



California
Agreement to Execute a Second
Mortgage and Note

Good Neighbor Next Door (GNND) Participants agree to own and live in the property as their sole residence for a period of three (3) years. Participants agree to execute a second mortgage and note for the amount of the discount. No interest or payments are due on this “silent second” provided the GNND participant fulfills the three year occupancy requirement. Participants are required to certify annually that they are living in the property. Participants may not own any other residential real estate for three years from the date of purchase of the GNND property. Failure to comply with this or any other GNND requirement may result in the balance of the second mortgage becoming immediately due and payable. At the end of the three year occupancy requirement, if GNND participant has met all other requirements, the second mortgage will be released. Please review the GNND [requirements](#) and [second mortgage](#) information on HUD’s website for further details.

Property Information

FHA Case Number: _____

Property Address (include city, state & county):

Purchaser (s): _____

Selling Agent: _____ Agent Phone: _____

I / We agree to execute a second mortgage and note, for the amount of the discount, which HUD may call at a later date if I / we fail to re-certify or comply with any other GNND requirements.

Purchaser Signature **(Required)**

Date

Purchaser Signature **(Required)**

Date

Selling Agent Signature **(Required)**

Date