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Chicago Title 3-63

2060300141408

Doc#: 2028721208 Fee: \$98.00
Edward M. Moody
Cook County Recorder of Deeds
Date: 10/13/2020 02:57 PM Pg: 1 of 8

PREPARED BY AND WHEN RECORDED RETURN TO:

Zachary Swanson and Cassidy Daniel
16725 Hobart Ave
Orland Hills, IL 60487

OWNER-OCCUPIED RETENTION AGREEMENT

STATE OF Illinois

THIS RETENTION AGREEMENT ("Agreement") is effective as of the disbursement date, the 24th day of August, 2020 (hereinafter the "Effective Date"), between Zachary Swanson and Cassidy Daniel, (hereinafter "Owner," whether one or multiple individuals are named), purchasing the property at the address of 16725 Hobart Ave, Orland Hills, IL 60487, and Mutual Federal Bank ("Member"), having an address of 2212 W Cermak Rd, Chicago, IL 60608.

RECITALS:

WHEREAS, the Federal Home Loan Bank of Chicago (the "Bank"), pursuant to regulations, including, without limitation, those contained in 12 CFR Part 1291 (the "AHP Regulations") promulgated by the Federal Housing Finance Agency ("FHFA"), has established its Affordable Housing Program, including a set-aside program consisting of the Downpayment Plus[®] Program and the Downpayment Plus Advantage[®] Program (collectively "DPP"), which provides grants (or subsidies) to income-eligible home buyers for use as down payment, closing cost, counseling, or rehabilitation assistance in connection with the household's purchase and/or rehabilitation of an owner-occupied unit to be used as the household's primary residence, and the Competitive AHP ("Competitive"), which provides subsidies to competitively awarded projects, for use in the purchase, construction, or rehabilitation of an owner-occupied project by or for very low-, low-, or moderate-income households.

WHEREAS, each member of the Bank that participates in the Affordable Housing Program is required to service and release this Agreement and to facilitate the repayment of any grants or other subsidized assistance in connection with unused or improperly used subsidies.

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WHEREAS, the Bank, through Member, is providing a Subsidy (as hereinafter defined) in connection with the purchase or purchase in conjunction with rehabilitation of that certain real property as described on Exhibit A, attached hereto, and made a part hereof (the "Property") in accordance with its Affordable Housing Program.

WHEREAS, the parties desire to, among other things, set forth those conditions and circumstances whereby the Bank shall be entitled to the repayment of funds in connection with the Bank's provision, through Member, of the Subsidy (as hereinafter defined) to Owner.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The Subsidy. As of the Effective Date of this Agreement, the parties acknowledge and agree that Member has caused the disbursement of the proceeds of a subsidy to Owner in the amount of Six Thousand Dollars (\$6,000.00) (the "Subsidy") in connection with the purchase or purchase in conjunction with rehabilitation of the Property.

2. Retention/Retention Period. Owner hereby acknowledges and agrees that Owner's receipt of the Subsidy is hereby conditioned upon Owner's acceptance of those restrictions with respect to the sale or refinancing of the Property in order to ensure that the Subsidy is used for the purchase or purchase in conjunction with rehabilitation of housing that is defined as affordable housing by 12 C.F.R. Part 1291. In order to qualify and maintain the Subsidy, Owner shall comply with the terms and provisions set forth in this Agreement for a period of five (5) years from the Effective Date of this Agreement (the "Retention Period").

3. Owner's Representations and Warranties. Owner hereby represents and warrants to Bank and Member the following:

(a) Use of Subsidy. Owner shall use the Subsidy to fund the costs of purchasing or purchasing in conjunction with rehabilitating the Property in compliance with (i) the AHP Regulations and (ii) the Affordable Housing Program Implementation Plan, guidelines, policies, procedures, and requirements of the Bank, or any successor in interest to the Bank, as may be in effect from time to time (collectively, the "AHP Policies"). Except as specifically set forth in this Agreement, the Subsidy may be retained by Owner without any obligation of repayment; and

(b) Notice of Sale or Refinance Prior to Expiration of Retention Period. Owner hereby acknowledges and agrees that, in the event of any sale, transfer, assignment of title or deed, or refinancing of the Property occurring prior to the end of the Retention Period, Owner shall provide notice to the Bank and to the Member, in writing, at the addresses set forth herein, or to such other address as otherwise directed by the Bank or the Member.

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4. Bank's Right to Repayment. Owner hereby acknowledges that if, prior to the expiration of the Retention Period, the Property is sold, transferred, or there is an assignment of title or deed to a third party, or the Property is refinanced, the Bank shall be repaid the lesser of (i) the Subsidy, reduced on a *pro rata* basis per month until the Property is sold, transferred, its title or deed assigned, or is refinanced during the five-year Retention Period or (ii) any net proceeds from the sale, transfer, assignment of title or deed, or refinancing of the Property, minus the AHP-assisted household's investment in the Property. Member shall facilitate reimbursement of the amount of the Subsidy to be repaid. Payment shall be made to the Federal Home Loan Bank of Chicago, 200 E. Randolph Drive, Suite 1800, Chicago, IL 60601.

5. Events of Non-Repayment. Owner hereby acknowledges the following:

(a) Affordable Housing Program Advance. In the event that Owner sells, transfers, assigns the title or deed, or refinances the Property prior to the end of the Retention Period, and such Property was assisted with a permanent mortgage loan funded by an Affordable Housing Program subsidized advance, then Owner shall not be required to repay any portion of the Subsidy.

(b) Sale of Property to an Eligible Third Party. If Owner sells, transfers, or assigns the title or deed to the Property, prior to the end of the Retention Period, to a person or family whose income meets the eligibility requirements for participation in the Affordable Housing Program, then Owner shall not be required to repay any portion of the Subsidy. For any sale, transfer, or assignment that occurs after the date established by the FHFA in guidance on the use of proxies, the Bank or the Member shall determine the subsequent household's income using one or more proxies that are reliable indicators of the subsequent household's income, unless documentation demonstrating that household's actual income is available.

(c) Refinancing during the Retention Period. In the event that Owner refinances prior to the end of the Retention Period, and the Property remains subject to the encumbrance created by this Agreement or another legally enforceable retention agreement or mechanism as permitted under the AHP Policies, then Owner shall not be required to repay any portion of the Subsidy.

(d) Amount of Repayment is \$2,500 or Less. In the event that the amount of repayment calculated pursuant to Section 4, above, is \$2,500 or less, then Owner shall not be required to repay any portion of the Subsidy.

6. Senior Loan/Subordination. Member hereby agrees that, during the Retention Period, this Agreement and the terms and provisions herein are and shall be subordinate and junior to any lien or security interest of any existing or subsequent mortgage or encumbrance (including, without limitation, any and all renewals, extensions, increases, supplements, amendments, modifications, or replacements thereof) recorded against the Property in the county where the Property is located.

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7. Termination Events. The parties hereby acknowledge and agree that the following events shall constitute a Termination Event, which shall be evidenced by a recorded release, pursuant to Section 8:

- (a) In the event the Property is foreclosed upon or conveyed by deed in lieu of foreclosure; or
- (b) In the event that the Federal Housing Administration-insured first mortgage is assigned to the Secretary of the U.S. Department of Housing and Urban Development; or
- (c) Upon the death of Owner prior to the end of the Retention Period, even if the Property is transferred to the heirs of the deceased Owner by sale, transfer, assignment, or otherwise.
- (d) Upon the expiration of the Retention Period.

8. Release Caused by Termination Event. In common with the commencement of a Termination Event, and after confirming that no repayment is owed by Owner pursuant to the terms of this Agreement, Member shall record a release of this Agreement with the register of deeds of the county in which the Property is located.

9. Request for Additional or Required Information. Within fifteen (15) days of Member's request, Owner agrees to provide Member with any and all information that Member deems to be necessary to release Owner from its repayment obligations under this Agreement.

10. Notices. All notices shall be in writing. Any notice required or permitted to be given hereunder shall be in writing and may be given by personal service evidenced by a signed receipt (or refusal to accept delivery) or sent by registered or certified mail, return receipt requested, or via overnight courier, and shall be effective upon proof of delivery (or refusal to accept delivery) or via email followed by U.S. Mail. Such written notices shall be addressed to the addresses as set forth above for each respective party, unless otherwise directed to another address by such party.

11. Definitions.

"Owner" shall mean and include all Owners, whether one or more.

12. Recording. This Agreement shall be recorded against the Property in the county of which the Property is located.


13. Counterparts. This Agreement may be executed by the parties in counterparts, each of which shall be deemed an original, and when taken together, shall constitute one agreement.


*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE AND
ACKNOWLEDGMENT PAGES TO FOLLOW]*

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IN WITNESS WHEREOF, the parties have hereunto set their hands and seals.

Name of Owner(s): Zachary Swanson and Cassidy Daniel

Signed: 
Name: Zachary Swanson

Signed: 
Name: Cassidy Daniel

Name of Member: Mutual Federal Bank

Signed: 
Name: William L Marco
Title: Closing/Funding Manager

Property of Cook County Clerk's Office

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OWNER ACKNOWLEDGMENT

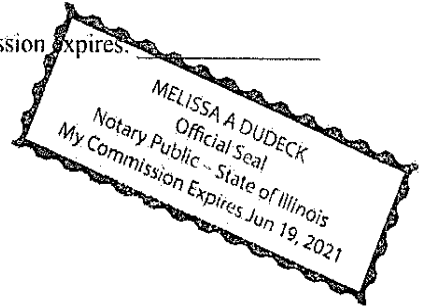
STATE OF IL)
; SS.
Cook COUNTY)

Personally came before me this 24 day of Aug, 2020, the above named Zachary Swenson and to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public

Cook County, IL

My commission expires: _____



OWNER ACKNOWLEDGMENT

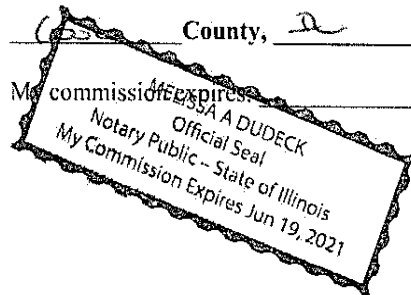
STATE OF IL)
; SS.
Cook COUNTY)

Personally came before me this 24 day of Aug, 2020, the above named Cassidy Daniel and to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public

Cook County, IL

My commission expires: _____



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MEMBER ACKNOWLEDGMENT

STATE OF IL

Will COUNTY) :SS.

Personally came before me this 24th day of August, 2020, the above named William L Marco and to me known to be the person who executed the foregoing instrument and acknowledged the same.

Property of Cook County Clerk

Katie Santangelo
Notary Public
Will County, IL

My commission expires: March 6, 2023



THIS INSTRUMENT DRAFTED BY:

Name of Member: Mutual Federal Bank

Signed: William L Marco

Name: William L Marco

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EXHIBIT A

Legal Description of the Property

P.I.N.: 27-27-104-004-0000

Common Address: 16725 Hobart Ave, Orland Hills, IL 60487

Legal Description: LOT 4 IN BLOCK 2 IN WESTHAVEN HOMES RESUBDIVISION, BEING A RESUBDIVISION OF WESTHAVEN HOMES UNIT ONE AND WESTHAVEN HOMES UNIT TWO, IN THE NORTH 1/2 OF SECTION 27, TOWNSHIP 36 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office