

**Rider to Security  
Instrument –  
LIHTC Properties  
Section 232**

**U.S. Department of Housing  
and Urban Development**  
Office of Residential  
Care Facilities

OMB Approval No. 2502-0605  
(exp. 03/31/2018)

**Public reporting** burden for this collection of information is estimated to average 0.5 hours. This includes the time for collecting, reviewing, and reporting the data. The information is being collected to obtain the supportive documentation which must be submitted to HUD for approval, and is necessary to ensure that viable projects are developed and maintained. The Department will use this information to determine if properties meet HUD requirements with respect to development, operation and/or asset management, as well as ensuring the continued marketability of the properties. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

**Warning:** Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

FHA Project Number:  
Project Name:

This Rider (“Rider”) is attached to and amends the Security Instrument/Mortgage/Deed of Trust entered into between [**Borrower**] and [**Lender**], dated as of [**Date**] (“Security Instrument”).

To the extent any provisions of this Rider conflict with any provisions in the body of the Security Instrument, the provisions of this Rider shall prevail. Any terms in the body of the Security Instrument not in conflict with the provisions of this Rider remain in full force and effect.

Notwithstanding anything else in the Security Instrument to which this Rider is attached:

1. Definitions.

The following terms shall be added to Section 1 (Definitions) of the Security Instrument:

- a) Any capitalized terms not defined in this Rider shall have the meaning given in the body of the Security Instrument.
- b) “**Equity Investor**” means \_\_\_\_\_.
- c) “**Borrower’s GP/MM**” means \_\_\_\_\_.

2. Transfer of Equity Investor.

Equity Investor may transfer all or part of its interests in Borrower upon the following conditions:

- (a) HUD approves any transferee in accordance with Program Obligations, provided that if such transferee is a limited liability investor, as such term is defined in Program Obligations, HUD shall receive the same certifications and organizational charts required by Program Obligations for the admission of a limited liability corporate investor at a transaction’s closing.
- (b) HUD and Lender receive prior written notice of such transfer.

- (c) HUD and Lender receive executed copies of (and, to the extent, if at all, required by Program Obligations, have previously approved drafts of), any and all documents necessary to affect such transfer, including any and all amendments to Borrower's organizational documents.

3. Notice.

- (a) Lender agrees that, as long as Equity Investor is a member or partner of Borrower, Lender shall endeavor as a courtesy to Equity Investor to deliver to Equity Investor a copy of any notice of default that is delivered to Borrower. Equity Investor's address for such notice purposes is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Equity Investor may change the address to which notices intended for it are to be directed by means of written notice given to Lender.

- (b) Any cure of any default by Borrower offered by Equity Investor shall be treated the same as if offered by Borrower.

**BORROWER**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LENDER**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_