

Community Development Association Corporations

2017 Down Payment Program Retention Language

The language below should be inserted into the Warranty Deed or as a Restrictive Covenants to the Warranty Deed. If it is attached to the Warranty Deed as an addendum or attachment, the Warranty Deed must reference the addendum or exhibit. If recorded as a Restrictive Covenants, the document must reference the Warranty Deed.

Grantee(s), for and in consideration of receiving direct subsidy funds from the Community Development Association Corporations (CDCA), must maintain ownership in this property for a period of five (5) years (Retention Period) from the date of the recording of this deed.

(i) The CDCA, whose mailing address is 2951 Sidney Avenue, Cincinnati, OH 45225, is to be given notice of any sale, refinancing, foreclosure, conveyance by deed in lieu of foreclosure, assignment of the first mortgage to the Secretary of HUD, or change in ownership of the unit occurring prior to the end of the Retention Period.

(ii) 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 CDCA DAP Subsidy that financed the purchase, reduced for every year the seller owned the unit, shall be repaid to the CDCA from any net gain realized upon the sale or refinancing of the unit; unless:

(a) Following a refinancing, the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, incorporating the requirements of clauses (i), (ii), and (iii) contained herein.

(iii) The obligation to repay Subsidy to the CDCA shall terminate after any foreclosure or conveyance by deed in lieu of foreclosure or any assignment of the first mortgage to the Secretary of HUD.