HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
SINGLE FAMILY MORTGAGE REVENUE BONDS

TAX EXEMPT FINANCING RIDER TO SECURITY INSTRUMENT

THIS TAX-EXEMPT FINANCING RIDER is made this _____ day of _____, _____, 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 ("Mortgagor") to secure Mortgagor's Note ("Note") to_____ _____("Lender") of the same date covering the property described in the Security Instrument and located at:

_____
_____
_____
(Property Address)

In addition to the covenants and agreements made in the Security Instrument, Mortgagor and Lender further covenant and agree as follows:

The Lender, or any successor or assign designated by separate instrument, shall be responsible for assuring compliance by the Mortgagor with this Tax-Exempt Financing Rider. The Lender may require immediate repayment in full of all sums secured by this Security Instrument if the loan is not paid in full and any of the following occur:

a. All or part of the property is sold or otherwise transferred by Mortgagor 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 Sections 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 Sections 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 the applicable percentage of applicable median family income, as provided in Section 143(f) and (i)(2) of the Internal Revenue Code; or

b. Mortgagor fails to occupy the property as their principal residence without the prior written consent of the Mortgagee or its successors or assigns described at the beginning of this addendum; or

c. Mortgagor knowingly omits or misrepresents any material fact relevant to eligibility under Section 143 of the Internal Revenue Code of 1986.

d. Mortgagor fails to abide by any agreements executed by the Mortgagor for the purpose of the loan secured by this Security Instrument.

References are to the Internal Revenue Code as amended and in effect on the date of issuance of the Bonds, the proceeds of which will be used to finance the purchase of the Security Instrument and are deemed to include the implementing regulations.

By signing below, the Mortgagor accepts and agrees to the terms and provisions in this Mortgage Loan Tax-Exempt Financing Rider.

SAMPLE

Applicant Name	Applicant Type	Signature	Date

Co-Applicant Name	Applicant Type	Signature	Date

SAMPLE