees to timely provide any and all documentation requested by FHLBank Pittsburgh or the Lender to FHLBank Pittsburgh or the Lender (as the case may be) during the Retention Period.

[Remainder of Page Intentionally Left Blank.]

**IN WITNESS WHEREOF**, the Borrower(s) have executed this Agreement as of the date and year first written above.

Witness:

\_\_\_\_\_  
Borrower Name

\_\_\_\_\_  
Borrower Name

**ACKNOWLEDGMENT:**

STATE/COMMONWEALTH OF \_\_\_\_\_ )

) ss:

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_ (name(s) of individual(s)), known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

\_\_\_\_\_  
Signature (notary public)

\_\_\_\_\_  
Typed or Printed Name

My Commission Expires: \_\_\_\_\_

**EXHIBIT "A"**