

NCDFI Relending Demonstration Program

Borrower ID # _____

PROMISSORY NOTE

Loan/Note Amount: _____

**Note Agreement
Date:** _____

For value received, _____, a corporation duly organized and existing under the laws of the State or Tribe of _____, ("NCDFI") promises to pay to the order of the United States of America, acting through the Rural Housing Service, United States Department of Agriculture ("Government"), at the times and in the manner hereinafter provided, the principal sum of _____, (\$___), plus interest on the principal of _____ percent (_1_%) per annum.

Principal and interest shall be deferred. The interest accrued to _____, 20__ shall be due and payable on December 31, 20___. The principal and later accrued interest shall be payable in thirty (30) substantially equal annual installments as follows: \$_____ on the first of January, 20__, and \$_____ thereafter on the first day of each year until the principal and interest are fully paid, except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable on the Maturity Date of _____. The payments will be billed to the NCDFI by the Government in advance of the payment due date. If on _____, the NCDFI still owes amounts under this note, the NCDFI will pay those amounts in full on that date, which is called the "Maturity Date."

The NCDFI shall have the right to prepay the obligation set forth in this note in whole or in part at any time without penalty; provided that in the event of a partial prepayment, the NCDFI shall be obligated to continue making regular and uninterrupted monthly payments for the amount and on the monthly payment date specified in this note, so long as any portion of the loan remains unpaid.

Demand, presentment, protest, notice of protest, and notice of dishonor are hereby waived.

In the event of nonpayment when due of any payment due under this note or if an event of default occurs under the Loan Agreement described below, and such nonpayment or event of default continues for a period of thirty (30) days, then at the option of the holder of this note, the remaining balance under this note shall immediately become due and payable. The failure to assert this right shall not be deemed a waiver.

Amount received on account of indebtedness evidenced by this note shall be applied as follows: first to accrued interest at one percent (1.0%) per annum, expenses, and costs; second to principal.

Upon the occurrence of an event of default as defined below, the holder of this note may declare all or any portion of the note to be immediately due and payable. All capitalized terms not defined herein shall have the meaning given in Notice of Funding Availability.

An "event of default" means:

- 1) any installment payment is not paid within thirty (30) days of the date which it is required to be made;
- 2) failure, inability, or unwillingness of the NCDFI to carry out or comply with, or cause to be carried out or complied with, the specific undertakings described in the Application Materials approved by the Government in the Letter of Conditions;
- 3) any representation or warranty made by the NCDFI in the Application Materials, Letter of Conditions, NCDFI Relending Demonstration Program Loan Agreement, or in any certificate or report furnished by or on behalf of the NCDFI about any of the foregoing that proves to be false, incomplete, or incorrect in any material respect;
- 4) default in the observance or performance of any of the covenants, conditions, or agreements of the NCDFI, including without limitation the NCDFI Relending Demonstration Program Loan Agreement, Application Materials, Letter of Conditions dated _____, or this Promissory Note, or of the Regulations that govern this loan that continues for thirty (30) days after written notice of the default has been given to the NCDFI by the Government;
- 5) commencement of a case in bankruptcy by or against the NCDFI; or
- 6) application for appointment of a receiver for, making a general assignment for the benefit of creditors by, or insolvency of the NCDFI.

IN WITNESS WHEREOF the Intermediary has caused this note to be executed in its corporate name and its corporate seal to be hereunto affixed and attested by its duly authorized officers, all as of the day and year first above written.

by: _____
NCDFI President
Title

(SEAL)

Attest by: _____
Notary

RECORD OF ADVANCES

Amount	Date	Amount	Date
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
	Total		