

PROMISSORY NOTE

FRIDLEY: Down Payment Assistance Loan Program

"LENDER"

**The Housing and Redevelopment Authority
In and For the City of Fridley, Minnesota**

"BORROWER"

Address:

**7071 University Avenue NE
Fridley, MN 55432**

Address:

Telephone:

763-571-3450

Loan Number:

Date of Note:

Property Address:

1. BORROWER(S) PROMISE TO PAY

In return for a loan that I have received, I promise to pay _____ Dollars (\$ _____)

(this amount will be called the "Principal"), plus interest, to the order of the Lender. The Lender is the Housing and Redevelopment Authority In and For the City of Fridley, 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

I will pay interest at a yearly rate of _____ percent (_____ %) simple interest. Interest starts on the date of this Note and continues until the Maturity Date as defined below, whichever is earlier.

3. MATURITY DATE

The Maturity Date is the date upon which one of the following events occurs: All or part of the property described in the Mortgage referred to in paragraph 6 (the "Property") is sold, transferred, assigned, no longer occupied as the Borrower's primary residence or otherwise conveyed prior to the 30 years from the Date of Note. If the property has not been sold, transferred, assigned and is still occupied as the Borrower's primary residence 30 years from the Date of Note the loan is 100% forgiven.

4. PAYMENTS

On the Maturity Date, the entire unpaid balance of principal and interest shall be due and payable, unless the loan has been forgiven. If on the maturity Date I still owe amounts under this Note, I will pay these amounts in full on the Maturity Date.

5. BORROWER(S) FAILURE TO PAY AS REQUIRED

A) Late Charge for Overdue Payment. If the Note Holder has not received the full amount of my payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5% of my overdue payment. I will pay this late charge only one.

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; or
2. I fail to occupy the Property as my principal place of residence; 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; or
4. I fail to comply with the terms of the Mortgage described in paragraph 6.

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 which has not been paid and all the interest that I owe on that amount.

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.

6. **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.

7. **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.

8. **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".

9. **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.

10. 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 8 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 8 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)