

# PROMISSORY NOTE

## ANOKA: Deferred Loan Program

Date of Note:

Loan No:

Property Address:

### 1. BORROWER(S) PROMISE TO PAY

**FOR VALUE RECEIVED**, the undersigned (the "Borrower"), promises to pay the sum of \_\_\_\_\_

(\$ \_\_\_\_\_) (this amount will be called the "Principal"), to the order of the Lender. The Lender is the Housing and Redevelopment Authority In and For the City of Anoka, Minnesota. Then Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called the "Note Holder".

### 2. INTEREST

This Note carries Zero percent (0%) interest

### 3. PAYMENTS

The Borrower will pay the entire Principal on this Note upon the sale, transfer of title or if this property is no longer occupied by the Borrower, according to the following schedule:

- a. If on or before the thirtieth (30th) anniversary date of the date of this Note, I will pay 100% of the Principal Loan Amount.
- b. If after the thirtieth (30th) anniversary date of the date of this note, 100% of the Principal Loan Amount shall be forgiven.

I WILL MAKE MY PAYMENT AT the Anoka HRA, 2015 First Avenue, Anoka, Minnesota 55303, or at a different place if required by the Note Holder.

### 4. BORROWER(S) FAILURE TO PAY AS REQUIRED

- A) Late Charge for Overdue Payment. If the Note Holder has not received the full amount of any payment due within 15 calendar days after the date it is due (by sale, transfer, refinance or change in occupancy as outlined in this Note), I will pay a late charge to the Note Holder. The amount of the charge will be greater of \$50 or 1% of my overdue payment
- B) Notice from Note Holder. If I do not pay the full amount of the required payment on time, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, I will be in default. That date must be at least 30 days after the date on which the notice is mailed to me.
- C) Default. I will be in default if any of the following occur:
  1. I do not pay the overdue amount by the date stated in the notice described in (B) above;
  2. All or part of the property described in the Mortgage referred to in paragraph 5 (the "Property") is sold, transferred or otherwise assigned, the property is no longer my principal residence or upon Refinance; or
  3. I omit or misrepresent a material fact or fail to perform any covenant contained in any documents executed in connection with this Note.

If I am in default for any of the above reasons, the Note Holder may require me to pay immediately the full amount of Principal due according to the schedule outlined in section 3 of this document.

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full, the Note Holder will still have the right to do so if I am in default at a later time.

- D) Payment of Note Holder's Costs and Expenses. If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back for all of its costs, expenses, and reasonable attorneys' fees to the extent not prohibited by applicable law.

**5. THIS NOTE SECURED BY A MORTGAGE**

In addition to the protections given to the Note Holder under this Note, a Mortgage, dated \_\_\_\_\_ protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Mortgage describes additional terms concerning how and under what conditions I may be required to make immediate payment in full of all amounts that I owe under this Note.

**6. BORROWER(S) PAYMENTS BEFORE THEY ARE DUE**

I have the right to make payments of principal at any time before they are due. A payment of Principal only is known as a "prepayment". When I make a prepayment, I will tell the Note Holder in a letter that I am doing so. A prepayment of the entire unpaid Principal is known as a "full prepayment". A prepayment of only part of the unpaid Principal is known as a "partial prepayment".

I may make a full prepayment or a partial prepayment without paying any penalty. The Note Holder will use all of my prepayments to reduce the amount of Principal that I owe under this Note. I may make a full or partial prepayment at any time. If I make a partial prepayment, there will be no changes in the due date or in the amount of my total payment unless the Note Holder agrees in writing to those changes.

**7. BORROWER(S) WAIVERS**

I hereby expressly waive my rights to require the Note Holder to do certain things. Those things are: (A) to demand payment of amounts due (known as "presentment"); (B) to give notice that amounts due have not been paid (known as "notice of dishonor"); and (C) to obtain an official certification of nonpayment (known as a "protect"). Anyone else who agrees to make payments to the Note Holder if I fail to keep my promises under this Note, or who signs this Note to transfer it to someone else also waives these rights. These persons are known as "guarantors, sureties and endorsers".

**8. GIVING OF NOTICES**

Any notice that must be given to me under this Note will be given in writing and by personally delivering it or by mailing it by certified mail, addressed to me at the Property Address above. A notice will be delivered or mailed to me at a different address if I give the Note Holder a written notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given in writing and by mailing it by certified mail to the Note Holder at the address stated above. A notice will be mailed to the Note Holder at a different address if I am given written notice of that different address.

**9. RESPONSIBILITY OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each of us is fully personally obligated to pay the full amount owed and to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note. Any guarantor, surety, or endorser of this Note (as described in Section 7 above) is also obligated to do these things. The Note Holder may enforce its rights under this Note against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note. Any person who takes over my rights or obligations under this Note will have all of my rights and must keep all of my promises made in this Note. Any person who takes over the rights or obligation of a guarantor, surety, or endorser of this Note (as described in Section 7 above) is also obligated to keep all of the promises made in this Note.

**IN WITNESS WHEREOF**, this Note has been duly executed by the undersigned, as of the day and year above first written.

**BORROWER:**

By \_\_\_\_\_

By \_\_\_\_\_

**TIL and NMLSR ID**

\_\_\_\_\_  
Loan Originator Company Name

\_\_\_\_\_  
Loan Originator Individual Name  
(as name appears on NMLSR)

\_\_\_\_\_  
Loan Originator Company NMLSR ID

\_\_\_\_\_  
Loan Originator Individual NMLSR ID  
(if applicable)