Section A. Mortgage and Note Form Exhibits

Overview

In This Section  This section contains the topics listed in the table below.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Topic Name</th>
<th>See Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Exhibit 1: Model Mortgage Form</td>
<td>12-A-2</td>
</tr>
<tr>
<td>2</td>
<td>Instructions for Completing the Model Mortgage Form</td>
<td>12-A-12</td>
</tr>
<tr>
<td>3</td>
<td>Exhibit 2: Model Note Form</td>
<td>12-A-16</td>
</tr>
<tr>
<td>4</td>
<td>Exhibit 3: Model Adjustable Rate Note Form</td>
<td>12-A-17</td>
</tr>
<tr>
<td>5</td>
<td>Exhibit 4: Graduated Payment Rider</td>
<td>12-A-22</td>
</tr>
<tr>
<td>6</td>
<td>Exhibit 5: Graduated Payment Allonge Amending Note</td>
<td>12-A-24</td>
</tr>
<tr>
<td>7</td>
<td>Exhibit 6: Growing Equity Allonge Amending Note</td>
<td>12-A-26</td>
</tr>
<tr>
<td>8</td>
<td>Exhibit 7: Condominium Rider</td>
<td>12-A-27</td>
</tr>
<tr>
<td>9</td>
<td>Exhibit 8: Rehabilitation Loan Rider</td>
<td>12-A-29</td>
</tr>
<tr>
<td>10</td>
<td>Exhibit 9: Planned Unit Development Rider</td>
<td>12-A-31</td>
</tr>
<tr>
<td>11</td>
<td>Exhibit 10: Tax-Exempt Financing Rider</td>
<td>12-A-33</td>
</tr>
<tr>
<td>12</td>
<td>Exhibit 11: Rider for Section 248 Mortgage</td>
<td>12-A-35</td>
</tr>
<tr>
<td>13</td>
<td>Exhibit 12: Rider for Section 247 Mortgage</td>
<td>12-A-37</td>
</tr>
<tr>
<td>14</td>
<td>Exhibit 13: Non-Owner Occupancy Rider</td>
<td>12-A-38</td>
</tr>
<tr>
<td>15</td>
<td>Exhibit 14: Water Purification Equipment Rider</td>
<td>12-A-40</td>
</tr>
<tr>
<td>16</td>
<td>Exhibit 15: Cooperative Rider</td>
<td>12-A-42</td>
</tr>
<tr>
<td>17</td>
<td>Exhibit 16: Construction Rider for Construction/Permanent Mortgage</td>
<td>12-A-44</td>
</tr>
</tbody>
</table>
1. Exhibit 1: Model Mortgage Form

Change Date March 1, 2011

The following is an example of the Model Mortgage Form.

THE MORTGAGE (Security Instrument) is given on __________________, 20__, to ___________________________, whose address is ______________________________ (Borrower).

This Security Instrument is given to ______________________________, which is organized under the laws of ______________________________, and whose address is ______________________________ (Lender). Borrower owes Lender the principal sum of ______________________________ Dollars (U.S. $______________) This debt is evidenced by Borrower’s note dated the same date & Security Instrument (Note), which provides for monthly payments, with the full debt, if not prepaid and payable on ______________________________.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by this Note; (b) the payment of all interest, and all renewals, extensions and modifications of the Note; (c) the payment of all other sums due the Lender, with interest, advanced under Paragraph 7 to protect the security of this Security Instrument; (d) performance of Borrower’s covenants and agreements under this Security Instrument; and (e) the purpose of Borrower does hereby mortgage, warrant, grant and convey to the Lender with the following described property located in ______________________________ County, ______________, which has the address of ______________________________ [Street] ______________________________ [City], ______________________________ [State] ______________________________ [Zip Code], (Property Addi

TOGETHER WITH all the improvements now or hereafter erected on the property, and appurtenances, and fixtures now or hereafter a part of the property. All replacement additions shall also be covered by this Security Instrument. All of the foregoing is referred to Security Instrument as the “Property.”

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed to mortgage, grant and convey the Property and that the Property is unencumbered, and free of all liens and encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances or record.

Continued on next page
1. Exhibit 1: Model Mortgage Form, Continued

4155.2 12.A.1.a
Model Mortgage Form Example (pg.2)

THE SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

Borrower and Lender covenant agree as follows:

UNIFORM COVENANTS:

1. Payment of Principal, Interest and Late Charge
Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and late charges due under the Note.

2. Monthly Payment of Taxes, Insurance, and Other Charges
Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, a sum for:

(a) taxes and special assessments levied or to be levied against the Property,
(b) leasehold payments or ground rents on the Property, and
(c) premiums for insurance required under Paragraph 4. In any year in which the Lender must pay a mortgage insurance premium to the Secretary of Housing and Urban Development ("Secretary"), or in any year in which such premium would have been required if Lender still held the Security Instrument, each monthly payment shall also include either

(i) a sum for the annual mortgage insurance premium to be paid by Lender to the Secretary, or
(ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary, in a reasonable amount to be determined by the Secretary. Except for the monthly charge by the Secretary, these items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds."

Lender may, at any time, collect and hold amounts for Escrow Items in an aggregate amount not to exceed the maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. Sec. 2601 et seq, and implementing regulations, 24 C.F.R. Part 550, as they may be amended from time to time. (RESPA), except that the cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Borrower's payments are available in the account may not be based on amounts due for the mortgage insurance premium.

If the amounts held by Lender for Escrow Items exceed the amounts permitted to be held by RESPA, Lender shall deal with the excess funds as required by RESPA. If the amounts of funds held by Lender at any time are not sufficient to pay the Escrow Items when due, Lender may notify the Borrower and require Borrower to make up the shortage as permitted by RESPA.
1. Exhibit 1: Model Mortgage Form, Continued

2. Monthly Payment of Taxes, Insurance, and Other Charges (continued)

The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. If Borrower tenders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance remaining for all installment items (a), (b), and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or upon acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b), and (c).

3. Application of Payments

All payments under Paragraph 1 and 2 shall be applied by Lender as follows:

- First, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium;
- Second, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;
- Third, to interest due under the Note;
- Fourth, to amortization of the principal of the Note; and
- Fifth, to late charges due under the Note.

4. Fire, Flood, and Other Hazard Insurance

Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. The insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include first payable clauses in favor of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either

(q) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in Paragraph 3, and then to prepayment of principal, or

Continued on next page
4155.2 12.A.1.a
Model Mortgage Form Example (pg.4)

4. Fire, Flood, and Other Hazard Insurance (continued)
(b) to the restoration or repair of the damaged Property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in Paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that distinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower’s Loan Application; Leasetholds
Borrower shall occupy, establish, and use the Property as Borrower’s principal residence within sixty days after the execution of this Security Instrument (or within sixty days of a later sale or transfer of the Property) and shall continue to occupy the Property as Borrower’s principal residence for at least one year after the date of occupancy, unless Lender determines that requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower’s control. Borrower shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned property. Borrower shall also be in default if borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower’s occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires the title to the Property, the leasehold and the title shall not be merged unless Lender agrees to the merger in writing.

6. Condemnation
The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in Paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in Paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

Continued on next page
Chapter 12, Section A

1. Exhibit 1: Model Mortgage Form, Continued

4155.2 12.A.1.a
Model Mortgage Form Example (pg.5)

7. Charges to Borrower and Protection of Lender's Rights in the Property
   Borrower shall pay all governmental or municipal charges, fees and assessments that are not included in Paragraph 2. Borrower shall pay said obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender’s interest in the Property, upon Lender’s request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by Paragraph 2, or fails to perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender’s rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender’s rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement at the Note rate, and at the option of Lender shall be immediately due and payable.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower:
   (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender;
   (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien, or
   (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

8. Fees
   Lender may collect fees and charges authorized by the Secretary.

9. Grounds for Acceleration of Debt
   (a) Default. Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if
   (c) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or
   (d) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

Continued on next page
1. Exhibit 1: Model Mortgage Form, Continued

4155.2 12.A.1.a Model Mortgage Form Example (pg.6)

9. Grounds for Acceleration of Debt (continued)

(i) Sale Without Credit Approval. Lender shall, if permitted by applicable law (including Section 341(d) of the Garn-St. Germain Depository Institutions Act of 1982, 12 U.S.C. 1851f(d)) and with the prior approval of the Secretary, require immediate payment in full of all sums secured by this Security Instrument if:

(i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent), and

(ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or

(iii) The purchaser or grantee does not occupy the Property, but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) No Waiver. If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payment, Lender does not waive its rights with respect to subsequent events.

(d) Regulations of HUD Secretary. In many circumstances regulations issued by the Secretary will limit Lender rights, so the case of payment defaults, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) Mortgage Not Insured [OPTIONAL]. Borrower agrees that if this Security Instrument and the Note are not determined to be eligible for insurance under the National Housing Act within ______ from the date hereof, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to the date hereof, declining to insure this Security Instrument and the Note, shall be deemed conclusive proof of such uneligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

Note: Lenders are authorized, but not required, to add Paragraph 9(e). Any period may be inserted in the two blanks, expressed either in number of days or months, which is not shorter than sixty days and not longer than eight months.

Continued on next page
11. **Borrower Not Released; Forbearance by Lender Not a Waiver**

   Extension of the time of payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refusal to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. **Successors and Assigns Bound; Joint and Several Liability; Co-Signers**

   The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 9(b). Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note,

   (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument;

   (b) is not personally obligated to pay the sums secured by this Security Instrument; and

   (c) agrees that Lender and any other Borrower may agree to extend, modify, forebear or make any accommodations with regard to the term of this Security Instrument or the Note without that Borrower's consent.
1. Exhibit 1: Model Mortgage Form, Continued

13. Notices
Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by
mailing it by first class mail unless applicable law requires use of another method. The notice shall be
directed to the Property Address or any other address Borrower designates by notice to Lender. Any
notice to Lender shall be given by first class mail to Lender's address stated herein or any address
Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be
deemed to have been given to Borrower or Lender when given as provided in this paragraph.

14. Governing Law; Severability
This Security Instrument shall be governed by Federal law and the law of the jurisdiction in which the
Property is located. In the event that any provision or clause of this Security Instrument or the Note
conflicts with applicable law, such conflict shall not affect other provisions of this Security
Instrument or the Note which can be given effect without the conflicting provision. To this end, the
provisions of this Security Instrument and the Note are declared to be severable.

15. Borrower's Copy
Borrower shall be given one conformed copy of the Note and of this Security Instrument.

16. Hazardous Substances
Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous
Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything
affecting the Property that is in violation of any Environmental Law. The preceding two sentences
shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous
Substances that are generally recognized to be appropriate to normal residential uses and to
maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or
other action by any governmental or regulatory agency or private party involving the Property and
any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If
Borrower learns, or is notified by any governmental or regulatory authority, that any remediation or other
remediation of any Hazardous Substances affecting the Property is necessary, Borrower shall
promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 16, "Hazardous Substances" are those substances defined as toxic or
hazardous substances by Environmental law and the following substances: gasoline, kerosene, other
flammable or toxic products, toxic pesticides and herbicides, volatile solvents, materials
containing asbestos or formaldehyde, and radioactive materials. As used in the paragraph 16,
"Environmental law" means federal laws and laws of the jurisdiction where the Property is located
that relate to health, safety, or environmental protection.
4155.2 12.A.1.a Model Mortgage Form Example (pg.9)

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

17. Assignment of Rents

Use the following language unless prohibited by state law.

Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender agents. However, prior to Lender notice to Borrower of Borrower’s breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower:

(a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument;

(b) Lender shall be entitled to collect and receive all of the rents of the Property, and

(c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender agent on Lender’s written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this Paragraph 17.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other rights or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

Note: If changes are necessary to create an assignment of rents enforceable under state law, the lender should make necessary changes but the revised paragraph should grant the lender the maximum interest in rents permitted by law.

18. Foreclosure Procedure

For illustration only. The text needs state adaptation, as provided in 4155.2 6. B.2.d.

If Lender requires immediate payment in full under Paragraph 9, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall have the right to collect all expenses incurred in pursuing the remedies provided in this Paragraph 18, including, but not limited to, reasonable attorney’s fees and costs of title evidence.

Continued on next page
1. Exhibit 1: Model Mortgage Form, Continued

4155.2 12.A.1.a
Model Mortgage Form Example (pg.10)

18. Foreclosure Procedure (continued)
If Lender invokes the power of sale, Lender shall give notice of sale to Borrower in the manner provided in Paragraph 13. Lender shall publish and post the notice of sale, and the Property shall be sold in the manner prescribed by applicable law. Lender or its designee may purchase the Property at any sale. The proceeds of the sale shall be applied in the following order:

(a) to all expenses of the sale, including, but not limited to, reasonable attorney's fees;
(b) to all sums secured by this Security Instrument; and
(c) any excess to the person or persons legally entitled to it.

The following language is mandatory in all cases
If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under Paragraph 9, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 U.S.C. 3751 et seq.) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this Paragraph 18 or applicable law.

State Specific Paragraphs
Add any state-specific paragraphs in accordance with instructions for completing the Model Mortgage Form, and the current edition of HUD 4155.2.

Number the following as the final paragraph or leave unnumbered but place after numbered paragraphs.

Riders to this Security Instrument
If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

____ Condominium Rider  ____ Growing Equity Rider  ____ Other [specify]
____ Planned Unit Development Rider  ____ Graduated Payment Rider

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses:

________________________  __________________________ (SEAL)
Borrower  Borrower

________________________ [Space Below This Line for Acknowledgement] ________________
2. Instructions for Completing the Model Mortgage Form

Introduction

This topic provides instructions for completing the Model Mortgage Form, including:

- form and content of the security instrument
- language preceding uniform covenants
- uniform covenants
- non-uniform covenants
- paragraph 18 instructions
- instructions for additional paragraphs, and
- signatures on the Model Mortgage Form.

Change Date

March 24, 2011

4155.2 12.A.2.a
Form and Content of the Security Instrument

HUD requires that a security instrument follow the form and content of the approved Fannie Mae/Freddie Mac (FNMA/FHLMC) security instrument for the jurisdiction, except where HUD has determined that differences are needed to reflect HUD policy and practice.

Reference: For more information on mortgage and note forms, see HUD 4155.2 6.B.

4155.2 12.A.2.b
Language Preceding Uniform Covenants

The lender should use FNMA/FHLMC language, but add a box for the FHA Case Number, as shown on the Model Mortgage Form.

The language in the Model Mortgage Form is an example using text for Michigan. The form may include variations to the standard language that have been approved by FNMA/FHLMC.

The format and language for Maine and New York, where FNMA and FHLMC approved “plain English” forms, should be based on FNMA/FHLMC forms for other states, provided that the language conforms to applicable law.

Reference: For more information on requirements for Maine and New York, see HUD 4155.2 6.B.5.g.

Continued on next page
2. Instructions for Completing the Model Mortgage Form, Continued

4155.2 12.A.2.c Uniform Covenants
The lender should designate the paragraphs preceding Paragraph 17, “Assignment of Rents” as Uniform Covenants.

Use the text as presented in the Model Mortgage Form without any change. Do not substitute FNMA/FHLMC language. If a change to the text is needed to meet the requirements of state or local law, or practice, obtain written approval from HUD before making the change.

4155.2 12.A.2.d Non-Uniform Covenants
The lender should designate the paragraphs beginning with Paragraph 17, “Assignment of Rents” as Non-Uniform Covenants.

Continued on next page
2. Instructions for Completing the Model Mortgage Form, Continued

The lender should adapt FNMA/FHLMC Paragraph 18, “Foreclosure Procedures” in the jurisdiction, to reflect HUD policy. The Model Mortgage Form contains adapted language for Michigan.

Following the phrase, “If Lender requires immediate payment in full under Paragraph 9,” use the current approved FNMA/FHLMC foreclosure procedures, including language regarding payment of costs, such as attorney’s fees, as a guide and adapt as necessary.

Omit language regarding notice and acceleration. For Maine and New York, use foreclosure language based on these instructions, and other FNMA/FHLMC forms that are not “plain English”, provided that the language authorizes foreclosure in conformance with applicable law.

The mortgage must include the lender’s right to a public sale of property, including a power of sale, if legally permissible under the law of the jurisdiction in which the property is located, even if mortgages are usually foreclosed through a judicial proceeding.

All rights to a deficiency must be preserved to the extent legally permissible, except as provided in special instructions for Iowa, North Dakota, or Wisconsin.

New language is required at the end of Paragraph 18 regarding the new Single Family Mortgage Foreclosure Act, which provides an alternative foreclosure procedure under Federal law.

Reference: For more information on special requirements for specific states and localities, see HUD 4155-2 6.B.5.

Continued on next page
Paragraphs following Paragraph 18 should contain provisions required to adapt the mortgage to the laws and practices of the particular jurisdiction in which the property is located.

The text of these paragraphs should be the same as the FNMA/FHLMC non-uniform covenants for the jurisdiction in which the property is located. Changes to the FNMA/FHLMC paragraphs, and additional material, may be included if needed, to conform to requirements of state law or practice.

The lender should use the language in the paragraph titled “Riders to this Security Instrument” as shown in the Model Mortgage Form, not as shown in the FNMA/FHLMC forms.

Any special language or notices required by applicable law should follow the non-uniform covenants, using the FNMA/FHLMC form for the jurisdiction as a guide.

For signatures and other authorizations, the lender should use the FNMA/FHLMC format at the end of the mortgage, with the following exceptions:

- Witness lines may be omitted if state and local law do not require witnesses for mortgages.
- HUD does not require the Borrower’s Social Security Number to appear on the mortgage.
3. Exhibit 2: Model Note Form

Change Date: March 24, 2011

The following is an example of the Model Note Form.

A

1. Parties
   “Borrower” means each person signing at the end of this Note, and the person’s assigns. “Lender” means and its successors, and assigns.

2. Borrower’s Promise to Pay; Interest
   In return for a loan received from Lender, Borrower promises to pay the principal Dollars (U.S. $______) plus interest, to the order of Lender. Interest will be charged principal, from the date of disbursement of the loan proceeds by lender, at the rate percent (_____%) per year until the full amount of principal has been paid.

3. Promise to Pay Secured
   Borrower’s promise to pay is secured by a mortgage, deed of trust or similar security dated the same date as this Note and called the “Security Instrument.” The Securit protects the lender from losses which might result if Borrower defaults under this

4. Manner of Payment
   (A) Time
       Borrower shall make a payment of principal and interest to Lender on the first day of the month beginning on _______, 20___. Any principal and interest remaining unpaid, 20_ will be due on that date, which is called the maturity date.

   (B) Place
       Payment shall be made at ________, as Lender may designate in writing by notice to Borrower.
4. Exhibit 3: Model Adjustable Rate Note Form

Change Date: March 24, 2011

The following is an example of the Model Adjustable Rate Note Form.

[Date]

[Property Address]

1. Parties
   “Borrower” means each person signing at the end of this Note, and the person’s assigns. “Lender” means and assigns.

2. Borrower’s Promise to Pay: Interest
   In return for a loan received from Lender, Borrower promises to pay the principal Dollars (U.S. $____) plus interest, to the order of Lender. Interest will be charged on the date of disbursement of the loan, at a rate per year until the full amount of principal has been paid. The interest rate may change with Paragraph 5(C) of this Note.

3. Promise to Pay Secured
   Borrower’s promise to pay is secured by a mortgage, deed of trust or similar security, dated the same date as this Note and called the “Security Instrument.” That Sec protects the Lender from losses which might result if Borrower defaults under this Note.

4. Manner of Payment
   (A) Time
   Borrower shall make a payment of principal and interest to Lender on the first day of the first month beginning on ____________ 20__. Any principal and interest remaining ____________ 20__ will be due on that date, which is called the mat

Notes:
• For Maryland, the Note may be amended if the borrower does not voluntarily elect interest at closing

Continued on next page
4. Exhibit 3: Model Adjustable Rate Note Form, Continued

The lender should include any required or customary form or authentication.

The model form is a multistate form which must be adapted for some jurisdictions to reflect the laws and practices of the particular jurisdiction in which the property is located.

The form should not be adapted for jurisdictions in which the multistate version of the FNMA/FHLMC note is used. For other jurisdictions, adaptations should generally follow the corresponding provisions in the FNMA/FHMLC note form approved for use in the jurisdiction, with any additional adaptations that may be necessary to conform to requirements of law and practices in the jurisdiction.

For Puerto Rico, see the special instructions in HUD 4155.2 6.B.5.
5. Exhibit 4: Graduated Payment Rider

Change Date: May 10, 2009

The following is an example of the *Graduated Payment Rider*.

**Example**

THIS GRADUATED PAYMENT RIDER is made this ____________, 20__, and is incorporated into and shall be deemed to amend the Mortgage, Deed of Trust or Security Deed (Security Instrument) of the same date covering the property described in the Security Instrument and located at:

[Property Address]

THIS NOTE PROVIDES FOR DEFERRED INTEREST AND INCREASED INSTALLMENTS ACCORDING TO A SCHEDULE IN THE NOTE. DEFERRED INTEREST MAY INCREASE THE PRINCIPAL BALANCE TO ______ DOLLARS (U.S. $______).

The payment schedule in the Note is as follows:

$ ______ during the 1st note year.

$ ______ during the 2nd note year.

$ ______ during the ______ note year and thereafter.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants of this Graduated Payment Rider.

[ADD ANY NECESSARY ACKNOWLEDGMENT PROVISION]

*Continued on next page*
5. Exhibit 4: Graduated Payment Rider, Continued

Completing the Principal Balance Text
When completing the text “... the PRINCIPAL BALANCE TO ___ DOLLARS (U.S. $___),” insert the maximum principal balance, not the amount by which the principal balance may be increased.

Completing the Note text
In the text “during the _______ note year and thereafter,” complete the schedule until payments stop increasing.

This paragraph is optional, and should be included if required by state law or as otherwise needed to ensure the enforceability and priority of the mortgage.

Lenders may use the exact note text as provided in this document.
6. Exhibit 5: Graduated Payment Allonge Amending Note

Change Date: May 10, 2009

The following is an example of the Graduated Payment Allonge Amending Note.

THIS GRADUATED PAYMENT ALLONGE is an AMENDMENT made this
____________________ day of ____, 20__, and is incorporated into and shall
amend and supplement the Note (Note) of the same date, given by the undersigned (Borrower) as evidence of the Borrower's indebtedness to
(Lender), which indebtedness is secured by a Mortgage, Deed of Trust or Security Deed
Instrument) of the same date and covering the property described in the Security Instru-

[Property Address]

Notwithstanding anything to the contrary set forth in the Note, Borrower hereby agree

1. AS AMENDED, THE NOTE PROVIDES FOR DEFERRED INTEREST AND 11
MONTHLY INSTALLMENTS. DEFERRED INTEREST SHALL BE ADDED TO
PRINCIPAL MONTHLY AND SHALL INCREASE THE PRINCIPAL BALANCE
MORE THAN __________________ DOLLARS (U.S. $____)

2. The payment amount in Paragraph 4(C) of the Note is applicable only during the first five years of the Note and interest is as follows:

$   during the 1st note year.
$   during the 2nd note year.
$   during the 3rd note year.
$   during the 4th note year.
$   during the ______ note year and thereafter.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants cont
Amendment.

________________________________________

________________________________________

Continued on next page
4155.2 12.A.6.b
Additional Instructions for the Graduated Payment Allonge Amending Note

6. Exhibit 5: Graduated Payment Allonge Amending Note, Continued

Completing the Principal Balance Text
When completing the text “... the PRINCIPAL BALANCE TO NOT MORE THAN ____ DOLLARS (U.S. $____)”, insert the maximum principal balance, not the amount by which the principal balance may be increased.

Completing the Note text
In the text “during the _______ note year and thereafter,” complete the schedule until payments stop increasing, through the

- sixth note year for Plans I, II, and III, and
- eleventh note year for Plans IV and V.

---
The following is an example of the *Growing Equity Allonge Amending Note*.

**THIS GROWING EQUITY ALLONGE is an AMENDMENT made this __________, 20__, and is incorporated into and shall be deemed to amend and modify the Note (Note) of the same date, given by the undersigned (Borrower) to evidence indebtedness to ______________ (Lender), which indebtedness is secured by a Mortgage, Deed of Trust or Security Deed (Security Instrument) of the same date, the property described in the Security Instrument and located at: [Property Address].**

Notwithstanding anything to the contrary set forth in the Note, Borrower hereby agrees as follows:

1. **AS AMENDED, THE NOTE PROVIDES FOR INCREASING MONTHLY INSTALLMENTS.**

2. The payment amount in Paragraph 4 (C) of the Note is applicable only during the first year. This schedule of monthly payments of principal and interest is as follows:

   - $ during the 1st year.
   - $ during the 2nd year.
   - $ during the 3rd year.
   - $ during the 4th year.

   (Continue this schedule for each of the remaining note years.)

**BY SIGNING BELOW, Borrower accepts and agrees to the terms and conditions in this Amendment.**

_________
8. Exhibit 7: Condominium Rider

The following is an example of the Condominium Rider.

THIS CONDOMINIUM RIDER is made this _______________ day of ______________, 20__, incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, Deed (Security Instrument) of the same date given by the undersigned (Borrower) to secure Note (Note) to ___________________________ (Lender) of the same date and covering Property described in the Security Instrument and located at:

[Property Address]

The Property includes a unit in, together with an undivided interest in the common elements of the Condominium project known as:

[Name of Condominium Project]

(Condominium Project). If the owners association or other entity which acts for the Condominium Owners Association holds title to property for the benefit or use of its members or shareholders, Property also includes Borrower’s interest in the Owners Association and the uses, proceeds of Borrower’s interest:

CONDOMINIUM COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. So long as the Owners Association maintains, with a generally accepted insurance carrier or "blanket" policy insuring all property subject to the condominium documents, including improvements now existing or hereafter erected on the Property, and such policy is satisfactory to Lender and provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and other hazards included within the term "extended coverage" by flood, to the extent required by the Secretary, then:

(i) Lender waives the provisions in Paragraph 2 of this Security Instrument for the month to month payment of one-twelfth of the yearly premium installments for hazard insurance on and

Continued on next page
8. Exhibit 7: Condominium Rider, Continued

4155.2 12.A.8.a
Condominium Rider Example
(Pg. 2)

CONDOMINIUM COVENANTS (A) (continued)

(q) Borrower's obligation under Paragraph 4 of this Security Instrument to maintain hazard insurance
coverage on the Property is deemed satisfied to the extent that the required coverage is provided
by the Owners Association policy. Borrower shall give Lender prompt notice of any lapse in
required hazard insurance coverage and of any loss occurring from a hazard. In the event of a
distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the
Property, whether to the condominium unit or to the common elements, any proceeds payable to
Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by
this Security Instrument, with any excess paid to the entity legally entitled thereto.

B. Borrower promises to pay all dues and assessments imposed pursuant to the legal instruments
creating and governing the Condominium Project.

C. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them.
Any amounts disbursed by Lender under this paragraph C shall become additional debt of Borrower
secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment,
these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable,
with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this
Condominium Rider.

(SEAL)
Borrower

(SEAL)
Borrower

[ADD ANY NECESSARY ACKNOWLEDGEMENT PROVISIONS.]
9. Exhibit 8: Rehabilitation Loan Rider

The following is an example of the Rehabilitation Loan Rider.

THIS REHABILITATION LOAN RIDER is made this _______ day of ________, 20__, by ________________________________, Lender, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (Security Instrument) of the same date given by the undersigned (I) ________________________________, Borrower, to ________________________________, Lender, of th and covering the property described in the Security Instrument and located at: [Property Address]

ADDITIONAL COVENANTS. In addition to the covenants and agreements in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. Loan proceeds are to be advanced for the premises in accordance with the Rehabilitation Loan Agreement dated ____________ , 20__, between Borrower and Lender. This Loan Agreement is incorporated by reference and made a part of this Security Instrument. No advance shall be made unless approved by the Secretary of Housing and Urban Development or an Endorsement Underwriter.

B. If the rehabilitation is not properly completed, performed with reasonable diligence and discontinued at any time except for strikes or lockouts, the Lender is vested with authority to take the necessary steps to protect the rehabilitation improvements from harm, continue existing contracts or enter into necessary contracts to complete rehabilitation. All sums expended for such protection, exclusive of the advance principal indebtedness, shall be added to the principal in indebtedness, and secured by the Security Instrument and be due and payable on demand with interest as set out in the Loan Agreement.

C. If Borrower fails to perform any obligation under the loan, including the commencement and completion provisions of the Rehabilitation Loan Agreement, and such failure continues for a period of 30 days, the loan shall, at the option of Lender, be in default.

D. The Property covered by this Security Instrument shall include all of Borrower’s funds held by Lender in escrow under the Rehabilitation Loan Agreement.

Continued on next page
9. Exhibit 8: Rehabilitation Loan Rider, Continued

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Rehabilitation Loan Rider.

(SEAL)
Borrower

(SEAL)
Borrower

[ADD ANY NECESSARY ACKNOWLEDGEMENT PROVISIONS]
10. Exhibit 9: Planned Unit Development Rider

Change Date: May 10, 2009

The following is an example of the Planned Unit Development Rider.

This Planned Unit Development Rider is made the __________ day of ________, 2009 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, Security Deed (Security Instrument) of the same date given by the undersigned (Borrower) to: [Lender’s Name].

Borrower’s Note (Note) to __________________________ “Lender” of the same date and covering the Property described in the Security Instrument and located at:

[Property Address]

The Property Address is a part of a planned unit development (PUD) known as [Name of Planned Unit Development].

PUD Covenants: In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. So long as the Owners Association (or equivalent entity holding title to common areas and acting as trustee for the homeowners, maintains, with a generally accepted insurance carrier, a “blanket” or “master” policy insuring the property located in the PUD, including all improvements thereon, erected on the mortgaged premises, and such policy is satisfactory to Lender and provides insurance coverage at the amounts, for the periods, and against the hazards Lender requires, including fire and other hazards included within the term “extended coverage,” as defined to the extent required by the Secretary, then:

(i) Lender waives the provision in Paragraph 2 of this Security Instrument for the monthly assessment to Lender of one-twelfth of the yearly premium installments for hazard insurance on it;

(ii) Borrower’s obligation under Paragraph 4 of this Security Instrument to maintain hazard insurance on the Property is deemed satisfied to the extent that the required coverage is maintained by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage or any loss occurring from a hazard. In the event of a distribution of hazard insurance proceeds in the event of a loss to the Property or to common areas and facilities or any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by this Security Instrument, with any excess paid to the entity legally entitled thereto.

Continued on next page
10. Exhibit 9: Planned Unit Development Rider, Continued

PUD COVENANTS (continued)
B. Borrower promises to pay all dues and assessments imposed pursuant to the legal instruments creating and governing the PUD.

C. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph C shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Rider.

__________________________________________
Borrower

__________________________________________
Borrower

[ADD ANY NECESSARY ACKNOWLEDGEMENT PROVISIONS.]
11. Exhibit 10: Tax-Exempt Financing Rider

The following is an example of the Tax-Exempt Financing Rider.

THIS TAX-EXEMPT FINANCING RIDER is made this __________ day of __________, incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, and Deed (Security Instrument) of the same date given by the undersigned (Borrower) to the undersigned (Lender) of the same date and covering the property described in the Security Instrument and located at:

[Property Address]

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Mortgage and Security Instrument, Borrower and Lender further covenant and agree to amend Paragraph 9 of the Security Instrument, entitled “Grounds for Acceleration of Debt,” by adding additional grounds for acceleration as follows:

(a) All or part of the Property is sold or otherwise transferred by Borrower to a purchaser transferee:

(i) Who cannot reasonably be expected to occupy the property as a principal residence within a reasonable time after the sale or transfer, as provided in Section 143(c) and (g) of the Internal Revenue Code; or

(ii) Who has a present ownership interest in a principal residence during any part of the year, ending on the date of the sale or transfer, as provided in Section 143 of the Internal Revenue Code (except that “100 percent” shall be substituted for “more” where the latter appears in Section 143(c)(1)); or

(iii) At an acquisition cost which is greater than 90 percent of the average area price (greater than 110 percent for targeted area residences), as provided in Section (c)(2) of the Internal Revenue Code; or

(iv) Who has a gross family income in excess of the applicable median family income as provided in Section 143(c) and (g)(2) of the Internal Revenue Code; or

Continued on next page
11. Exhibit 10: Tax-Exempt Financing Rider, Continued

4155.2 12.A.11.a
Tax-Exempt Financing Rider Example (Pg.2)

ADDITIONAL COVENANTS (c) (continued)

(b) Borrower fails to occupy the property described in the Security Instrument without prior written consent of Lender or its successors or assignees described at the beginning of this Tax-Exempt Financing Rider, or

(c) Borrower omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code in an application for the loan secured by this Security Instrument.

Reference are to the Internal Revenue Code as amended and in effect on the date of issuance of bonds, the proceeds of which will be used to finance the purchase of the Security Instrument and are deemed to include the implementing regulations.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Tax-Exempt Financing Rider.

(SEAL)
Borrower

(SEAL)
Borrower

[ADD ANY NECESSARY ACKNOWLEDGEMENT PROVISIONS]

4155.2 12.A.11.b
Note on Paragraph (c) Sentence 2

The description of the bonds should be amended as needed, if the bond proceeds are used for purposes other than the mortgage purchase, such as for

- direct loans to homeowners, or
- loans to lenders who lend to borrowers.
12. Exhibit 11: Rider for Section 248 Mortgage

The following is an example of the Rider for Section 248 Mortgage.

THIS RIDER FOR SECTION 248 MORTGAGE is made this ______________ day of ______________, 20__, and is incorporated into and shall be deemed to amend and supplement Mortgage, Deed of Trust or Security Deed (Security Instrument) of the same date given by undersigned (Borrower) to secure Borrower's Note (Note) to ______________________ (Lender) of the same date and covering the property described in the Security Instrument located at:

[Property Address]

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in Security Instrument, Borrower and Lender agree as follows:

A. The interests of the Borrower in the property described above were created by a lease agreement from ______________ as lessor dated ______________, 20__, reference to the "Property" shall be construed as referring only to the interest of Borrower created by such lease or any replacement lease.

B. If the Security Instrument is assigned to the Secretary of Housing and Urban Development (Secretary), any foreclosure proceeding may take place in a tribal court, Federal court, or other court of competent jurisdiction. Section 248(D)(5) of the National Housing Act grants to any such court jurisdiction to convey to the Secretary the remaining lease on the property and to order eviction of the delinquent Borrower.

C. Any purchaser at foreclosure sale other than the Secretary must receive the written lease from the lessor or, if lessor is not an Indian tribe, the tribe of which lessor is a member, purchaser shall receive a lease for the remaining term of the existing lease unless lessor consents to an assumption of the existing lease.

D. This Security Instrument may be assumed, subject to credit approval by the Lender, consent of the tribe to an assumption of the existing lease or the grant of the new lease. Assumption shall not cause any adjustment of the interest rate.

Continued on next page
12. Exhibit 11: Rider for Section 248 Mortgage, Continued

4155.2
12.A.12.a
Rider for
Section 248
Mortgage
Example (Pg. 2)

E. A sale of property subject to the Security Instrument without an assumption of the Security Instrument may be made if a new lease for the remaining term of the existing lease is granted.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants in this Rider for Section 248 Mortgage

__________________________  (SEAL)
Borrower

__________________________  (SEAL)
Borrower

[ADD ANY NECESSARY ACKNOWLEDGEMENT PROVISIONS ]
13. Exhibit 12: Rider for Section 247 Mortgage

Change Date

May 10, 2009

The following is an example of the Rider for Section 247 Mortgage.

IT IS HEREBY agreed that the lease to which this rider is attached is hereby amended as follows:

Notwithstanding any provisions to the contrary, this lease may serve as security for a mortgage insured or held by the Secretary of the Department of Housing and Urban Development shall apply during such time as the lease serves as such security.

(1) Any condemnation compensation due the Lessee shall be paid to the mortgagee in the same manner as condemnation proceeds under the terms of the mortgage.

(2) Assignment of this lease is restricted to those persons who have received certification from the Department of Hawaiian Home Lands certifying that the assignee or assignees are defined as such by the Department of Hawaiian Home Lands.

(3) The Lessee will not cancel this lease without the consent of the Department of Hawaiian Home Lands.

(4) Any casualty insurance proceeds are to be applied in accordance with the provisions of the mortgage.

IN WITNESS WHEREOF, the parties have executed this rider to acknowledge the existing lease and the amendment of said lease with the following statement:

Additional provisions pertaining to the lease when the lease serves as security for a mortgage held by the Secretary of Housing and Urban Development are contained in the Department of Hawaiian Home Lands Mortgage Insurance Program Rider, which is attached to this lease and

Dated: ________________ 20____

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN

By: ________________________

LESSEE

By: ________________________

CHAIRMAN COMMISSIONER
HAWAIIAN HOMES COMMISSION

LEASE NO. ________________

LOT NO. ____________

HOMESTEADER

______________________

______________________
14. Exhibit 13: Non-Owner Occupancy Rider

Change Date
May 10, 2009

The following is an example of the Non-Owner Occupancy Rider.

THIS NON-OWNER OCCUPANCY RIDER is made this __________ day of __________, is incorporated into and shall be deemed to amend and supplement the Mortgage Deed Security Deed (Security Instrument) of the same date given by the undersigned (Borrower) to ______________ (Lender) of the same date, and covering the property described in the Security Instrument and located at ________________.

[Property Address]

ADDITIONAL COVENANTS. In addition to the covenants and agreements in the Borrower and Lender further covenant and agree as follows:

A. Borrower represents that, notwithstanding the provisions of Paragraph 5 of the Security Instrument, he/she does not intend to occupy the property described in the Security Instrument as a residence, and [mark applicable item(s)].

1. The Security Instrument is for a streamline refinance of a loan which was pre-insured.

2. The Security Instrument is for a loan to be insured under Section 203(k) of the Act.

3. The Security Instrument applies to property sold under the HUD Single Family Disposition Program and meets the requirements thereof.

4. The Borrower is an Indian Tribe as provided in Section 243 of the National Housing Act; serviceperson who is unable to occupy the property because of his or her duty provided in Section 216 or Subsection (b)(4) or (f) of Section 222 of the National Housing Act.

5. The Security Agreement is for property sold to a state or local government or its organization (qualified under Section 501(c)(3) of the Internal Revenue Code) or lease the property to low or moderate income persons.

6. The Security Instrument is for property that is or will be a secondary residence as defined in Section 203(b) of the National Housing Act and the Blood Reservations Act.

Continued on next page
14. Exhibit 13: Non-Owner Occupancy Rider, Continued

4155.2
12.A.14.a
Non-Owner
Occupancy
Rider Example
(Pg. 2)

ADDITIONAL COVENANTS (continued)
B. Lender shall not require immediate payment in full, notwithstanding the provisions of Paragraph 9(b) of the Security Instrument, solely because all or part of the Property, or a beneficial interest in a trust owning all or part of the Property is sold or otherwise transferred to a purchaser or grantee who does not occupy the Property as his or her principal residence.

BY SIGNING BELOW, Borrower agrees to the representations contained in this Non-Owner Occupancy Rider.

__________________________
(SEAL)
Borrower

__________________________
(SEAL)
Borrower

[ADD ANY NECESSARY ACKNOWLEDGEMENT PROVISIONS.]
15. Exhibit 14: Water Purification Equipment Rider

Change Date: May 10, 2009

The following is an example of the Water Purification Equipment Rider.

THIS WATER PURIFICATION EQUIPMENT RIDER is made this _______________ __________, and is incorporated into and shall be deemed to amend and supplement the Mortgage Deed of Trust or Security Deed (Security Instrument) of the same date, and is signed by __________________________ (Borrower) to secure Borrower’s Note (Note) to __________________________ (Lender) of the same date and covering the property described in the Security Instrument located at:

[Property Address]

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

Borrower shall include in each monthly payment, together with items described in the Security Instrument, an amount to be held by Lender to assure proper service, maintenance, repair and replacement of individual residential water purification equipment on the Property. Each monthly amount shall equal $________, unless and until the amount is reduced by Lender as provided herein.

At least annually, Lender shall determine whether any adjustment is necessary to ensure sufficient funds will be accumulated to make anticipated disbursements in a timely manner to Borrower of any adjustment. This determination shall be performed without regard to other items for which Lender maintains an escrow account, such as taxes and hazard insurance.

Lender shall accumulate the amounts received from the Borrower to be held in trust disbursements as required as follows:

1. Disbursements from the account are limited strictly to costs associated with the servicing, maintenance, repair and replacement of the water purification equipment.

2. Disbursements shall be made solely to the maintenance organization named in service agreement, or its successor, [agent approved by local health authority to perform testing or on its behalf], [other payees named in Plan].

Continued on next page
15. Exhibit 14: Water Purification Equipment Rider, Continued

4155.2
12.A.15.a
Water Purification Equipment Rider Example (Pg. 2)

ADDITIONAL COVENANTS (continued)

3. Disbursements shall be made at the request of borrower supported by documentation costs. If Borrower tenders to Lender the full payment of all sums secured by this Security Instrument, or if the equipment is no longer needed because of a change in water source, or immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with the balance remaining from amounts accumulated by lender under the additional covenants in the Water Purification Equipment Rider, and lender shall promptly refund any excess funds to Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions in this Water Purification Equipment Rider

____________________  (SEAL)
Borrower

____________________  (SEAL)
Borrower

[ADD ANY NECESSARY ACKNOWLEDGEMENT PROVISIONS.]
16. Exhibit 15: Cooperative Rider

The following is an example of the *Cooperative Rider*.

THIS COOPERATIVE HOUSING PROJECT RIDER is made this __________ day of __________, 20__, and is incorporated into and shall be deemed to amend a supplement the Mortgage, Deed of Trust or Security Deed (Security Instrument) of the undersigned (Borrower) to secure Borrower’s Note (Note) to __________ (Lender) of the same date and covering the Property described in the security instrument located at:

[Property Address]

The Property includes Borrower’s right of occupancy for a dwelling unit in, together membership (or stock ownership) in the Corporation of, a project known as

[Name of Cooperative]

(Cooperative). The Property includes the uses, proceeds and benefits of Borrower’s in the Cooperative.

**COOPERATIVE COVENANTS.** In addition to the covenants and agreements in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. So long as the Cooperative maintains, a generally accepted insurance carrier or “blanket” policy insuring all properties located in the project, including all immovable or hereafter erected on the Property, and such policy is satisfactory and provides insurance coverage in the amounts, for the periods, and against the perils and other hazards included within the term “other causes of loss,” and loss by flood, to the extent required by the Secretary, then

(i) Lender waives the provision in Paragraph 2 of this Security Instrument for the payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property, and

(ii) Borrower’s obligation under Paragraph 4 of this Security Instrument to maintain insurance coverage on the Property is deemed satisfied to the extent that the coverage is provided by the Cooperative’s policy.

Continued on next page
COOPERATIVE COVENANTS (continued)

B. Borrower promises to pay Borrower’s allocated share of the common expenses or assessments and charges imposed by the Cooperative, as provided in the Cooperative documents.

C. If Borrower does not pay Cooperative dues and assessments when due, Lender may pay them. Any amounts disbursed by Lender under this paragraph C shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Cooperative Rider.

(SEAL)
Borrower

(SEAL)
Borrower

[ADD ANY NECESSARY ACKNOWLEDGEMENT PROVISIONS.]
17. Exhibit 16: Construction Rider for Construction/Permanent Mortgage

Change Date
May 10, 2009

The following is an example of the Construction Rider for Construction/Permanent Mortgage.

CONSTRUCTION LOAN ADDENDUM TO NOTE
MODEL DOCUMENT

FHA CASE Number____________________ Date: __________

THIS IS A MODEL DOCUMENT FOR USE IN MORTGAGE LOAN TRANSACTIONS PROVIDED AS AN EXAMPLE AND IS NOT VALID AND ENFORCEABLE IN JURISDICTIONS. LENDERS SHOULD CONSULT WITH LEGAL COUNSEL TO DETERMINE THE APPROPRIATE USE OF ALL FORMS USED TO ORIGINATE LOANS TO ENSURE THAT INSTRUMENTS ARE COMPLETED CORRECTLY AND IN COMPLIANCE WITH LAW.

CONSTRUCTION LOAN ADDENDUM AMENDING NOTE

THIS CONSTRUCTION LOAN ADDENDUM (the Addendum) is made this ______ d __________, ______, and is incorporated into and shall be deemed to amend and supersede the Note made by the undersigned Borrower, (I, me, my) to evidence my indebtedness to __________ (the Note Holder) and its successors and assigns, and is dated the same date as the Addendum (the Note). The Note is secured by a security instrument, as more particularly described in the Note. The Lender dated the same date as this Addendum (the Security Instrument) for the borrower to evidence its indebtedness to the Lender.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Note and I further covenant and agree as follows:

1. CONSTRUCTION/PERMANENT LOAN
The Note, as amended by this Addendum, is for a construction loan and a permanent loan. During the Construction Phase of the Loan, Note Holder will advance funds in accordance with the Construction Loan Agreement dated the same date as this Addendum (the Construction Agreement). The “Construction Phase” is the period beginning on the date the Loan is closed (the Closing Date) until the first day of the month following the Completion Date: Construction Loan Agreement. The Completion Date is __________

Continued on next page
17. Exhibit 16: Construction Rider for Construction/Permanent Mortgage, Continued

ADDITIONAL COVENANTS (continued)

The "Permanent Phase" is the period beginning on the first day of the month following the Completion Date specified in the Construction Loan Agreement. On the first day of the month following the Completion Date (Permanent Mortgage Date), the Loan will be a permanent mortgage loan. The Permanent Mortgage Date for my Loan is ___________________________, __________, as stated in Section 3(A) of the Note.

My first payment of principal and interest during the Permanent Phase will be due on the first day of the second month following the Completion Date which is ___________________________, __________.

2. INTEREST AND PAYMENTS

(A) Construction Phase Interest Rate

During the Construction Phase of the Loan, I will pay interest only on the amount of the Loan proceeds Lender deduces under the Construction Loan Agreement (each, an Advance). I will pay interest at the rate:

Check applicable box:

☐ Stated in Section 2 of the Note (Note Rate)
☐ At ______% per annum

(B) Permanent Phase Rate

During the Permanent Phase, I will pay interest (Permanent Phase Rate) at the rate stated in Section 2 of the Note (Note Rate).

(C) Interest Only Payments

Interest on Advances shall be calculated from the date each Advance is made. My Construction Phase interest payments will be:

Check applicable box:

☐ Due and payable fifteen (15) days after being billed by Note Holder; or
☐ Paid directly from the "Interest Reserve Account" established at the time of closing in the amount reflected in Schedule of Advances, attached as Exhibit "E" to the Construction Loan Agreement.

(D) Interest Reserve Payments

If I choose to establish an Interest Reserve Account, (1) Construction Phase interest will be advanced by Note Holder from the Interest Reserve Account on the first day of the month following the month in which the interest is billed, (2) Construction Phase interest advanced will be added to Principal and (3) 1:

Check applicable box:

☐ Will pay interest on all Principal, including Advances from the Interest Reserve Account.
☐ Will pay interest on all Principal, other than Advances from the Interest Reserve Account.

Continued on next page
17. Exhibit 16: Construction Rider for Construction/Permanent Mortgage, Continued

2. INTEREST AND PAYMENTS (continued)
   In the event that the Interest Reserve Account is depleted prior to the Completion Date, I agree to pay directly to Note Holder from my own funds any and all interest, which accrues prior to the Completion Date.

   Note Holder shall pay no interest on the Interest Reserve Account.

(B) Principal Prepayments; Permanent Phase Interest and Principal Payments
   Any portion of a payment Note Holder receives in excess of the interest due during the Construction Phase or any funds Note Holder does not advance under the Construction Loan Agreement may, at Note Holder’s option, be used to pay costs associated with the Construction Phase or may be credited as a partial prepayment of the Principal amount of the Loan. The partial prepayment will reduce the

   □ amount of  
   □ number of my monthly payments.

   Beginning on the Permanent Mortgage Date, principal and interest will be due and payable as set forth in the Note.

3. NOTICE OF NO ORAL AGREEMENT
   THE NOTE, THIS ADDENDUM, THE CONSTRUCTION LOAN AGREEMENT, AND THE SECURITY INSTRUMENT, AS AMENDED, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND TO THE EXTENT PERMITTED BY LAW, MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENT OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

   BY SIGNING BELOW, I accept and agree to the terms and covenants contained in this Addendum.

   DATED this _____ day of ______________________, ________

   Borrower ___________________________  Borrower ___________________________