**EXHIBIT [\_\_\_]**

**MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT**

**(Sponsor-Initiated Affordability Restrictions)**

The foregoing Loan Agreement is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Loan Agreement.
2. The Definitions Schedule is hereby amended by adding the following new definition in the appropriate alphabetical order:

“**Affordability Agreement**” means that certain Sponsor-Initiated Affordability Agreement dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, and executed by and between Borrower and Lender.

1. Section 14.01(c) (Defaults/Remedies – Events of Default – Events of Default Subject to Extended Cure Period) of the Loan Agreement is hereby amended by adding the following provision to the end thereof:

([\_\_]) any failure by Borrower to comply with Section [\_\_].01 (Sponsor-Initiated Affordability Restrictions – Representations and Warranties) and Section [\_\_].02 Sponsor-Initiated Affordability Restrictions - Covenants) of this Loan Agreement.

1. Section 14.02 (Defaults/Remedies – Remedies) of the Loan Agreement is hereby amended by adding the following new paragraph ([\_\_]) to the end thereof:

**([\_\_]) Sponsor-Initiated Affordability Restrictions.**

For and in consideration of Borrower agreeing to implement certain agreed upon Sponsor-Initiated Affordability restrictions at the Mortgaged Property, Lender has granted Borrower a **[DRAFTING NOTE: INSERT FNMA PRICING INCENTIVE]** \_\_\_\_\_ (\_\_\_) basis point pricing incentive in the **[DRAFTING NOTE: INSERT AS APPLICABLE: Fixed Rate/Adjustable Rate]** over the term of the Mortgage Loan. If Borrower fails to comply with the provisions of Section [\_\_].01 (Sponsor-Initiated Affordability Restrictions – Representations and Warranties) and Section [\_\_].02 (Sponsor-Initiated Affordability Restrictions – Covenants) of this Loan Agreement, which failure constitutes an Event of Default under Section 14.01(c) (Defaults/Remedies – Events of Default Subject to Extended Cure Period) of this Loan Agreement, Borrower shall reimburse Lender for any and all incentives, discounts, rebates, costs, expenses and fees provided by Lender or incurred by Lender upon such Event of Default.

1. The following Article is hereby added to the Loan Agreement as Article [\_\_\_] (Sponsor-Initiated Affordability Restrictions):

**ARTICLE [\_\_\_]** **– SPONSOR-INITIATED AFFORDABILITY RESTRICTIONS**

**Section [\_\_].01 Representations and Warranties.**

Borrower hereby represents and warrants to Lender, as of the Effective Date, that the Affordability Agreement is in full force and effect, and binding upon Borrower and the Mortgaged Property.

**Section [\_\_].02 Covenants.**

Borrower shall:

(a) comply with all terms and provisions of the Affordability Agreement at the Mortgaged Property throughout the Loan Term;

(b) not refuse to lease to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937, as amended, because of the status of the prospective tenant as such a holder;

(c) conduct its tenant selection procedure in accordance with all applicable laws, ordinances, rules, and regulations of any Governmental Authority, including fair housing laws, rules and regulations; and

(d) meet the same affirmative marketing standards as are set forth in 24 C.F.R. § 200.620.

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