

City of Aurora

Community Services Department | Community Development Division

44 E Downer Place | Aurora, Illinois 60507

Phone: (630) 256-3320 | Fax: (630) 256-3329 | Website: www.aurora.il.us



HOMEBUYER AGREEMENT – CITY OF AURORA HOME INVESTMENT PARTNERSHIPS PROGRAM

(Name of Homebuyer)

(Current Address of Homebuyer)

Address of Property:

PIN:

Source of Funds: HOME Investment Partnership Program

Purpose of Loan: (down payment, closing costs, etc.)

Amount of Loan:

Type of Loan: (deferred payment loan, etc.)

Term of Loan: (deferred until property is sold or no longer primary residence)

Value of Property: \$ _____, which was established by _____

Upon satisfaction of the following contingencies, City of Aurora will provide HOME funds as stated above.

1. Our receipt and acceptance of a lender's title insurance commitment in the amount of our second mortgage.
2. Proof of hazard insurance with City of Aurora as additional insured.
3. Our receipt and approval of acceptable appraisal.
4. Passing a State and local quality standards and code requirements inspection of home by an inspector trained in standards of the International Property Maintenance Code utilizing HUD's Uniform Physical Conditions Standards checklist as a tool. (Inspection conducted **Xx/XX/XXXX** passed).
5. Documentation that you are able to pay at least ____% of the purchase price, which may consist of a first mortgage fixed-rate financing instrument and down payment funds.
6. A minimum of \$1,000 of your own funds must be part of the down payment.
7. Documentation that you have completed eight hours of homebuyer counseling with a HUD approved counseling agency.
8. Documentation that your household income does not exceed **80%** of median family income, calculated in accordance with the requirements of the **HOME** program.
9. At closing, you must sign a Deferred Payment Note to be held by City of Aurora in the amount stated above and a Deferred Second Mortgage to secure the Deferred Payment Note which will be recorded in the Public Records of (insert) County. You will not make monthly payments to City of Aurora and the mortgage will not accrue any interest.
10. (Optional) - In addition to the down payment loan, City of Aurora will be providing a \$3,000.00 closing costs grant funded with Community Development Block Grant funds.
11. Closing must take place by _____ or this Agreement will be cancelled.

After the Closing:

You must occupy this property as your primary residence.

The purpose of the City of Aurora Mortgage is to **recapture** the money that has been loaned to you.

- If you sell your home, the entire \$ _____ will be due and payable to City of Aurora.
- If you transfer title to your home, the entire \$ _____ will be due and payable to City of Aurora.
- If you move out of your house and do not sell it or transfer the title, the entire \$ _____ will be due and payable to City of Aurora.

Amount to be recaptured: In the event of recapture, the City shall collect from net proceeds all HOME funds still owed, as outlined in the loan documents. Net proceeds is defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

Amount to be recaptured if net proceeds are insufficient: In the event that net proceeds are insufficient to repay the HOME investment, the amount to be recaptured shall be any funds remaining after payment of all senior loans (other than HOME funds) and closing costs.

As long as City of Aurora holds a mortgage on this property, you will not be able to refinance your first mortgage for the purpose of taking additional equity out of the property.

Please confirm your acceptance of this Agreement by signing below and returning one copy of the Agreement to me.

If you have any questions, please call the Specialist (Name) at (630) 407-_____.

Sincerely,

Jolene Coulter
Director of Purchasing
City of Aurora

This Agreement, together with all terms and conditions herein contained, is hereby accepted this _____ day of _____, 2025.

Signature:

(Name of homebuyer)

(Name of homebuyer)

**This Mortgage was prepared
by City of Aurora – Legal Department
After recording return to Adam Grubbs
City of Aurora – Community Services Department
44 East Downer Place
Aurora, Illinois 60505**

PIN: XX-XX-XXX-XXX

**DEFERRED JUNIOR MORTGAGE
(ILLINOIS)**

This deferred mortgage ("Mortgage"), made XXXXXXXXXX X, 2025, between XXXXXXXXXXXXXXXXXXXXXXXXXX, herein referred to as "Borrower," and City Of Aurora Through Its Community Services Department, 44 E. Downer Place, Aurora, Illinois 60505, herein referred to as "Lender," witnesseth:

THAT WHEREAS the Borrower is justly indebted to the Lender upon the deferred payment note of even date herewith, in the principal sum of XXXXXXXXXXXXXXXXXXXXX AND NO/100 DOLLARS (\$XX,XXX.00), payable to the order of and delivered to the Lender, in and by which note the Borrower promises to pay the said principal sum, with a final payment of the balance due when the property is sold or title is transferred, or the property ceases to be the primary residence of the Borrower, and all of said principal is made payable at such place as the holders of the note may, from time to time, in writing appoint, and in absence of such appointment, then at the office of the Lender at 44 E. Downer Place, Aurora, Illinois 60505. The Borrower shall comply with the terms of the Deferred Payment Note (the "Note") beginning on the date of the Deferred Forgivable Payment Note secured by this Mortgage. If Borrower no longer maintains the property as their principal residence, the property is sold or transferred (either voluntarily or involuntarily) the entire original principal amount of the Note shall be due to Lender within thirty (30) days.

NOW, THEREFORE, the Borrower, to secure the payment of the said principal sum of money in accordance with the terms, provisions and limitations of this mortgage, and the performance of the covenants and agreements herein contained, by the Borrower to be performed, and also in consideration of the sum of One Dollar in hand paid, the receipt whereof is hereby acknowledged, does by these presents CONVEY AND WARRANT unto the Lender, and the Lender's successors and assigns, the following described Real Estate and all of the estate, right, title and interest therein, situate, lying and being in the CITY OF AURORA, COUNTY OF XXXXXXXXXXXXX AND STATE OF ILLINOIS, to wit:

LEGAL DESCRIPTION

Which, with the property hereinafter described, is referred to herein as the "premises,"

Permanent Real Estate Index Number(s): XX-XX-XXX-XXX

Address of Real Estate: XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

TOGETHER with all improvements, tenements, easements, fixtures, and appurtenances thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Borrower may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily) and all apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing), screens, window shades, storm doors and windows, floor coverings, awnings, stoves, and water heaters. All the foregoing are declared to be a part of said real estate whether physically attached thereto or not, and it is agreed that all similar apparatus, equipment or articles hereafter placed in the premises by Borrower or his successors or assigns shall be considered as constituting part of the real estate.

TO HAVE AND TO HOLD the premises unto the Lender, and the Lender's successors and assigns, forever, for the purposes, and upon the uses herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, which said rights and benefits the Borrowers do hereby expressly release and waive.

The names of the record owners are: XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX.

This mortgage consists of (5) five pages. The covenants, conditions and provisions appearing on pages (3) three through (5) five are incorporated herein by reference and are a part hereof and shall be binding on Borrower, their heirs, successors and assigns.

IN WITNESS WHEREOF, the BORROWER, has caused their signature and seal to be hereto affixed and these presents to be signed by them on the day and year first written.

Please print or type name(s) below:

Please sign name below:

(Seal)

STATE OF ILLINOIS)
) SS
COUNTY OF DU PAGE)

I, _____, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act, for purposes therein set forth, including the release and waiver of the right of Homestead.

Given under my hand and official seal, this ____ day of _____, 2025.

Notary Public

Mail this instrument to Adam Grubbs, City of Aurora – Community Services Department 44 East Downer Place, Aurora, Illinois 60505

SUBJECT TO PRIOR MORTGAGE FROM (LENDER) IN THE AMOUNT OF \$000,000 DATED AS ABOVE.

THE COVENANTS, CONDITIONS AND PROVISIONS OF THE MORTGAGE

1. Borrower shall (1) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed; (2) keep said premises in good condition and repair in accordance with the City of Aurora building codes without waste, and free from mechanic's or other liens or claims for lien not expressly subordinated to the lien thereof; (3) pay when due any indebtedness which may be secured by a lien or charge on the premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to the Lender; (4) complete within a reasonable time any building or buildings now or at any time in process of erection upon said premises; (5) comply with all requirements of law or municipal ordinances with respect to the premises and the use thereof; (6) make no material alterations in said premises except as required by law or municipal ordinance.

2. Borrower shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the premises when due, and shall, upon written request, furnish to the Lender duplicate receipts therefore. To prevent default hereunder Borrower shall pay in full under protest, in the manner provided by statute, any tax or assessment that Borrower may desire to contest.

3. In the event of the enactment after this date of any law of Illinois deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon the Lender the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Borrower, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Lender's interest in the property, or the manner of collection of taxes, so as to affect this mortgage or the debt secured hereby or the holder thereof, then and in any such event, the Borrowers, upon demand by the Lender, shall pay such taxes or assessments, or reimburse the Lender therefore; provided, however, that if in the opinion of counsel for the Lender (a) it might be unlawful to require Borrowers to make such payment or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Lender may elect, by notice in writing given to the Borrowers, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

4. If, by the laws of the United States of America or of any state having jurisdiction in the premises, any tax is due or becomes due in respect of the issuance of the note hereby secured, the Borrower covenants and agrees to pay such tax in the manner required by any such law. The Borrower further covenants to hold harmless and agrees to indemnify the Lender, and the Lender's successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the note secured hereby.

5. At such time as the Borrower is not in default either under the terms of the note secured hereby or under the terms of this mortgage, the Borrower shall have such privilege of making prepayments on the principal of said note (in addition to the required payments) as may be provided in said note.

6. Borrower shall keep all buildings and improvements now or hereafter situated on said premises insured against loss or damage by fire, lightning and windstorm under policies providing for payment by the insurance companies of moneys sufficient either to pay the cost of replacing or repairing the same or to pay in full the indebtedness secured hereby, all in companies satisfactory to the Lender, under insurance policies payable, in case of loss or damage, to Lender, such rights to be evidenced by the standard mortgage clause to be attached to each policy, and shall deliver all policies, including additional and renewal policies, to the Lender, and in case of insurance about to expire, shall deliver renewal policies not less than ten days prior to the respective dates of expiration.

7. In case of default therein, Lender may, but need not, make any payment or perform any act hereinbefore required of Borrower in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other moneys advanced by Lender to protect the mortgaged premises and the lien hereof, shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon equal to the rate of interest of the first mortgage loan. Inaction of Lender shall never be considered as a waiver of any right accruing to the Lender on account of any default hereunder on the part of the Borrower.

8. The Lender making any payment hereby authorized relating to taxes or assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

9. Borrower shall pay each item of indebtedness herein mentioned, both principal and interest, when due according to the terms hereof. At the option of the Lender and without notice to Borrower, all unpaid indebtedness secured by this mortgage shall, notwithstanding anything in the note or in this mortgage to the contrary, become due and payable (a) immediately in the case of default in making payment of any installment of principal or interest on the note, or (b) when default shall occur and continue for three days in the performance of any other agreement of the Borrower herein contained.

10. When the indebtedness hereby secured shall become due whether by acceleration or otherwise, Lender shall have the right to foreclose the lien hereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Lender for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches, and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Lender may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the highest rate now permitted by Illinois law, when paid or incurred by Lender in connection with (a) any proceeding, including probate and bankruptcy proceedings, to which the Lender shall be a party, either as plaintiff, claimant or defendant, by reason of this mortgage or any indebtedness hereby secured; or (b) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (c) preparations for the defense of any actual or threatened suit or proceeding which might affect the premises or the security hereof.

11. In the event of a foreclosure of a prior mortgage or mortgages, or transfer in lieu of foreclosure, the BORROWER agrees that the net proceeds, if any, of a foreclosure sale (after payment of the prior mortgage or mortgages) or transfer in lieu of foreclosure shall be paid to the LENDER in payment and satisfaction of the amount loaned herein.

12. Upon or at any time after the filing of a complaint to foreclose this mortgage the court in which such complaint is filed may appoint a receiver of said premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Borrower at the time of application for such receiver and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not, and the Lender may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Borrower, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the premises during the whole of said period. The Court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (1) The indebtedness secured hereby, or by a decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (2) the deficiency in case of a sale and deficiency.

13. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the note hereby secured.

14. The Lender shall have the right to inspect the premises at all reasonable times and access thereto shall be permitted for that purpose.

15. The Borrower shall periodically deposit with the Lender such sums as the Lender may reasonably require for payment of taxes and assessments on the premises. No such deposit shall bear any interest.

16. If the payment of said indebtedness or any part thereof be extended or varied, or if any part of the security be released, all persons now or at any time hereafter liable therefore, or interested in said premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by the Lender, notwithstanding such extension, variation or release.

17. Lender shall release this Mortgage and lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and payment of a reasonable fee to Lender for the execution of such release.

18. This Mortgage and all provision hereof, shall extend to and be binding upon Borrower and all persons claiming

under or through Borrower, and the word "Borrower" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the note or this Mortgage. The word "Lender" when used herein shall include the successors and assigns of the Lender named herein and the holder or holders, from time to time, of the note secured hereby.

19. If all or any part of the premises or any interest in it is sold or transferred (if a beneficial interest in Borrower is sold or transferred and borrower is not a natural person), the unforgiven principal is due on sale or transfer. If all or any part of the premises or any interest in it is sold or transferred by the Borrower, a natural person, either voluntarily or involuntarily during the 5-year Affordability Period, the unforgiven pro rata share of principal is due on sale or transfer, from the net sale proceeds. A transfer is defined as adding or removing a grantee to a recorded Deed or placing a property into a Trust via a recorded Deed. The net sales proceeds shall be defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs. If the property is no longer used as Borrower's primary residence at any time within the Affordability Period without a sale or transfer of title, the entire original principal amount is due within 30 days of such change of use. Borrower must notify Lender of any change in residence immediately. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this mortgage.

20. Borrower shall maintain his or her permanent residence and domicile on the premises at all times.

21. Notwithstanding any foregoing provision to the contrary, if the recapture of funds required under this Mortgage is triggered by a sale (voluntary or involuntary) of the housing unit, and there are no net proceeds or the net proceeds are insufficient to repay the sums due Lender, the Lender will only recapture the net proceeds, if any. The net proceeds shall be defined as the sales price minus superior loan repayment and the seller's usual and customary closing costs.

SUBJECT TO PRIOR MORTGAGE FROM (BANK), IN THE AMOUNT OF \$XXX,XXX.00 DATED AS ABOVE.