

CONVENTIONAL RIDER TO SECURITY INSTRUMENT
House Key Program
Washington State Housing Finance Commission
THIS MORTGAGE IS NOT ASSUMABLE

This Rider, made this _____ day of _____, 20 _____, is attached and incorporated into and shall be deemed to amend and supplement the Deed of Trust of the same date (the "Deed of Trust") given by the undersigned ("Grantor") to secure its Note of the same date (the "Note") to _____, as Trustee, for the benefit of _____ (the "Beneficiary", which includes any successors or assigns thereof). The Property encumbered by the Deed of Trust shall be called the "Property." The Provisions of this Rider shall control any conflicting provisions in the Deed of Trust.

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

Lender, or such of its successors or assigns as may by separate instrument assume responsibility for assuring compliance by the Borrower with the provisions of this Tax-Exempt Financing Rider, may require immediate payment in full of all sums secured by this Security Instrument if the loan is not paid in full and:

(a) all or part of the property is sold or otherwise transferred by Borrower to a purchaser or other transferee:

(i) who cannot reasonably be expected to occupy the property as a principal residence within a reasonable time after the sale or transfer, all as provided in Sections 143 (c) and (i) (2) of the Internal Revenue Code; or

(ii) who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Sections 143 (d) and (i) (2) of the Internal Revenue Code (except that "100 percent" shall be substituted for "95 percent or more" where the latter appears in Section 143 (d) (1)); or

(iii) at an acquisition cost which is greater than 90 percent of the average area purchase price (greater than 110 percent for targeted area residences), all as provided in Section 143(e) and (i) (2) of the Internal Revenue Code; or

(iv) who has a gross family income in excess of the applicable percentage of applicable median family income, as provided in Section 143 (f) and (i) (2) of the Internal Revenue Code; or

(b) Borrower fails to occupy the property described in the mortgage without the prior written consent of the Mortgagee or its successors or assigns described at the beginning of this addendum or

(c) Borrower uses the residence in a trade or business, as an investment property or as a recreational home; or

(d) Borrower omits or misrepresents a fact which is material with respect to the provisions of Section 143 of the Internal Revenue Code of 1986 in an application for this mortgage.

Borrower further agrees that should this Deed of Trust and the Note secured hereby not be eligible for purchase by the Washington State Housing Finance Commission (the "Commission") within seventy-five (75) days of the date hereof (written statement of the trustee or servicer for the Commission dated subsequent to such seventy-five (75) day period declining to purchase said Note and this Deed of Trust be deemed conclusive proof of such eligibility) the mortgagee or holder of said Note may, at its option declare all sums secured hereby immediately due and payable.

References are to the Internal Revenue Code as amended and in effect on the date of issuance of the Bonds, the proceeds of which will be used to finance the purchase of the Security Instrument and are deemed to include the implementing regulations.

Date

Date

Date

Date