**Section 300.301 Mortgage Loans**

Each Mortgage Loan to be purchased under the Program shall comply with the terms of the Lender Application, the Notice of Acceptance and the Mortgage Purchase Agreement, and shall specifically comply with the following requirements, among others:

a) The original principal amount of each Mortgage Loan shall not exceed the maximum loan amount set by the Authority from time to time. The loan-to-Property Value ratio for each Mortgage Loan shall not exceed the maximum loan-to-Property Value ratio set by the Authority from time to time.

b) Each Mortgage Loan shall be Insured, unless, and only to the extent that, FNMA, FHLMC or GNMA, as issuer and/or guarantor of Mortgage-Backed Securities, do not require that particular Mortgage Loans be insured to be included in pools of Mortgage Loans underlying Mortgage-Backed Securities issued and/or guaranteed by FNMA, FHLMC or GNMA.

c) Each Mortgage Loan to be purchased by the Authority or its designee shall be secured by a Mortgage on a Qualified Dwelling and shall also meet the applicable terms and conditions set forth in this Part, the Lender Application, the Notice of Acceptance and the Mortgage Purchase Agreement. Lenders shall sell to the Authority or its designee, and the Authority or its designee shall purchase, only Mortgage Loans made to Eligible Borrowers.

d) Each Mortgage securing a Mortgage Loan to be purchased by the Authority or its designee shall:

1) be executed on a form approved by the Authority or its designee;

2) be a valid first Mortgage lien on a Qualified Dwelling;

3) have a term not exceeding 40 years;

4) be consistent with Illinois law; and

5) conform with the requirements prescribed by the Authority and any applicable insurer.

e) Each Mortgage Loan to be purchased by the Authority or its designee shall be assumable and assignable, unless otherwise required by Section 103 of the Code, any other applicable sections of the Code or any other applicable State or federal law as may be enacted from time to time, and shall contain a provision giving the Authority or its designee the right to accelerate the maturity of the Mortgage Loan upon sale or lease of the Qualified Dwelling, unless otherwise allowed or required by applicable State or federal law.

f) The Authority or its designee shall not be required to purchase any Mortgage Loan if, on the date of purchase, the obligor of the Mortgage Loan is delinquent in the payment of any installment of principal, interest or other amounts due under the terms of the Mortgage Loan.

g) The Authority or its designee may foreclose Mortgages held as security for Mortgage Loans purchased under this Part that are in default according to their terms, or reassign the Mortgages to the Lender in accordance with the terms of the Mortgage Purchase Agreement. The Authority or its designee may take title to the property in its name upon foreclosure and to subsequently convey title to the property to any purchaser of the property.