

Updated February 2026

APPENDIX D-2

FORM OF RECAPTURE MORTGAGE NOTE FOR TWO-FAMILY AFFORDABLE
HOMEOWNERSHIP UNIT AND AFFORDABLE RENTAL UNIT IN FAVOR OF STATE,
REQUIRED BY N.J.A.C. 5:80-26.6(d)

**DEED-RESTRICTED AFFORDABLE HOUSING UNIT WITH
RESTRICTIONS ON RESALE AND REFINANCING**

New Jersey Housing and Mortgage Finance Agency

Housing Affordability Service

637 South Clinton Avenue

P.O. Box 18550

Trenton, NJ 08650-2085

Recapture Mortgage Note

In Connection with Payment of Amounts Due

Upon First Non-Exempt Sale

After Expiration of Control Period

Two-Family Affordable Homeownership Unit and Affordable Rental Unit

THIS NOTE is dated as of _____, 20___. For value received, _____ (the
“Owner”), with an address of _____, promises to pay to the State of New
Jersey (the “State”), acting by and through the Housing Affordability Service (“HAS”) in the New Jersey
Housing and Mortgage Finance Agency (“Agency”), which has its principal office at 637 South Clinton
Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085, the amounts specified in this Note and
promises to abide by the terms and conditions below.

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Article 1. REPAYMENT MORTGAGE

As security for the payment of amounts due under this Note and the performance of all promises set forth herein, the Owner is giving the State a “Repayment Mortgage to Secure Payment of Amounts Due Upon First Non-Exempt Sale After Expiration of Control Period” dated _____ (the “Mortgage”), which Mortgage encumbers the property described below (the “Property”). The Mortgage will not be subordinate, and will not be subordinated by the State, to any mortgage, refinancing, equity loan, secured letter of credit, or other obligation secured by the Property, except with respect to (a) any such obligation that was duly recorded prior to the recording hereof, and (b) any such obligation that, when added to all other obligations recorded against the Property, will result in total debt secured by the Property being an amount less than the maximum resale price (MRP) that would be applicable were the Control Period still in effect, as those terms are defined in Article 2 of the Mortgage.

Article 2. OWNERS PROMISE TO PAY AND OTHER TERMS

Upon the first non-exempt sale of the Property after the date of this Note, the Owner, or the heir, successor, or assignee of the Owner then selling the Property, shall pay the sum of _____ Dollars (\$ _____) < insert amount determined pursuant to N.J.A.C. 5:80-26. 6(d)> to HAS. The obligation evidenced by this Note will not accrue interest.

Article 3. PROPERTY DESCRIPTION

The Property is a two-family residence designed to house one very-low-, low-, or moderate-income owner-occupant household (the “ownership unit”) and one very-low-, low-, or moderate-income renter household (the “rental unit”).

The Property consists of all of the land, and improvements thereon, located in the municipality of _____ (the “Municipality”), _____ County, New Jersey, and is

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described more specifically as Block No. _____, Lot No. _____, and known by the street address:

_____.

Article 4. WAIVER OF FORMAL ACTS

The Owner waives its right to require the State or HAS to do any of the following before enforcing any of their rights under this Note:

1. To demand payment of amounts due (known as Presentment).
2. To give notice that amounts due have not been paid (known as Notice of Dishonor).
3. To obtain an official certificate of non-payment (known as Protest).

Article 5. RESPONSIBILITY UNDER NOTE

All Owners signing this Note are jointly and individually obligated to pay the amounts due and to abide by the terms and conditions hereof. The State or HAS may enforce this Note against any one or more of the Owners or against all Owners together.

The Owner agrees to the terms and conditions of this Note by signing below.

ACKNOWLEDGEMENT

The Owner acknowledges receipt of a true copy of the Mortgage and this Note at no charge.

Dated:

By: _____

Signature (Owner)

By: _____

Signature (Owner)

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STATE OF NEW JERSEY)

) ss.:

COUNTY OF _____)

On this the ____ day of _____, 20__ before me came _____, who
acknowledged and made proof to my satisfaction that they are the Owner named within this Note, and that
they executed this Note for the purposes set forth herein.

Sworn to and subscribed before me this the _____ day of _____, 20__.

A Notary Public/Attorney of the State of New Jersey