

TAX-EXEMPT FINANCING RIDER

THIS TAX-EXEMPT FINANCING RIDER is made _____ (Date of Closing), and is incorporated into and shall be deemed to amend and supplement the mortgage, deed of trust or security deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's note ("Note") to:

MFA ("Lender")

of the same date and covering the property described in the Security Instrument ("Property") and located at:

123 DESERT ST,
ALBUQUERQUE, NM 87102 ("Property Address")

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 the Security Instrument if:

- (a) All or part of the Property is sold or otherwise transferred (other than by devise, descent or operation of law) 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 Section 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 Section 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 (A) applicable median family income as provided in Section 143(f) and (i) (2) of the Internal Revenue Code, or (B) the applicable income limit in effect on the date of the sale or transfer established by the New Mexico Mortgage Finance Authority pursuant to the New Mexico Mortgage Finance Authority Act, being Sections 58-18-1 through 58-18-27 of the New Mexico Statutes Annotated, as amended from time to time; or
- (b) Borrower fails to occupy the Property without prior written consent of Lender or its successors or assigns described at the beginning of this Tax-Exempt Financing Rider; or
- (c) Borrower omits or misrepresents a fact that this is material with respect to the provisions of Section 143 of the Internal Revenue Code in an application for the loan secured by the Security Instrument; or
- (d) Borrower or any subsequent purchaser or transferee of an interest in the Property fails to: (i) notify the Lender or its successors or assigns described at the beginning of this Tax-Exempt Financing Rider in advance of any sale or transfer of an interest in the Property except by reason of death; or (ii) provide information requested by the Lender or its successors or assigns described at the beginning of this Tax-Exempt Financing Rider necessary to satisfy information reporting requirements under the Internal Revenue Code.

References are to the 1986 Internal Revenue Code in effect on the date of execution of the Security Instrument and are deemed to include the implementing regulations. The Lender and its successors or assigns described at the beginning of this Tax-Exempt Financing Rider have the right, at their option, to forgive the outstanding principal balance of the sums secured by the Security Instrument at any time.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions in this Tax-Exempt Financing Rider.

Date: _____ **Signature:** _____
Name: WILE E. COYOTE

Date: _____ **Signature:** _____
Name: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ day of _____, _____.

Notary Public

My commission expires: _____