

Health Resources and Services Administration
Health Care Facility Loan Guarantee Program

ASSIGNMENT GUARANTEE AGREEMENT

Date: _____

Lender	Borrower
Lender's Address	Borrower's Address
Principal Amount of Loan	Health Center
Project Description and Address	Health Center Address

The Lender has made a loan to the Borrower in the principal amount of \$ _____ as evidenced by a note(s) dated _____. The Health Resources and Services Administration ("HRSA"), an agency of the United States Department of Health and Human Services, an executive branch department of the government of the United States of America, acting through the Bureau of Primary Health Care, a bureau within HRSA entered into a Loan Note Guarantee with the Lender applicable to such loan to guarantee the loan not to exceed 80% of the amount of the principal advanced and any interest due thereon (provided that the Loan Note Guarantee shall not cover the note interest due to any Holder on the guaranteed portion of the loan accruing after 90 days from the date of the demand letter to the Lender requesting a repurchase).

_____ of _____ (Holder) desires to purchase from Lender _____ % of the guaranteed portion of such loan. Copies of Borrower's note(s) and the Loan Note Guarantee are attached hereto as a part hereof.

NOW, THEREFORE, THE PARTIES AGREE:

1. The principal amount of the loan now outstanding is \$ _____. The Lender hereby assigns to Holder _____ % of the guaranteed portion of the loan representing \$ _____ of such loan now outstanding in accordance with all of the terms and conditions hereinafter set forth.

2. **Loan Servicing.** The Lender will be responsible for servicing the entire loan and will remain mortgagee and/or secured party of record. The entire loan will be secured by the same security with equal lien priority for the guaranteed and unguaranteed portions of the loan. The Lender will receive all payments on account of principal of, or interest on, the entire loan and shall promptly remit to the Holder its pro rata share thereof determined according to their respective interests in the loan, less only the Lender's servicing fee.

3. **Servicing Fee.** Holder agrees that Lender will retain a servicing fee of _____ percent per annum of the unpaid balance of the guaranteed portion of the loan assigned hereunder.

4. **Purchase by Holder.** The guaranteed portion purchased by the Holder will always be a portion of the loan which is guaranteed. The Holder will hereby succeed to all rights of the Lender under the Loan Note Guarantee to the extent of the assigned portion of the loan. The Lender, however, will remain bound by all obligations under the Loan Note Guarantee and the rules and regulations thereunder, as may be amended, under the Health Care Facility Loan Guarantee Program established pursuant to Title XVI, Part A of the Public Health Service Act, 42 U.S.C. 300q et seq. (the "Program").

5. **Full Faith and Credit.** The Loan Note Guarantee constitutes an obligation supported by the full faith and credit of the United States and is incontestable except for fraud or misrepresentation of which the Holder has actual knowledge at the time of this assignment, or which it participates in or condones. Any Assignment Guarantee Agreement attached to or relating to a note which provides for capitalization of interest is void.

6. Rights and Liabilities. The guarantee and right to require purchase will be directly enforceable by Holder notwithstanding any fraud or misrepresentations by the Lender or any unenforceability of the Loan Note Guarantee by the Lender. Nothing contained herein shall constitute any waiver by HRSA of any rights it possesses against the Lender. The Lender agrees that the Lender will be liable and will promptly reimburse HRSA for any payment made by HRSA to Holder which, if such Lender had held the guaranteed portion of the loan, HRSA would not otherwise have been required to pay to the Lender. The Holder(s) upon written notice to the Lender and HRSA may resell the unpaid balance of the guaranteed portion of the loan assigned hereunder. An endorsement may be added to this Assignment Guarantee Agreement to effectuate the transfer.

7. Repurchase by the Lender (Defaults). The Lender has the option to repurchase the unpaid guaranteed portion of the loan from the Holder(s) within 30 days of written demand by the Holder(s) when: (a) the Borrower is in default not less than 60 days on principal or interest due on the loan or (b) the Lender has failed to remit to the Holder(s) its (their) pro rata share of any payment made by the Borrower within 30 days of its receipt thereof. The repurchase by the Lender will be for an amount equal to the unpaid guaranteed portion of principal and accrued interest, less the Lender's servicing fee. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loan(s) accruing after 90 days from the date of the demand letter to the Lender requesting the repurchase. Holder(s) will concurrently send a copy of the repurchase demand to HRSA and the Lender Coordinator. The Lender will accept an assignment without recourse from the Holder(s) upon repurchase. The Lender is encouraged to repurchase the loan to facilitate the accounting for funds, resolve the problem, and to permit the borrower to cure the default, where reasonable. The Lender will notify the Holder(s) and HRSA and the Lender Coordinator of its decision.

8. Purchase by HRSA. If Lender does not repurchase as provided by paragraph 7, the Holder may submit a written demand to HRSA to purchase from the Holder the unpaid principal balance of the guaranteed portion together with accrued interest to date of repurchase, less Lender's servicing fee. The Holder will concurrently send a copy of the demand to HRSA, the Lender Coordinator and the Lender. The Holder will include in its demand to HRSA: (a) evidence of its right to require payment from HRSA; and (b) the amount due including unpaid principal, unpaid interest to date of demand and interest subsequently accruing from date of demand to proposed payment date. Such evidence will consist of either the original of the Loan Note Guarantee properly endorsed to HRSA or the original of this Assignment Guarantee Agreement properly assigned to HRSA without recourse including all rights, title, and interest in the loan. HRSA will be subrogated to all rights of the Holder. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loans accruing after 90 days from the date of the original demand letter of the Holder to the Lender requesting the repurchase. Unless otherwise agreed to by HRSA, such proposed payment will not be later than 30 days from the date the Holder's demand to HRSA.

HRSA or the Lender Coordinator will promptly notify the Lender of its receipt of the Holder(s)'s demand for payment. The Lender will promptly provide HRSA with the information necessary for HRSA's determination of the appropriate amount due the Holder(s). Any discrepancy between the amount claimed by the Holder(s) and the information submitted by the Lender must be resolved before payment will be approved. HRSA will notify both parties who must resolve the conflict before payment will be approved. Such a conflict will suspend the running of the 30 day payment requirement. Upon receipt of the appropriate information, HRSA will review the demand and submit it to Treasury for verification. After reviewing the demand, HRSA will transmit the request to Treasury for issuance of the appropriate check. Upon issuance, Treasury will notify HRSA and remit the check(s) to the Holder(s).

9. Lender's Obligations. The Lender consents to the purchase by HRSA and agrees to furnish on request by HRSA a current statement certified by an appropriate authorized officer of the Lender of the unpaid principal and interest then owed by Borrowers on the loan and the amount then owed to any Holder(s). The Lender agrees that any purchase by HRSA does not change, alter or modify any of the Lender's obligations to HRSA arising from said loan or guarantee nor does it waive any of HRSA's rights against the Lender, and that HRSA shall have the right to set-off against the Lender all rights inuring to HRSA as the Holder of this instrument against HRSA's obligation to the Lender under the Loan Note Guarantee.

10. Repurchase by Lender for Servicing. If, in the opinion of the Lender, repurchase of the assigned portion of the loan is necessary to adequately service the loan, the Holder will sell the assigned portion of the loan to the Lender for an amount equal to the unpaid principal and interest on such portion less the Lender's servicing fee. The Loan Note Guarantee will not cover the note interest to the Holder on the guaranteed loans accruing after 90 days from the date of the demand letter from the Lender or HRSA to the Holder(s) requesting the Holder(s) to tender their guaranteed portion(s).

- a. The Lender will not repurchase from the Holder(s) for arbitrage purpose or other purposes to further its own financial gain.
- b. Any repurchase will only be made after the Lender obtains HRSA written approval.

c. If the Lender does not repurchase the portion from the Holder(s), HRSA at its option may purchase such guaranteed portions for servicing purposes.

11. Foreclosure. The parties owning the guaranteed portions and unguaranteed portion of the loan will join to institute foreclosure action, or in lieu of foreclosure, take a deed of conveyance to such parties.

12. Reassignment. Holder upon prior written notice to Lender and HRSA may reassign the unpaid guaranteed portion of the loan sold hereunder. Upon such notification, the assignee will succeed to all rights and obligations of the Holder hereunder. Holders may only reassign the entire guaranteed portion they have received and cannot subdivide or further split the guaranteed portion of a loan or retain an interest strip. Subsequent assignments require prior written notice to the Lender and HRSA using any format, including that used by the Securities Industry and Financial Markets Association (formerly known as the Bond Market Association), together with the transfer of the original Assignment Guarantee Agreement. HRSA will neither execute a new Assignment Guarantee Agreement to effect a subsequent reassignment nor reissue a duplicate Assignment Guarantee Agreement unless the original was lost, stolen, destroyed, mutilated, or defaced.

13. Notices. All notices and actions will be initiated to HRSA and the Lender Coordinator:

If to HRSA: Health Resources and Services Administration
Bureau of Primary Health Care
Office of Policy and Program Development
5600 Fishers Lane
Rockville, Maryland 20857
Attention: Health Center Loan Guarantee Program

If to the Lender
Coordinator:

LENDER:

ADDRESS:

ATTEST:

By _____

Title _____

HOLDER:

ADDRESS:

ATTEST:

By _____

Title _____

UNITED STATES OF AMERICA
The Health Resources Services Administration

By _____

Title _____