

**MONTANA BOARD OF HOUSING  
SCORE ADVANTAGE DOWN PAYMENT ASSISTANCE  
(DPA) PROGRAM  
SUBORDINATE LOAN NOTE**

**DATED:** \_\_\_\_\_, 20\_\_      **NOTE AMOUNT \$** \_\_\_\_\_

**PROPERTY ADDRESS:** \_\_\_\_\_

1. "Borrower" means each person signing at the end of the Note. "Lender" means \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of Montana, and its successors and assigns. "First Lien" means the Superior Note and Trust Indenture executed contemporaneously with this MBOH DPA Subordinate Loan Note ("Note") and Subordinate Trust Indenture ("Trust Indenture").

2. In consideration for a loan received from Lender, Borrower promises to pay the principal sum of \$ \_\_\_\_\_ Dollars (U.S. \$ \_\_\_\_\_), plus interest, to the order of Lender. Interest will be charged on the unpaid principal, from the date of disbursement of the loan proceeds, at the rate of \_\_\_\_\_% per year until the full amount of principal has been paid.

**3. TIME OF PAYMENT**

Borrower shall make a payment of principal and interest, in the amount specified below, to Lender on the first day of each month, beginning \_\_\_\_\_. Any principal and interest remaining on the first day of \_\_\_\_\_, 20\_\_, will be due on that date, which is called the "Maturity Date". If any payment of principal or accrued interest is not paid when due, the Lender, at its option, may declare the whole sum then remaining unpaid herein to be immediately due and payable without notice. A failure to exercise such option in any instance shall not operate as a waiver or estoppel to exercise such option for subsequent delinquencies.

All unpaid principal and accrued interest shall immediately become due and payable without notice upon either of the following: (a) any transfer of the Borrower's ownership interest in the property address above and more specifically described in the Trust Indenture securing this Note; or (b) payment in full of the indebtedness secured by the First Lien.

**PLACE**

Payment shall be made at \_\_\_\_\_, or at such other place as Lender may designate in writing by notice to Borrower.

**AMOUNT**

Each monthly payment of principal and interest will be in the amount of \$ \_\_\_\_\_ and will be in addition to a larger monthly payment required by the First Lien.

4. Borrower acknowledges that this Note is made pursuant to the Montana Board of Housing Score Advantage Down Payment Assistance (DPA) Program, and is secured by a Subordinate Trust Indenture, dated the same date as this Note, under which Borrower is Grantor

and Lender is Beneficiary, granting to the Lender a lien on the real property described in said Trust Indenture.

5. This Montana Board of Housing Score Advantage DPA Program Promissory Note is **not** assumable. Upon any transfer of the Borrower's ownership interest in the property address above and more specifically described in the Trust Indenture securing this Note, all unpaid principal and interest shall immediately become due and payable as provided in Paragraph 3, above.

6. The Borrower may prepay at any time, without premium, fee, or other penalty, the entire indebtedness of this Subordinate Loan. Additional principal reduction payments are payable on the first day of any month.

7. If Lender has not received the full monthly payment required as described in Paragraph 3 of this Note by the end of **fifteen** calendar days after the payment is due, Lender may collect a late charge in the amount of **Four per cent (4.00%)** of the overdue amount of each payment.

8. If this Note has been executed by two (or more) persons, the obligations herein are joint and several obligations of each such person.

9. The makers and endorsers of this note severally waive presentment, demand, protest, and notice of protest and of nonpayment of this note and of all installments hereof.

10. If this Note is placed in the hands of an attorney for collection, the undersigned agrees to pay reasonable attorneys' fees and costs.

**THIS NOTE IS SECURED BY THE SUBORDINATE TRUST INDENTURE EXECUTED BY BORROWERS ON THE PROPERTY DESCRIBED ABOVE.**

---

**Borrower**

---

**Borrower**