

[To be used with Tribal Land secured by leasehold interests]

**ADDENDUM TO FIXED RATE NOTE
(NATIVE AMERICAN HOUSING)**

The Note, as amended by this Addendum, is secured by the Security Instrument that encumbers your leasehold interest on lands under the jurisdiction of a federally recognized Indian tribe which is Trust Land or Restricted Land.

Your leasehold interest is described in a residential ground lease (“Ground Lease”) between the Trib, as Lessor, and you, as Lessee. During the term of the Ground Lease, you have a leasehold interest in the land and the improvements (buildings) located on the land. Generally, upon the expiration of the term of a Ground Lease, the land and the improvements become the property of the lessor (i.e., revert back to the lessor). However, upon expiration of the term of your Ground Lease, you may be entitled to certain use rights in the land and the improvements which may entitle you to continue to use and occupy the property if you are qualified for such continuing use under Tribal Law.

THIS ADDENDUM TO FIXED RATE NOTE (the “Addendum”) is made this ____ day of _____, 20__, and is incorporated into, and shall be deemed to amend and supplement, the Note made by the undersigned (“**Borrower**”) to _____ (the “**Lender**”) of the same date (the “Note”).

The Note is secured by a Security Instrument and a FANNIE MAE RIDER TO RESIDENTIAL LEASE OF TRIBAL OWNED LAND (together, the “Security Instrument”) of the same date hereof given by Borrower to secure Borrower’s Note. The property subject to the Security Instrument (the “Property”) is within the jurisdiction of the [Name of Tribe] (the “Tribe”).

The Note and the Security Instrument were executed by Borrower pursuant to the terms of a Memorandum of Understanding between Fannie Mae and the Tribe (the “Memorandum of Understanding”), as approved by the Secretary of the Interior or a duly authorized representative thereof.

ADDITIONAL COVENANT. Notwithstanding anything to the contrary contained in the Note, and in addition to the covenants and agreements made in the Note, Borrower and Lender further covenant and agree as follows:

GOVERNING LAW

Borrower agrees that the Note, this Addendum, and the Security Instrument, is governed by federal law and the laws of the Tribe (“Tribal Law”), except to the extent that Tribal Law is silent or nonexistent, in which case the laws of the state in which the Property is located shall apply. The Borrower consents to the personal jurisdiction of the Tribal Court and any court of competent jurisdiction designated by the Tribe in the Memorandum of Understanding for all controversies or claims relating to or arising out of the Note, this Addendum, or the Security Instrument.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Addendum.

-Borrower (SEAL)

-Borrower (SEAL)

[For VA Loans add the following provisions:]

The Note and Security Instrument are subject to Title 38, United States Code.

If this loan is guaranteed by the Secretary of Veterans Affairs (“VA”), any transfer of the Property by the Borrower must be approved by VA or its authorized agent, successors or assigns, unless the loan is being repaid in full, as required by this section.

**THIS LOAN IS NOT ASSUMABLE WITHOUT THE APPROVAL OF
THE DEPARTMENT OF VETERANS AFFAIRS OR ITS AUTHORIZED AGENT.**

Acceleration Clause

This loan may be declared immediately due and payable upon transfer of the property securing such loan to any transferee, unless the acceptability of the assumption of the loan is established pursuant to 38 U.S.C. 3714.

Funding Fee Clause

A fee equal to one-half of one percent of the balance of this loan as of the date of transfer of the property shall be payable at the time of transfer to the loan holder or its authorized agent, as trustee for the VA. If the assumer fails to pay this fee at the time of transfer, the fee shall constitute an additional debt to that already secured by this instrument, shall bear interest at the rate herein provided, and at the option of the payee of the indebtedness hereby secured or any transferee thereof, shall be immediately due and payable. This fee is automatically waived if the assumer is exempt under the provisions of 38 U.S.C. 3729(c).

Processing Charge Clause

Upon application for approval to allow assumption of this loan, a processing fee may be charged by the loan holder or its authorized agent for determining the creditworthiness of the assumer and subsequently revising the holder’s ownership records when an approved transfer is completed. The amount of this charge shall not exceed the maximum established by VA for a loan to which 38 U.S.C. 3714 applies.

Indemnity Liability Assumption Clause

If this obligation is assumed, then the assumer hereby agrees to assume all of the obligations of the Veteran under the terms of the instruments creating and securing the loan. The assumer further agrees to indemnify VA to the extent of any claim payment arising from the guaranty or insurance of the indebtedness created by this instrument.

[For HUD-Insured Loans, add the following provision:]

If this loan is guaranteed by the Secretary of Housing and Urban Development (“HUD”), any transfer of the Property by the Borrower must be approved by HUD or its authorized agent unless the loan is being repaid in full, as required by this section.

CERTIFICATE OF APPROVAL

The foregoing Note and Addendum are hereby approved on behalf of the Secretary of the Interior. Approval of the Note and the Addendum shall not be construed to be an agreement or assurance that the Property subject to the Security Instrument will remain in a trust or restricted status during the period of the Security Instrument.

Date: _____

Authorized Representative