



Affordable Housing Program Subsidy Agreement For Homeownership Down Payment/Set-Aside Products

The Federal Home Loan Bank of Des Moines ("Bank") and _____ ("Member") enter into this Affordable Housing Program Subsidy Agreement ("Agreement"), effective _____, 20____ which sets forth the respective duties and obligations of the Bank and Member with regard to the approval and funding of subsidies under the Affordable Housing Program ("AHP") Down Payment/Set-Aside Products by the Bank (a "Subsidy" or "Subsidies").

This Agreement shall be binding upon the parties hereto and upon any successor in interest to the parties.

1. Member has been notified of and agrees that any Subsidies provided under this Agreement shall be subject to:
 - a) the AHP regulations codified as 12 C.F.R. Part 1291 and the directives of the Federal Housing Finance Agency ("FHFA") as may be in effect from time to time, or the regulations in effect from time to time of any successor to the FHFA and;
 - b) the 2016 Federal Home Loan Bank of Des Moines AHP Implementation Plan, including the Home\$tart, Home\$tart Plus, and/or Native American Homeownership Initiative Program Guidelines ("Guidelines"), and the requirements of the Bank or any successor in interest to the Bank as may be in effect from time to time. To the extent the applicable FHFA regulations are inconsistent with any term or provision of this Agreement, said regulations shall control.
2. Upon execution of this Agreement by the Member and the Bank, the Member may begin reserving funds for eligible households with the Bank. Reservations are on a first-come first-served basis. Members may initiate reservation of funds for a household until December 31, 2016, subject to the availability of funds.
3. The Member shall use all Subsidies in accordance with the terms of this Agreement, the requirements of the applicable FHFA regulations, the Guidelines, and such other policies and procedures of the Bank as may be in effect from time to time.
4. The Member shall follow all applicable fair housing regulations. Federal and State laws prohibit housing discrimination based on race, color, national origin, religion, sex, family status, or disability.
5. The Member shall repay to the Bank that portion of the Subsidy, including interest as determined at the Bank's discretion, that as a result of the Member's actions or omissions, is not used in compliance with the terms of this Agreement, the Guidelines or applicable FHFA regulations, unless such non-compliance is cured by the Member within a reasonable period of time as determined by the Bank.
6. The Member shall be subject to such ongoing monitoring with respect to the Subsidies as

the Bank deems appropriate from time to time.

7. Retention Agreements for Owner-Occupied Units. The required retention period with respect to Subsidies will be five (5) years for each homeowner. The Member shall prepare, file and maintain in the appropriate government office a deed restriction or other legally enforceable retention agreement or mechanism with respect to each owner-occupied unit that is financed with a Subsidy that contains the following requirements:
 - a) the Bank or its designee is to be given notice of any sale or refinancing of the unit occurring prior to the end of the retention period;
 - b) in the case of a sale or refinancing of the unit prior to the end of the retention period, an amount equal to a pro rata share of the Subsidy that financed the purchase, construction, or rehabilitation of the unit, reduced for every year the seller owned the unit, shall be repaid to the Bank from any net gain realized upon the sale or refinancing, unless:
 - (i) the unit was assisted with a permanent mortgage loan funded by an AHP subsidized advance;
 - (ii) the unit is sold to a very low-, or low- or moderate-income household as defined in the applicable FHFA regulations; or
 - (iii) following a refinancing, the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism as described herein and in 12 C.F.R. Part 1291.
 - c) the obligation to repay Subsidy to the Bank shall terminate after any foreclosure;
8. If, after disbursement of a Subsidy to the Member, the Member undergoes an acquisition or consolidation, the successor organization will assume the Member's ongoing obligations under this Agreement. Following the completion of such an acquisition or consolidation, the disbursement by the Bank of any remaining Subsidies under this Agreement shall be subject to the Bank's policies then in effect.
9. The failure by the Bank to exercise any right or privilege granted to it under this Agreement shall not operate as a waiver of that right or privilege.
10. This Agreement and all matters incorporated herein by reference constitute the entire Agreement and understanding between the parties hereto relating to the subject matter hereof and supersedes all prior discussions, understandings and agreements, written or oral, between the parties that relate to such subject matter. Any modifications to this Agreement shall not be valid unless it is in writing and signed by both parties hereto. Words used in this Agreement shall be interpreted according to their ordinary and usual meaning, despite and excluding any trade, custom, or usage to the contrary.
11. This Agreement shall be governed by the Federal Home Loan Bank Act, the rules, regulations, guidelines, and statements of policy of the Federal Home Loan Bank system and, except to the extent inconsistent therewith, the laws of the State of Iowa without giving effect to the choice of law principles therein included. The parties expressly agree that any action or proceeding with respect to the performance or non-performance of any term or condition contained herein which is brought by or against the Bank shall be resolved by the United

States District Court for the Southern District of Iowa or, if such action or proceeding may not be brought and maintained in said court, by an appropriate district court of the State of Iowa for the County of Polk.

12. Should any provision of this Agreement be held invalid or unenforceable, the remainder of this Agreement shall remain in effect.

The parties accept the terms and conditions of the funding as set forth herein by executing this Agreement in the space set forth below. In indicating their acceptance of the terms and conditions of the funding set forth herein, the parties also represent and warrant that they have full corporate power and authority and have received all corporate and governmental authorizations and approvals as may be required to enter into and perform their obligations under this Agreement and that at all times they will adhere to the terms and conditions set forth herein.

Agreed to and Accepted (Bank)

Dated: _____

By: _____

Name: DeAnna Poling

Title: AVP/Down Payment Products Manager

For: Federal Home Loan Bank of Des Moines

Agreed to and Accepted (Member)

Dated: _____

By: _____

Printed Name: _____

Title: _____

Member Name: _____

FHLB Member #: _____