

**Sarasota Office of Housing & Community Development**

111 S. Orange Ave.

Sarasota, Florida 34236

Telephone: (941) 951-3640 ext. \_\_\_\_\_

FAX: (941) 951-3647

**Neighborhood Stabilization Loan Checklist**

ATTN:  
FAX #/EMAIL:  
NAME OF APPLICANT:

DATE:  
FROM:

In order to process the loan, we need the following documents, **fully executed**, and either MAILED or DELIVERED at least **SEVEN BUSINESS DAYS** prior to the scheduled closing. **If an X or date appears before the listed item, it has been received and does not need to be resent.**

**RCVD**

**ITEMS NEEDED**

- \_\_\_\_\_ Completed & signed BORROWER'S SUMMARY SHEET **(ORIGINAL)**
- \_\_\_\_\_ Completed & signed SUPPLEMENTAL APPLICATION FORM **(ORIGINAL)**
- \_\_\_\_\_ NSP Shared Appreciation Mortgage Disclosure **(If applicable)**
- \_\_\_\_\_ Applicant Release and Consent – **Signed by all household members 18 and over**
- \_\_\_\_\_ Please provide us with **your** minimum program borrower contribution/down payment requirements (Minimum of \$2,000 including prepaids)
- \_\_\_\_\_ First Mortgage Underwriting Approval (if FHA - BASE LOAN AMOUNT: \$ \_\_\_\_\_)
- \_\_\_\_\_ Down payment Assistance \$ \_\_\_\_\_
- \_\_\_\_\_ Closing Date: Anticipated \_\_\_\_\_
- \_\_\_\_\_ Name of Title Company & contact name and phone number:  
Name: \_\_\_\_\_ Contact: \_\_\_\_\_ Phone: \_\_\_\_\_ Fax: \_\_\_\_\_
- \_\_\_\_\_ Mortgagees title commitment for \$ \_\_\_\_\_ **second mortgage** (mortgagee clause: City of Sarasota, a Municipal Corporation or Sarasota County Government, a political subdivision)
- \_\_\_\_\_ Good Faith Estimate (signed)
- \_\_\_\_\_ Income Verification (**all household members**) Verification of Employment or Processors Verbal Verification and Paystubs
- \_\_\_\_\_ Uniform Residential Loan Application (signed)
- \_\_\_\_\_ Verification of Assets (Min. 1 month bank statement on all asset accounts)
- \_\_\_\_\_ Soc.Sec.cards or birth certificates for **all** household members
- \_\_\_\_\_ Rate lock (not to exceed 1.5% over FNMA/FHLMC 60 day delivery rate – ARM, prepayment penalty, negative amortization and balloon mortgages are not eligible)

**If the closing date changes or you cannot provide the above information 14 business days prior to closing, please call the office listed above.**

**48 HOURS IN ADVANCE OF CLOSING WE WILL NEED A HUD 1 CLOSING STATEMENT AND THE FOLLOWING FOR REVIEW BY OUR OFFICE.**

We will not be able to meet your closing date without this information being received by this office within this time frame.

\_\_\_\_\_ Proof of attendance by applicants of a qualified Community Homebuyers Course **(8 hrs. required)**

\_\_\_\_\_ Certificate of Homeowners Insurance - **(2nd lien holder) City of Sarasota or Sarasota County**

c/o Sarasota Office of Housing & Comm Dev  
111 S. Orange Ave., Sarasota, FL 34236

## SARASOTA OFFICE OF HOUSING & COMMUNITY DEVELOPMENT

### ELIGIBILITY REQUIREMENTS NEIGHBORHOOD STABILIZATION PROGRAM

- ❖ Household members must earn at or below 100% of the median income adjusted by family size.
- ❖ Home must be located in Sarasota County.
- ❖ Must attend an 8 hour qualified Community Homebuyer Class presented by a HUD approved counseling service prior to receiving assistance.
- ❖ Must contribute a minimum of \$2,000 (including pre-paid expenses) toward the purchase of the home.
- ❖ The applicant must be a U.S. Citizen or a Permanent Resident Alien.
- ❖ The applicant must live in the home receiving assistance within 30 days after closing.
- ❖ Homebuyers agree to reside in the home as their primary residence or repay the loan in full plus a portion of the net appreciation in value.
- ❖ The interest rate will be 0% and deferred until sale of property, transfer of property, property no longer owner occupied or 30 years. No monthly payment is required.
- ❖ The applicant must have qualified for a first mortgage loan from a mortgage lender to purchase the home under contract.
- ❖ Lender may not impose a rate that exceeds 1.5% over FNMA or FHLMC 60-day delivery rate.
- ❖ Mortgage must be a fixed rate, no ARM's, no pre-payment penalty, no negative amortization or balloon mortgages. Acceptable financing: Bond, conventional, lender portfolio and FHA. Owner financing is not allowed.
- ❖ Mortgagee Title Commitment and Title Policy for the amount of the Second Mortgage (mortgagee clause: Sarasota County Government, a political subdivision, State of Florida or City of Sarasota, a municipal corporation).
- ❖ Income is based on **anticipated** gross income to be received by all members of the household for the next twelve month period (excluding income of children under the age of 18).

Return or Deliver to:  
Sarasota Office of  
Housing & Community Development  
Neighborhood Stabilization Program  
P O Box 1058  
Sarasota, FL 34230-1058  
(941) 951-3640  
(941) 951-3647 FAX

## Borrower's Summary Sheet

1. LenderName: \_\_\_\_\_ Phone #: \_\_\_\_\_

Lender e-Mail Address \_\_\_\_\_

2. Lender's Representative: \_\_\_\_\_ Fax #: \_\_\_\_\_

3. Borrower's Name(s): \_\_\_\_\_ Married: Yes No

Borrowers Address \_\_\_\_\_

Borrower's Phone (daytime) \_\_\_\_\_

4. Address of Property to be purchased: \_\_\_\_\_

Street Address

City

State

Zip

5. Property Type: Single Family Condo Villa Existing

6. First time homebuyer: Yes No Household Size: \_\_\_\_\_

7. Number of Adults in household: \_\_\_\_\_ Number of Children in household: \_\_\_\_\_

8. DPA Loan Amount Requested: \$ \_\_\_\_\_ Household gross income: \$ \_\_\_\_\_

9. Are you currently residing in subsidized housing Yes No

10. Race of the Head of Household:

White

Native Hawaiian/Pacific Island

American Indian & Black

Black/African American

American Ind. & White

Other Multi Racial

Asian

Asian & White

Asian/Pac. Isl.

Amer. Indian/Alaskan

Black & White

Ethnicity - Hispanic \_\_\_\_\_yes) \_\_\_\_\_no)

11. Please mark the appropriate box if any member of the household is:

Farm worker  Developmentally Disabled  Homeless  Elderly  Other

12. Name and number of Closing Agent: Name: \_\_\_\_\_ Phone #: \_\_\_\_\_

13. Anticipated closing date: \_\_\_\_\_

**By signing below, I/we certify the above information is true to the best of my/our knowledge.**

Borrower's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Co-Borrower's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**SARASOTA OFFICE OF HOUSING & COMMUNITY  
DEVELOPMENT**

**SUPPLEMENTAL APPLICATION FORM**

**PART 1: APPLICANT DATA**

Names of all Household Members	Relationship	Birth Date/Age
1.	Borrower	
2.	Co-Borrower	
3.		
4.		
5.		
6.		
7.		
8.		

**PART 2: ASSET INFORMATION**

Household Member	Asset Description	Total Cash Value	Income From Assets
Total Net Value of Assets		2(a)\$	
Total Actual Asset Income			2(b)\$
If line 2 (a) is greater than \$5,000, multiply that amount by HUD approved passbook rate _____ and enter results in 2 (c); otherwise, leave blank.			2(c)\$

**PART 3: INCOME INCLUSIONS**

<b><i>The following describes common types of income which are included under the HOME and SHIP programs, but which may not be included in the Application form.</i></b>	<b>Yes</b>	<b>No</b>	<b>Amount</b>
Does any member of the household receive alimony or child support payments which were not included in the application form?			\$
Is any member of the household awarded alimony or child support payments that are not being received?			\$
Does the head of the family, spouse or other person whose dependents reside in the housing unit, receive income from being a member of the Armed Forces which was not included in the application form?			\$
Is any household member over the age of 18 a full time student? If so, does the household member receive wages from employment? Enter amount of income received or \$480, whichever is lower.			\$
Are there any household members residing in the unit, over the age of 18, other than the borrower or co-borrower, receiving income from any source?			\$
Does any household member under the age of 18 receive income from interest, dividends or other sources with the exception of income earned from employment?			\$

**PART 4: ANTICIPATED ANNUAL INCOME**

Household Member	Wages/Salaries	Benefits/Pensions	Public Assistance	Other Income	Total Income
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
Total					4(a)\$

**PART 5: TOTAL ELIGIBLE INCOME**

Total Annual Income Other Than Assets - Table 4 - Line 4(a)	\$
Total Asset Income - Table 2 - Enter greater of 2(b) or 2(c)	\$
Total Income - Sum of 2 lines above	\$

**PART 6: CERTIFICATION**

The information on this form is to be used to determine maximum income for eligibility for the HOME and/or SHIP programs. I/we have provided for each person set forth in Part 1 acceptable verification of current anticipated income. I/we certify that the statements are true and complete to the best of my/our knowledge and belief under penalty of perjury.

\_\_\_\_\_  
Signature - Head of Household      Date

\_\_\_\_\_  
Signature - Spouse      Date

# Sarasota Office of Housing And Community Development

P.O. Box 1058 – Sarasota, FL 34230  
Tel. (941) 951-3640 – Fax (941) 951-3648

## APPLICANT RELEASE AND CONSENT

I/We \_\_\_\_\_, the undersigned hereby authorize \_\_\_\_\_, to release without liability, information regarding my/our employment, income, and/or assets to Housing and Community Development for the purposes of verifying information provided as part of the owners assistance NSP Program.

### INFORMATION COVERED

I/We understand that previous or current information regarding me/us may be needed. Verifications and inquiries that may be requested include, but are not limited to: personal identity; employment, income and assets; medical or child care allowances. I/We understand that this authorization cannot be used to obtain any information about me/us that is not pertinent to my eligibility for the NSP program.

### GROUPS OR INDIVIDUALS THAT MAY BE ASKED

The groups or individuals that may be asked to release the above information includes, but are not limited to:

Past and Present Employers	Welfare Agencies	Veterans Administration
Previous Landlords (including Public Housing Agencies)	State Unemployment Agencies	Retirement Systems
Support and Alimony Providers	Social Security Administration	Banks and other Financial Institutions

### CONDITIONS

I/We agree that a photocopy of this authorization may be used for the purposes stated above, the original of this authorization is on file and will stay in effect for a year and one month from the date signed. I/We understand I/We have a right to review this file and correct any information that I/We can provide is incorrect.

### SIGNATURES

_____	_____	_____
Head of Household	(Print Name)	Date
_____	_____	_____
Spouse	(Print Name)	Date
_____	_____	_____
Adult Member	(Print Name)	Date
_____	_____	_____
Adult Member	(Print Name)	Date

NOTE: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, IRS FORM 4506 REQUEST FOR COPY OF TAX FORM MUST BE PREPARED AND SIGNED SEPARATELY.

Prepared by:«loanproc»  
Sarasota Office of Housing & Community Development  
111 S Orange Avenue - P.O. Box 1058  
Sarasota, Florida 34230-1058

NSP

## SECOND MORTGAGE

THIS MORTGAGE DEED, made «closedate», by «name1», «maritalst1», whose post office address is:

«p\_address1», «p\_address2»

("Mortgagor"), in favor of City of Sarasota, a municipality organized and existing under the laws of Florida, ("Mortgagee"), which terms, "Mortgagor" and "Mortgagee" shall include heirs, legal representatives, successors and assigns of said parties.

### RECITALS:

IN CONSIDERATION of the aggregate sum named in the Promissory Note hereinafter described, and other valuable considerations, receipt whereof which is hereby acknowledged, Mortgagor hereby grants, bargains, sells, conveys and confirms unto Mortgagee, in fee simple, all those certain lands, situate, lying and being in Sarasota County, Florida, described as follows:

(Legal Description) «legaldesc»

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This Mortgage is expressly made subject and subordinate to the terms and conditions specified in that certain Mortgage from Mortgagor to «mtg\_lendr1» of even date to the Mortgage.

ANY DEFAULT UNDER THE TERMS OF THE FIRST MORTGAGE SHALL CONSTITUTE A DEFAULT UNDER THE TERMS OF THIS MORTGAGE, AND THE MORTGAGEE HEREIN SHALL HAVE ALL THE RIGHTS AND PRIVILEGES GRANTED TO IT UNDER THE TERMS OF THIS MORTGAGE IN THE EVENT OF SUCH DEFAULT. MORTGAGEE, AT ITS DISCRETION, AND WITHOUT ANY DUTY TO DO SO, MAY CURE ANY DEFAULT IN SAID FIRST MORTGAGE. CURE BY MORTGAGEE OF THE FIRST MORTGAGE SHALL NOT BE CONSTRUED AS A CURE BY MORTGAGOR UNDER THE TERMS OF THIS MORTGAGE.

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THIS MORTGAGE IS GIVEN TO CITY OF SARASOTA AND IS EXEMPT FROM INTANGIBLE TAXATION PURSUANT TO SECTIONS 199.183, FLORIDA STATUTES.

TOGETHER with all and singular the tenements, hereditaments, easements, and appurtenances thereunto belonging or in any wise appertaining, whether now owned or hereafter acquired by Mortgagor;

ALL of the foregoing encumbered by this Mortgage are being collectively referred to herein as the "Premises".

AND Mortgagor covenants with Mortgagee that Mortgagor is indefeasibly seized of the Premises in fee simple and has full power and lawful right to convey the same as aforesaid and that the Premises are free from all encumbrances other than the First Mortgage and this Mortgage; and Mortgagor will make such other and further assurances to perfect the fee simple title to the Premises in Mortgagee as may reasonably be required; and Mortgagor does hereby fully warrant the title to the Premises and will defend the same against the lawful claims of all persons whomsoever.

CONDITIONED, HOWEVER, that if Mortgagor shall pay or cause to be paid to Mortgagee, its successors or assigns, together with such interest as may be provided for in the Promissory Note or by this Mortgage, prior to maturity, the principal sum of «loanamtx» («loanamt»), at final maturity, if not sooner paid, as stated in that certain Promissory Note of even date herewith ("Note"), and if Mortgagor shall fully perform all the covenants, conditions and terms of this Mortgage, then this Mortgage shall be void, otherwise this Mortgage shall remain in full force and effect until the Note is paid in full.

AND Mortgagor covenants with Mortgagee as follows:

1. First Mortgage Modifications. Mortgagee consents to any modifications of the first mortgage, including repayment terms; provided, however, that the principal amount of the first mortgage is not increased.
2. Payment of Indebtedness. Mortgagor shall pay all principal and interest and other sums of money payable according to the terms of the Note and this Mortgage.
3. Taxes and Assessments. Mortgagor shall pay, before they become delinquent, all taxes and assessments of every nature affecting the Premises, and all other charges and encumbrances which now or hereafter are a lien upon the Premises or any part thereof. Notwithstanding the foregoing, Mortgagor shall have the right to contest any tax or assessment made against the Premises provided that Mortgagor shall comply with the appropriate procedures for such contest established by law, ordinance or otherwise.
4. No Waste. Mortgagor will permit, commit or suffer no waste, impairment or deterioration of the Premises and will keep and maintain all improvements now or hereafter on the Premises in sound condition and good repair.
5. Insurance. Mortgagor shall keep the Premises insured for their full insurable value against loss by fire and other losses normally covered by an extended coverage endorsement. All policies of insurance which insure against any loss or damage to the Premises shall provide for loss payable to Mortgagee, without contribution by Mortgagee, pursuant to mortgagee clauses satisfactory to Mortgagee.
6. Right to Cure. In the case of any breach hereunder by Mortgagor, Mortgagee may, at its option, and after at least ten (10) days' notice to Mortgagor, expend any sums necessary to cure such default, and all sums so expended shall be secured by this Mortgage and shall bear interest at the rate of twelve percent (12%) per annum.
7. Acceleration. The whole of the indebtedness hereby secured shall become due and payable, at the option of Mortgagee, (i) after default in the performance of any covenant herein, which

default remains uncured for fifteen (15) days after notice of said default, or (ii) upon institution of foreclosure proceedings of any other mortgage or lien affecting the Premises which is not dismissed within fifteen (15) days thereafter, and this Mortgage may be foreclosed, and all costs and expenses of collection by foreclosure or otherwise, including attorney's fees, shall be paid by Mortgagor and same are secured hereby.

8. Transfer of Premises. In the event the Mortgagor ceases to use the premises as Mortgagor's principal residence, or otherwise transfers, assigns, sells, refinances, mortgages, or in any manner disposes of all or a portion of the Premises, or any interest therein, then at the Mortgagee's option, the whole of the indebtedness secured hereby shall become immediately due and payable and such outstanding indebtedness shall bear interest at the rate of twelve percent (12%) per annum from the date of such cessation of use as Mortgagor's principal residence or transfer, assignment, sale, refinance, mortgage or other conveyance until paid in full. Should the outstanding indebtedness not be satisfied on the date of such transfer, assignment, sale, refinance, mortgage or other conveyance, this Mortgage may be foreclosed, and all costs and expenses of collections by foreclosure or otherwise, including attorney's fees, shall be paid by Mortgagor and secured hereby.

9. Receiver. In the event suit is instituted to foreclose this Mortgage or to enforce payment of the Note, or the performance of any covenant or obligation hereunder, Mortgagee shall be entitled to the appointment of a receiver to take charge of the Premises, to collect the rents, issues and profits there from, and to complete any construction and care for the jurisdiction thereof as a matter of right to the Mortgagee and all rents, profits, incomes, issues and revenues of the Premises are hereby assigned and pledged as further security for payment of the indebtedness hereby secured with the right on the part of Mortgagee at any time after default hereunder, which default remains uncured upon the expiration of any applicable curative period, to demand and receive the same and apply the same on the indebtedness hereby secured.

10. Condemnation. In the event the Premises, or any part thereof, shall be condemned or taken for public use under powers of eminent domain, Mortgagee shall have the right to demand that all money awarded for the appropriation thereof, or damage to the Premises, whether by reason of such condemnation or by agreement of the parties in lieu thereof shall be paid to Mortgagee up to the amount of the outstanding indebtedness of the obligation secured hereby. Such condemnation or application shall not otherwise affect or vary the obligation of Mortgagor to pay the indebtedness.

11. Notice. Any notices permitted or required shall be deemed given when personally delivered or when mailed by certified mail, postage prepaid, return receipt requested, addressed as set forth below or as otherwise designated by written notice given in the same manner:

As to Mortgagor:           «name1»  
                                      «p\_address1»  
                                      «p\_address2»

As to Mortgagee:       City of Sarasota  
                                  Sarasota Housing & Community Development Office  
                                  P O Box 1058  
                                  Sarasota, FL 34230 – 1058

12. Persons Bound. All covenants and stipulations in these presents contained shall bind the heirs, executors and administrators, successors and assigns of Mortgagor and Mortgagee, and shall inure to the benefit of and be available to the successors and assigns of Mortgagor and Mortgagee, as appropriate.

13. Usage. The use of any gender herein shall include all genders, and the word "Mortgagor", if it appears that there is more than one, shall, wherever herein used, be construed in the plural; and all the covenants, agreements and undertakings herein set forth shall be joint and several.

14. Severability. If any provision of this Mortgage shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of the instrument in which such provision is contained, nor the application of the provision to other persons, entities or circumstances, shall be affected thereby, but instead shall be enforceable to the maximum extent permitted by law.

15. Headings. Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Mortgage.

16. Time of Essence. It is specifically agreed that time is of the essence of this mortgage.

17. Insolvency. Should a receiver be appointed for Mortgagor or should Mortgagor become unable to pay its debts as they mature, then this Mortgage and the Note shall become immediately due and payable and Mortgagee shall have the right at its option to immediately foreclose this Mortgage without notice.

18. Applicable Law. This Mortgage shall be governed by, and construed in accordance with, the laws of the State of Florida.

19. Compliance with Laws. Mortgagor warrants and represents that Mortgagor has complied, and shall hereafter comply, with all valid laws, rules, ordinances and regulations of the Federal, state and local government, and all agencies and subdivisions thereof which laws, rules, ordinances and regulations apply or relate to the Premises.

20. Remedies Cumulative. In the event of a default in payments due under the Note which remains uncured for fifteen (15) days after the due date, or in the event of any other default hereunder which remains uncured for fifteen (15) days after notice from Mortgagor to Mortgagee, Mortgagee shall have, in addition to the rights and remedies specified herein, all other rights and remedies provided by law or in the Note. The remedies of Mortgagee, as provided herein or in the Note, shall be cumulative and concurrent, and may be pursued singularly, successively or together, at the sole discretion of Mortgagee, and may be exercised as often as occasion therefore may arise. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent right, remedy or recourse as to a subsequent event.

21. In the event of a foreclosure of the First Mortgage, any provision herein or in any collateral agreement restricting the use of the Property or restricting the Borrower's ability to sell the Property shall have no further force or effect on subsequent owners or purchasers of the Property. Any person, including his successors and assigns (other than the Borrower or a related entity or person to the Borrower), receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the First Mortgage shall receive title to the Property free and clear from such restrictions.

22. If any provision of the Promissory note or the Mortgage conflicts with any provision of the First Note or the First Mortgage, the terms and provisions of the First Note and the First Mortgage shall govern.

23. The maturity date of this Mortgage shall «finalpmt».

IN WITNESS WHEREOF, Mortgagor has duly signed, sealed and executed this instrument in the presence of the subscribing witnesses the day and year first aforesaid.

Signed, Sealed & Delivered  
In the Presence of:

\_\_\_\_\_

Printed Name of Witness

\_\_\_\_\_

Printed Name of Witness

\_\_\_\_\_

«name1»

«p\_address1»

«p\_address2»

STATE OF FLORIDA  
COUNTY OF SARASOTA

The foregoing mortgage was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by «name1» who is/are personally known to me or who has produced

\_\_\_\_\_ as identification and who did (did not) take an oath.

\_\_\_\_\_  
Signature - Notary Public (SEAL)

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

Commission Number \_\_\_\_\_

## SHARED APPRECIATION MORTGAGE RIDER

THIS MORTGAGE RIDER is made «closedate», and incorporated into and shall be deemed to amend and supplement the Mortgage of the same date given by the undersigned, «name1», «maritalst1» (the "Borrower"), to secure Borrower's Promissory Note to City of Sarasota (the "Lender") of the same date and covering the Property described in the Mortgage located at: «p\_address1», «p\_address2».

In addition to the covenants and agreements made in the Mortgage, Borrower and Lender further covenant and agree as follows:

1. At the time the Borrower sells, transfers, no longer lives in the Property, or upon the 30<sup>th</sup> anniversary of the execution of the note and the mortgage, the Borrower must repay the original loan amount and, in addition, a share of appreciation in the value of the Property, if any.
2. For the first 4 years, the amount of appreciation that must be repaid will be the greater of:  
Year 1 – 80% of the Net Appreciation  
Year 2 – 60% of the Net Appreciation  
Year 3 – 40% of the Net Appreciation  
Year 4 – 20% of the Net Appreciation

Or the percentage of the original purchase price provided by the Neighborhood Stabilization Program 2 subsidy. In the event there is no Net Appreciation or Net Appreciation is a negative number, the amount of the original loan will still be due and payable.

Beginning in year five, the amount repaid will be the percentage of the original purchase price provided by the Neighborhood Stabilization Program 2 Subsidy. In the event there is no Net Appreciation or Net Appreciation is a negative number, the amount of the original loan will still be due and payable.

3. The share of appreciation due from the Borrower to the Lender shall be determined using the following formula, which incorporates terms that are defined and described below:

A. Approved Final Value: The value of the Property used by City of Sarasota to establish the Net Appreciation. The Approved Final Value shall be the final contract sales price, unless that price is less than 90 percent of the appraised value as determined by an independent appraiser, in which case the appraised value shall become the Approved Final Value. City of Sarasota may substitute its own, independently-obtained appraisal if it deems that the appraisal furnished by the Borrower does not accurately reflect the market price.

B. Eligible Improvements: Capital Improvements in excess of \$3,000.00 (three thousand dollars) that increase the value of the Property. Eligible Improvements shall not include maintenance items. All Eligible Improvements must be approved by City of Sarasota in advance of construction. The Director of the City of Sarasota Office of Housing and Community Development is authorized to establish a list of improvements

that qualify as Eligible Improvements and to set the method used to value those improvements.

C. Net Appreciation: When the Property is being sold, the Net Appreciation will be the difference between the Approved Final Value and the sum of: 1) the original contract sales price; 2) the Eligible Improvements; and 3) ten percent of the Approved Final Value. When the Property is not being sold, the Net Appreciation will be the difference between the Approved Final Value and the sum of: 1) the original contract sales price; 2) the Eligible Improvements; and 3) five percent of the Approved Final Value.

4. If the home is not sold within the first four years as referenced in Paragraph 2 above, the Borrower shall repay the original loan amount plus a percentage of the Net Appreciation. To determine the percentage of Net Appreciation due, the Borrower shall multiply the Net Appreciation by a fraction, the numerator of which is the principal sum of the Mortgage and the denominator of which is the Property's original contract sales price. The principal sum of the Borrower's Mortgage is «loanamt». The Property's original contract sales price is \$\_\_\_\_\_. Therefore, the percentage of the Net Appreciation that must be repaid by Borrower is \_\_\_\_\_ percent. In the event there is no Net Appreciation or Net Appreciation is a negative number, the amount of the original loan shall still be due and payable.
5. In the event of default by the Borrower pursuant to the terms and conditions of the Mortgage to which this Rider is attached, City of Sarasota may choose to waive its rights pursuant to this Rider for a share of any appreciation in value of the Property.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions in this Mortgage Rider.

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«name1»  
«p\_address1»  
«p\_address2»

PROMISSORY NOTE

DATE: «closedate»

«loanamt»

Sarasota, Florida

FOR VALUE RECEIVED, the undersigned promises to pay to the order of the CITY OF SARASOTA, a municipal corporation of the State of Florida (hereinafter, together with any holder hereof, called "Holder"), at Post Office Box 1058, Sarasota, Florida 34230, or at such other place as Holder may from time to time designate in writing, the principal sum of «loanamt» («loanamt»). This note shall bear interest at 0% per annum except as provided below.

In the event the undersigned ceases to use the real property as undersigned's principal residence, or otherwise transfers, assigns, sells, refinances or in any manner disposes of all or a portion of the property, or any interest therein, which is subject to the Mortgage described below securing this Promissory Note, then the principal amount hereunder shall immediately become due and payable and such outstanding principal shall bear interest at the rate of twelve percent (12%) per annum from the date of such cessation of use as maker's principal residence, transfer, assignment, sale, mortgage, refinance or other conveyance until paid in full.

This Promissory Note may be prepaid in full at any time without penalty.

This Promissory Note and the Mortgage securing payment of this Promissory Note are expressly made subject and subordinate to the terms and conditions specified in that certain Promissory Note of even date herewith made by Mortgagor and secured by that certain Mortgage from Mortgagor to «mtg\_lendr1» also of even date herewith.

Any payment not made when due, shall bear interest at the rate of twelve percent (12%) per annum until paid, and in addition the undersigned will pay Holder a "late charge" equal to five percent of any payment due hereunder which is more than fifteen days past due which shall be for the purpose of reimbursing Holder for out-of-pocket direct expenses incurred by reason of such late payment.

In no event shall the amount of interest due or payments in the nature of interest payable hereunder exceed the maximum rate of interest allowed by applicable law, as amended from time to time, and in the event any such payment is paid by the undersigned or received by Holder, then such excess sum shall be credited as a payment of principal, unless the undersigned shall notify Holder, in writing, that the undersigned elects to have such excess sum returned to it forthwith.

Holder shall have the optional right to declare the amount of the total balance hereof to be due and forthwith payable in advance of the maturity date of any sum due hereunder upon the failure to perform in accordance with any of the terms and conditions of the Mortgage securing this Promissory Note or in the payment of any amount due under this Promissory Note. Upon exercise of this option by Holder, the entire unpaid principal shall bear interest at twelve percent (12%) per annum. Forbearance to exercise this option with respect to any failure or breach of the undersigned shall not constitute a waiver of the right as to any continuing failure or breach or any subsequent failure or breach. Exercise of this option shall be without notice to the undersigned, notice of such exercise being hereby expressly waived.

Time is of the essence in the enforcement of this Promissory Note and, in case this Promissory Note is collected by law or through an attorney at law, or under advice there from, the undersigned agrees to pay all costs of collection, including reasonable attorney's fees.

Reasonable attorney's fees are defined to include, without limitation, all fees incurred in all matters of collection and enforcement, construction and interpretation, before, during and after trial, proceedings and appeals, as well as appearances in and connected with any bankruptcy proceedings or

creditors' reorganization or similar proceedings, and the cost of paraprofessional personnel working under the supervision of an attorney.

The remedies of Holder, as provided herein or in the Mortgage, shall be cumulative and concurrent, and may be pursued regularly, successively or together, at the sole discretion of Holder, and may be exercised as often as occasion therefore shall arise. No act of omission or commission of Holder, including specifically any failure to exercise any right, remedy or recourse, shall be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by Holder and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent right, remedy or recourse as to a subsequent event.

All persons now or at any time liable, whether primarily or secondarily, for the payment of the indebtedness hereby evidenced, for themselves, their heirs, legal representatives, successors and assigns respectively, hereby (a) expressly waive presentment, demand for payment, notice of dishonor, protest, notice of nonpayment or protest, and diligence in collection; (b) consent that the time of all payments or any part thereof may be extended, rearranged, renewed or postponed by Holder hereof and further consent that the collateral security or any part thereof may be released, exchanged, added to or substituted for Holder hereof, without in any wise modifying, altering, releasing, affecting or limiting their respective liability or the lien of any security instrument; and (c) agree that Holder, in order to enforce payment of this Promissory Note, shall not be required first to institute any suit or to exhaust any of its remedies against Maker or any other person or party to become liable hereunder.

This Promissory Note and the instruments securing it have been executed and delivered in, and their terms and provisions are to be governed and construed by the laws of the State of Florida.

If more than one party shall execute this Promissory Note, the term "undersigned", as used herein, shall mean all parties signing this Promissory Note and each of them, who shall be jointly and severally obligated hereunder.

In this Promissory Note, whenever the context so requires, the neutral gender includes the feminine and/or masculine, as the case may be, and the singular number includes the plural.

If any provision of this Promissory Note or the Buyer's Mortgage conflicts with any provision of the First Note or the First Mortgage, the terms and provisions of the First Note and the First Mortgage shall govern.

The maturity date of this Note shall be «finalpmt».

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«name1»  
«p\_address1»  
«p\_address2»

**PROMISSORY NOTE ADDENDUM**  
**FOR SHARE IN APPRECIATED VALUE**

THIS PROMISSORY NOTE ADDENDUM is made «closedate» by and between the undersigned, «name1», (the “Maker”) and City of Sarasota, a municipal corporation, organized and existing under the laws of Florida, (the “Holder”), P.O. Box 1058, Sarasota, Florida 34230, or at such other place as Holder may from time to time designate in writing. This Addendum is hereby incorporated into, and shall be deemed to amend and supplement, the Promissory Note of the same date, secured by the Mortgage of the same date, made payable to the Holder.

In addition to the covenants and agreements made in the Promissory Note, Maker further covenants and agrees to pay to the order of City of Sarasota a share of the appreciated value of the Property, as described in the Shared Appreciation Mortgage Rider attached to the Mortgage, and as described herein:

1. At the time the Maker sells, transfers, no longer lives in the Property, or upon the 30<sup>th</sup> anniversary of the execution of the Promissory Note and the Mortgage, the Maker must repay, in addition to the original loan amount set forth in the Promissory Note, a share of appreciation in the value of the Property, if any.

2. For the first 4 years, the amount of appreciation that must be repaid will be the greater of:

Year 1 – 80% of the Net Appreciation  
Year 2 – 60% of the Net Appreciation  
Year 3 – 40% of the Net Appreciation  
Year 4 – 20% of the Net Appreciation

Or the percentage of the original purchase price provided by the NSP subsidy. In the event there is no Net Appreciation or Net Appreciation is a negative number, the amount of the original loan will still be due and payable.

Beginning in year five, the amount repaid will be the percentage of the original purchase price provided by the Neighborhood Stabilization Program Subsidy. In the event there is no Net Appreciation or Net Appreciation is a negative number, the amount of the original loan will still be due and payable.

3. The share of appreciation due from the Maker to the Holder shall be determined using the following formula, which incorporates terms that are defined and described below:

A. Approved Final Value: The value of the Property used by City of Sarasota to establish the Net Appreciation. The Approved Final Value shall be the final contract sales price, unless that price is less than 90 percent of the appraised value as determined by an independent appraiser, in which case the appraised value shall become the Approved Final Value. City of Sarasota may substitute its own, independently-obtained appraisal if it deems that the appraisal furnished by the Borrower does not accurately reflect the market price.

B. Eligible Improvements: Capital Improvements in excess of \$3,000.00 (three thousand dollars) that increase the value of the Property. Eligible Improvements shall

not include maintenance items. All Eligible Improvements must be approved by City of Sarasota in advance of construction. The Director of the City of Sarasota Office of Housing and Community Development is authorized to establish a list of improvements

that qualify as Eligible Improvements and to set the method used to value those improvements.

C. Net Appreciation: When the Property is being sold, the Net Appreciation will be the difference between the Approved Final Value and the sum of: 1) the original contract sales price; 2) the Eligible Improvements; and 3) ten percent of the Approved Final Value. When the Property is not being sold, the Net Appreciation will be the difference between the Approved Final Value and the sum of: 1) the original contract sales price; 2) the Eligible Improvements; and 3) five percent of the Approved Final Value.

4. If the home has not sold within the first four years as referenced in Paragraph 2, the Maker shall repay the original loan amount plus a percentage of the Net Appreciation. To determine the percentage of Net Appreciation due, the Maker shall multiply the Net Appreciation by a fraction, the numerator of which is the principal sum of the Mortgage and the denominator of which is the Property's original sales contract price. The principal sum of Maker's Mortgage is «loanamt» The Property's original contract sales price is \$\_\_\_\_\_. Therefore, the percentage of the Net Appreciation that must be repaid by Maker is \_\_\_\_\_ percent. In the event there is no Net Appreciation or Net Appreciation is a negative number, the amount of the original loan shall still be due and payable.

BY SIGNING BELOW, Maker accepts and agrees to the terms and provisions in this Promissory Note Addendum.

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«name1»  
«p\_address1»  
«p\_address2»

**NEIGHBORHOOD STABILIZATION PROGRAM  
SHARED APPRECIATION MORTGAGE DISCLOSURE**

Your down payment assistance mortgage will be in the form of a Shared Appreciation Mortgage hereinafter referred to as SAM. Repayment will be deferred until the home is sold, transferred, no longer owner occupied or on the 30<sup>th</sup> anniversary of the execution of the note and mortgage whichever occurs first.

At the time you sell, transfer, no longer live in the property or 30<sup>th</sup> anniversary of the execution of the note and the mortgage, you will be required to repay the original loan amount and in addition, a share of appreciated value of the property, if any.

The SAM repayment will be the original loan amount plus a portion of the net appreciation. The portion of the net appreciation that must be repaid will be the percentage of the original purchase price provided by the Down Payment Assistance Loan. In the event there is no net appreciation, or net appreciation is a negative number, the original loan amount would still be due and payable.

For the first four years, the amount of appreciation that must be repaid will be the greater of:

- Year 1 – 80% of the Net Appreciation
- Year 2 – 60% of the Net Appreciation
- Year 3 – 40% of the Net Appreciation
- Year 4 – 20% of the Net Appreciation

Or the percentage of the original purchase price provided by the Neighborhood Stabilization Program Subsidy. In the event there is no Net Appreciation or Net Appreciation is a negative number, the amount of the original loan will still be due and payable.

Beginning in year five, the amount repaid will be the percentage of the original purchase price provided by the NSP Subsidy. In the event there is no Net Appreciation or Net Appreciation is a negative number, the amount of the original loan will still be due and payable.

If a home is being sold, 10% of the final contract sales price may be retained by homeowner prior to calculation of Net Appreciation. If home is being refinanced, 5% of the current value as reflected by an appraisal may be retained by homeowner prior to calculation of Net Appreciation. The final contract sales price shall not be less than 90% of an appraised value and the City of Sarasota may conduct an independent appraisal which will govern in the event of a conflict.

An example: If the Down Payment Assistance Loan represents 23% of the original purchase price, the borrower must pay 23% of the net appreciation.

Original Contract Price	\$150,000
Down Payment Assistance	35,000
\$35,000 divided by \$150,000 = 23%	
<u>If Property is Sold</u>	
Final Contract Sales Price	\$190,000
Less 10% of final Contract Sales Price retained by Owner	<u>(19,000)</u>
Net Value	\$ 171,000
Less Original Contract Sales Price	<u>(150,000)</u>
Net Appreciation	\$ 21,000

Net Appreciation (\$21,000) x 23% = \$4,830

Repayment of the original down payment assistance loan of \$35,000 plus \$4,830 would be required for a total repayment of \$39,830.

If Property is Refinanced

Final Appraised Value	\$190,000
Less 5% of Value retained by Owner	<u>(9,500)</u>
Net Value	\$180,500
Less Original Contract Sales Price	<u>(150,000)</u>
Net Appreciation	\$ 30,500

Net Appreciation (\$30,500) x 23% = \$7,015

Repayment of the original down payment assistance loan of \$35,000 plus \$7,015 would be required for a total repayment of \$42,015.

If Property is Improved and Sold

Capital improvements are defined as improvements in excess of \$3,000 that increase the value of the home and will not include maintenance items. All eligible improvements must be approved by the Office of Housing and Community Development in advance of construction to be qualified to be utilized in the net appreciation formula.

Sales Price	\$190,000
Less Original Contract Sales Price	( 150,000)
Less Eligible Improvements	<u>(10,000)</u>
	\$ 30,000
Less 10% of current value retained by owner	<u>(19,000)</u>
Net Appreciation	\$ 11,000

Net Appreciation (\$11,000) x 23% = \$2,530

Repayment of the original down payment assistance loan of \$35,000 plus \$2,530 would be required for a total repayment of \$37,530.

If Property is Improved and Refinanced

Final Appraised Value	\$ 190,000
Less Original Contract Sales Price	(150,000)
Less Eligible Improvements	<u>(10,000)</u>
	\$ 30,000
Less 5% of current value retained by owner	<u>(9,500)</u>
Net Appreciation	\$ 20,500

Net Appreciation \$20,500 x 23% = \$4,715

Repayment of the original down payment assistance loan of \$35,000 plus \$4,715 would be required for a total repayment of \$39,715.

I acknowledge receipt of this mortgage disclosure

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Date