SECOND MORTGAGE NOTE

DOWN PAYMENT ASSISTANCE PROGRAM

5-YEAR FORGIVABLE SECOND MORTGAGE LOAN

Place of Making: _____

Date: _____

BORROWERS _____

_____

(from now on, each is called the "Borrower") is borrowing money from

LENDERS

New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue. P.O. Box 18550 Trenton,
New Jersey 08650-2085 (from now on called the "Lender")

The word "Borrower" includes all borrowers under this Second Mortgage Note (from now on called the "Note"). The Lender and any other holder of this Note may transfer this Note. The word Lender includes the original Lender and anyone who takes this Note by transfer.

LOAN PURPOSE

The Lender has agreed to make this loan to assist the Borrower to pay down payment and/or closing costs with respect to the purchase of the property located at _____

_____

in the municipality of, _____ also known as Block No _____, Lot No _____ on the municipality's tax map (the "Premises").

BORROWER PROMISE TO PAY

In return for this loan, the Borrower promises to pay to the order of the Lender the sum of _____ Thousand Dollars and Zero Cents ($___ ,000.00) (from now on called the "Principal") unless the Borrower satisfies the conditions of this Note and the loan is forgiven in full. There is no interest on this loan.

TERM

The term of this loan is five (5) years from the date the loan closes. If the Borrower continuously resides in the premises, as his/her principal residence for five (5) years from the date of the closing of the loan the principal on this Note will have been deemed satisfied and the Lender will provide the Borrower with a cancellation of mortgage or release of lien. If the Borrower conveys, refinances, or ceases to occupy the Premises as his/her principal residence, full repayment of Principal will be immediately due and payable. Each Borrower is jointly and severally liable for the full amount set forth in Borrower Promise to Pay, above.

REPAYMENT

The Borrower shall make any payment due under the terms of this Note as one payment in the amount of $___,000.00, remitting such payment by electronic fund transfer or check payable to the New Jersey Housing and Mortgage Finance Agency at 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085 or at such other place as is designated by the Lender.

PREPAYMENT

The Borrower may repay the unpaid Principal in full or in part at any time before it is due. This is known as prepayment. No penalty or fee shall be charged for prepayment. If the Borrower Continuously resides in the premises, as his/her principal residence for five (5) years from the date of the closing of the loan the principal on this Note will have been deemed satisfied and the Lender will provide the Borrower with a cancellation of mortgage or release of lien. If the Borrower conveys, refinances, or ceases to occupy the Premises as his/her principal residence, full repayment of the principal will be due.

SECURED NOTE

This Note is secured by a second mortgage of even date herewith.

LENDER'S RIGHT OF ACCELERATION

The Lender may declare the unpaid principal under this Note due immediately for any cause that gives the Lender the right of acceleration under the provisions of this Note as set forth in Term, above, the mortgage which secures this Note, or under any mortgage lien which is superior to this mortgage, provided, however, that foreclosure has commenced under the superior mortgage.

If the Lender declares acceleration the Borrowers shall pay for the Lender's costs of collection and reasonable attorney's fees.

The Lender's failure to accelerate for any cause shall not prevent the Lender from doing so for a later occurring cause.

COSTS OF COLLECTION

If the Borrower fails to repay this loan in accordance with the provision of Borrower Promise to Pay and Term, above, and at times required by this Note, the Borrower shall pay the Lender's cost of collection and reasonable attorney's fees.

WAIVER OF FORMAL ACTS

Except as may be required by law, the Lender does not have to do any of the following before enforcing the Lender's rights.

(a) demand payment of amounts due (known as Presentment);

(b) give notice that amounts due have not been paid (known as a Notice of Dishonor), **and**

(c) obtain an official certificate of non-payment (known as a protest).

RESPONSIBILITY UNDER NOTE

If more than one Borrower signs this note, each one is jointly and severally obligated to pay the full amount due under the Note. The Lender may enforce this Note against any one or more Borrowers or against all Borrowers together.

CHANGE

This Note cannot be changed except in writing signed by all Borrowers and the Lender.

NOTICE TO BORROWERS

Read this promissory note or loan agreement before you sign. Do not sign this promissory note or loan agreement if it contains blank spaces.

SIGNATURES

The Borrower(s) agrees to the terms of this Note by signing below.

SIGNATURE
SIGNATURE
SIGNATURE
SIGNATURE
SIGNATURE
SIGNATURE
SIGNATURE