

Preparing for Closing

In general, a representative from a local title insurance company conducts closing meetings for Homewise customers and most buyers in New Mexico. The buyer, closing agent, lender representative, and real estate broker may attend the closing meeting.

Key Terms

- _____ This is another word for ownership of a property. If you hold this, you are the owner.
- _____ Lenders require this to help prevent fraudulent sales; ensures that the seller is the legal owner of the property and may indicate whether there are any legal claims or liens on the property.
- _____ This policy is also required by lenders; it protects against financial loss if a flaw in the title is found after the home has been purchased.
- _____ Verifies that the property boundaries match what is outlined in the purchase contract description.

Why do I need a title search?

When you buy a house, you will want a title company representative to research the chain of title and give you a history of who owned it, so you can be sure that the person selling you the house really has the right to sell it. The closing agent or title company representative researches the public records, then issues a title report, or abstract, that not only shows the history of ownership but also gives you important information about the property, including:

- Any loans the seller has for which the house is promised as security. These loans must be paid off before you become the owner; otherwise, you may have to pay them to protect your house.
- Any easements or parts of the property you may not be able to use because of buried electrical cables, or land set aside for possible street widening.
- The amount of the state, city, county, school district, or other taxes for which the owner is liable, and whether they have been paid.
- Any deed or zoning restrictions that limit the way the property can be used. For example, you usually cannot raise livestock on a property zoned for residential use.
- Whether or not the property is part of a Homeowners' Association, and the amount of any overdue homeowners' assessments.

The closing agent will also coordinate the following activities before closing:

- Process a title insurance policy/binder based on the title search
- Gather documentation (i.e., a Survey) to ensure that the property is insurable
- Prepare closing documents – lenders/all parties involved need to deliver all pertinent information in order for the title company to process needed documents

The buyer's responsibilities before closing:

- Review documents before the closing meeting to check for errors. Make sure you understand what you're signing, and seek legal advice on issues that you do not understand.
- Secure homeowner's insurance and inform your lender of the company you've selected.
- Check the Closing Disclosure against the Loan Estimate to make sure that closing costs are consistent.
- The Closing Disclosure discloses final settlement charges and confirms the exact amount that you need to bring to closing. Remember to bring a certified check or prepare a wire transfer for the exact amount.
- Bring a blank check from your checking account to sign up for easy automatic payments if you are working with Homewise as your lender.
- A final walk-through inspection should be done prior to the closing to make sure that all agreed-on repairs have been completed and any items included in the transaction are in fact in the home.
- Bring to the closing your copies of all documents and receipts that you have collected throughout the home-buying process.
- Call the utility companies and arrange to have the utilities transferred to your name as of the closing date. Also arrange for the phone to be installed. Use the following checklist:

- ___ Call the electric and gas companies to have utilities transferred into your name
- ___ Contact a telephone service provider for phone service if needed
- ___ Make sure you get all keys, including the mailbox key
- ___ Contact other utility providers to transfer service (water, sewer, etc.)

Signing on the Dotted Line: Closing Paperwork



At the closing meeting you'll be signing many documents, and it's important that you understand what you're signing. You will sign documents in which you accept rights to the property and agree to pay the lender for the money borrowed, and others that give the lender rights to the property if you default on your loan. Some documents are required by federal law; others may be required by the state or your lender.

Closing Documents include:

- Closing Disclosure (typical closing costs are 2-4% of loan amount)
- Mortgage Note – your promise to repay the lender according to the agreed terms. The note includes monthly payment amounts, payment due dates, details about how to submit payments, information about penalty fees for a late payment, and what can happen if you violate the terms of the note or mortgage.
- Deed of Trust – the document used to secure the mortgage note. It recognizes your ownership of the property but gives the lender the right to claim the property if you fail to meet the terms of the note, or if you default. If you fail to make regular payments, or default on the loan, the lender has the right to demand full payment and to foreclose on your property. With this document, a third party holds the deed of the property as security until the buyer repays the loan.
- Title insurance policy – and additional coverage option.
- Survey
- Affidavits – these ask you to attest to certain information in writing, and will vary according to your situation. For example, a lender may require an affidavit that you intend to live in the property being purchased.
- Deed – the legal document conveying title to the property from the seller to you. This can also be called a Warranty or a Grant Deed.
- Automatic Payment sign-up form
- Warranties – for new homes you should receive a copy of the one year warranty from the builder and the 1–10 year roof warranty from the roofer.
- Plus more!

After the closing meeting – and after the loan has been funded and the closing agent records documentation of new ownership at the County Courthouse – the buyer takes possession of the property. The buyer will be provided with copies of that documentation.



HELPFUL TIP

The Closing Disclosure shows all closing/settlement costs. The borrower pays some costs and the seller covers some costs. It is customary that the buyer negotiate with the seller to request that the seller pay some of the closing costs when the purchase contract is signed. Costs that sellers may cover will vary in different locations. The seller is also traditionally responsible for the realtor fee. **Good Luck!**

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information		Transaction Information		Loan Information	
Date Issued	03/21/2019	Borrower		Loan Term	30 years
Closing Date	03/25/2019			Purpose	Purchase
Disbursement Date	03/25/2019			Product	Fixed Rate
Settlement Agent	Fidelity National Title	Seller		Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
File #					<input type="checkbox"/> VA <input type="checkbox"/> _____
Property		Lender	Homewise, Inc	Loan ID #	
Sale Price	\$235,000			MIC #	

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$188,000	NO
Interest Rate	5%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$1,009.22	NO
Does the loan have these features?		
Prepayment Penalty		NO
Balloon Payment		NO

Projected Payments	
Payment Calculation	Years 1-30
Principal & Interest	\$1,009.22
Mortgage Insurance	+ 0
Estimated Escrow <i>Amount can increase over time</i>	+ 195.89
Estimated Total Monthly Payment	\$1,205.11
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$195.89 a month This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>
	In escrow? YES YES

Costs at Closing	
Closing Costs	\$5,739.88 Includes \$4,146.84 in Loan Costs + \$1,593.04 in Other Costs - \$0 in Lender Credits. <i>See page 2 for details.</i>
Cash to Close	\$1,269.45 Includes Closing Costs. <i>See Calculating Cash to Close on page 3 for details.</i>

Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges	\$1,880.00				
01 % of Loan Amount (Points)					
02 Loan Origination Fee	\$1,880.00				
03					
04					
05					
06					
07					
08					
B. Services Borrower Did Not Shop For	\$718.00				
01 Appraisal Fee to Springhouse AMC		\$520.00			
02 Document Preparation to DocMagic	\$50.00				
03 Electronic Doc Fee to DocVelocity	\$18.00				
04 Tax Service Fee to Corelogic	\$80.00				
05 Wire fee to Texas Capital Bank	\$50.00				
06					
07					
08					
09					
10					
C. Services Borrower Did Shop For	\$1,548.84				
01 Title - Closing/Escrow Fee to Fidelity National Title	\$357.84		\$357.85		
02 Title - E-Filing Fee to Fidelity National Title	\$15.00				
03 Title - Endorsements to Fidelity National Title	\$125.00				
04 Title - Lender's Title Insurance to Fidelity National Title	\$1,031.00				
05 Title - Title Insurance Binder Fee to Fidelity National Title			\$100.00		
06 Title -Courier Fee to Fidelity National Title	\$20.00				
07 Title -Wire Fee to Fidelity National Title			\$20.00		
08					
D. TOTAL LOAN COSTS (Borrower-Paid)	\$4,146.84				
Loan Costs Subtotals (A + B + C)	\$3,626.84	\$520.00			
Other Costs					
E. Taxes and Other Government Fees	\$75.00				
01 Recording Fees Deed: \$25 Mortgage: \$50	\$75.00				
02					
F. Prepays	\$1,126.25				
01 Homeowners Insurance Premium (12 mo.) to Safeco Insurance	\$946.00				
02 Mortgage Insurance Premium (mo.)					
03 Prepaid Interest (\$25.75 per day from 03/25/2019 to 04/01/2019)	\$180.25				
04 Property Taxes					
05					
G. Initial Escrow Payment at Closing	\$391.79				
01 Homeowner's Insurance \$78.83 per month for 3 mo.	\$236.50				
02 Mortgage Insurance per month for mo.					
03 Property Tax \$117.06 per month for 2 mo.	\$234.12				
04					
05					
06					
07					
08 Aggregate Adjustment	-\$78.83				
H. Other					
01 Home Warranty Fee to Home Warranty of America			\$485.00		
02 Property Taxes 2nd 1/2 2018 to Santa Fe County			\$702.35		
03 Real Estate Commission Buyers Broker to Homewise			\$7,050.00		
04 Real Estate Commission Sellers Broker to Keller Williams Realty			\$7,644.85		
05 Title - MLE Coverage on OP (optional) to Fidelity National Title			\$50.00		
06 Title - Owner's Title Insurance (optional) to Fidelity National Title			\$424.00		
07 Title - Survey Coverage on OP (optional) to Fidelity National Title			\$203.00		
08 Water/Trash/Sewer to City Of Santa Fe			\$200.00		
I. TOTAL OTHER COSTS (Borrower-Paid)	\$1,593.04				
Other Costs Subtotals (E + F + G + H)	\$1,593.04				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$5,739.88				
Closing Costs Subtotals (D + I)	\$5,219.88	\$520.00	\$17,237.05	\$0	\$0
Lender Credits					

Calculating Cash to Close

Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$9,358.00	\$5,739.88	YES • See Total Loan Costs(D).
Closing Costs Paid Before Closing	\$0	-\$520.00	YES • You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO
Down Payment/Funds from Borrower	\$47,000.00	\$47,000.00	NO
Deposit	-\$500.00	-\$500.00	NO
Funds for Borrower	\$0	\$0	NO
Seller Credits	-\$6,797.00	-\$2,500.00	YES • See Seller Credits in Section L
Adjustments and Other Credits	-\$47,609.00	-\$47,950.43	YES • See details in Section K and Section L
Cash to Close	\$1,452.00	\$1,269.45	

Summaries of Transactions

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION				SELLER'S TRANSACTION			
K. Due from Borrower at Closing				M. Due to Seller at Closing			
01	Sale Price of Property		\$240,219.88	01	Sale Price of Property		
02	Sale Price of Any Personal Property Included in Sale		\$235,000.00	02	Sale Price of Any Personal Property Included in Sale		
03	Closing Costs Paid at Closing (J)		\$5,219.88	03			
04				04			
Adjustments				Adjustments for Items Paid by Seller in Advance			
05				05			
06				06			
07				07			
Adjustments for Items Paid by Seller in Advance				Adjustments for Items Paid by Seller in Advance			
08	City/Town Taxes	to		09	City/Town Taxes	to	
09	County Taxes	to		10	County Taxes	to	
10	Assessments	to		11	Assessments	to	
11				12			
12				13			
13				14			
14				15			
15				16			
L. Paid Already by or on Behalf of Borrower at Closing				N. Due from Seller at Closing			
01	Deposit		\$238,950.43	01	Excess Deposit		
02	Loan Amount		\$500.00	02	Closing Costs Paid at Closing (J)		
03	Existing Loan(s) Assumed or Taken Subject to		\$188,000.00	03	Existing Loan(s) Assumed or Taken Subject to		
04				04	Payoff of First Mortgage Loan		
05	Seller Credit		\$2,500.00	05	Payoff of Second Mortgage Loan		
Other Credits				Adjustments for Items Unpaid by Seller			
06	HW 2nd Mortgage		\$19,200.00	06			
07	HW 3rd Mortgage LIFT		\$7,500.00	07			
Adjustments				Adjustments for Items Unpaid by Seller			
08	HW 4th Mortgage CDBG		\$20,000.00	08	Seller Credit		
09	Title Policy Premium Adjustment		\$931.00	09			
10				10			
11				11			
Adjustments for Items Unpaid by Seller				Adjustments for Items Unpaid by Seller			
12	City/Town Taxes	to		14	City/Town Taxes	to	
13	County Taxes	01/01/2019 to 03/25/2019	\$319.43	15	County Taxes	to	
14	Assessments	to		16	Assessments	to	
15				17			
16				18			
17				19			
CALCULATION				CALCULATION			
Total Due from Borrower at Closing (K)			\$240,219.88	Total Due to Seller at Closing (M)			
Total Paid Already by or on Behalf of Borrower at Closing (L)			-\$238,950.43	Total Due from Seller at Closing (N)			
Cash to Close		<input checked="" type="checkbox"/> From	<input type="checkbox"/> To Borrower	Cash		<input type="checkbox"/> From	<input type="checkbox"/> To Seller
			\$1,269.45				

Additional Information About This Loan

Loan Disclosures

Assumption

If you sell or transfer this property to another person, your lender

- will allow, under certain conditions, this person to assume this loan on the original terms.
- will not allow assumption of this loan on the original terms.

Demand Feature

Your loan

- has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
- does not have a demand feature.

Late Payment

If your payment is more than 15 days late, your lender will charge a late fee of 5% of the payment.

Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

- are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- do not have a negative amortization feature.

Partial Payments

Your lender

- may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
- may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
- does not accept any partial payments.

If this loan is sold, your new lender may have a different policy.

Security Interest

You are granting a security interest in

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

Escrow Account

For now, your loan

- will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1	2,350.68	Estimated total amount over year 1 for your escrowed property costs: <i>Hazard Insurance, County Property Tax</i>
Non-Escrowed Property Costs over Year 1		Estimated total amount over year 1 for your non-escrowed property costs: You may have other property costs.
Initial Escrow Payment	391.79	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	195.89	The amount included in your total monthly payment.

- will not have an escrow account because you declined it your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

Loan Calculations

Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$367,650.33
Finance Charge. The dollar amount the loan will cost you.	\$177,924.33
Amount Financed. The loan amount available after paying your upfront finance charge.	\$185,398.91
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	5.114%
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	93.353%

Other Disclosures

Appraisal

If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.

Contract Details

See your note and security instrument for information about

- what happens if you fail to make your payments,
- what is a default on the loan,
- situations in which your lender can require early repayment of the loan, and
- the rules for making payments before they are due.

Liability after Foreclosure

If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,

- state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.
- state law does not protect you from liability for the unpaid balance.

Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

Tax Deductions

If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.



Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing

Contact Information

	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Homewise, Inc		Homewise, Inc		
Address	1301 Siler Road, Bldg D Santa Fe, NM 87507		1301 Siler Road Bldg D Santa Fe, NM 87507		
NMLS ID					
NM License ID					
Contact					
Contact NMLS ID					
Contact NM License ID					
Email					
Phone					

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature _____ Date _____

Co-Applicant Signature _____ Date _____

NOTE

_____,
[Date]

_____,
[City]

_____,
[State]

[Property Address]

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ _____ (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is _____. I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of _____%.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the _____ day of each month beginning on _____, _____. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on _____, 20_____, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at _____ or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ _____.

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of _____ calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be _____% of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may

invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

_____ (Seal)
- Borrower

_____ (Seal)
- Borrower

_____ (Seal)
- Borrower

[Sign Original Only]

After Recording Return To:

[Space Above This Line For Recording Data]

DEED OF TRUST

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) **“Security Instrument”** means this document, which is dated _____, together with all Riders to this document.

(B) **“Borrower”** is _____. Borrower is the mortgagor and trustor under this Security Instrument. The mailing address of the Borrower is _____.

(C) **“Lender”** is _____. Lender is a _____ organized and existing under the laws of _____. The mailing address of the Lender is _____. Lender is the mortgagee and beneficiary under this Security Instrument.

(D) **“Trustee”** is _____. The mailing address of the Trustee is _____. The Trustee may be changed by Lender (beneficiary) or its agent recording a Notice of Substitution of Trustee and providing notice to Trustee and Borrower.

(E) **“Note”** means the promissory note signed by Borrower and dated _____, _____. The Note states that Borrower owes Lender _____ Dollars (U.S. \$ _____) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than _____. This Security Instrument secures a maximum principal amount of up to 150% of the original amount of the Note.

(F) **“Property”** means the property that is described below under the heading “Transfer of Rights in the Property.”

(G) **“Loan”** means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) “Riders” means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- | | | |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Other(s) [specify] _____ |
| <input type="checkbox"/> 1-4 Family Rider | <input type="checkbox"/> Biweekly Payment Rider | |

(I) “Applicable Law” means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(J) “Community Association Dues, Fees, and Assessments” means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) “Electronic Funds Transfer” means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) “Escrow Items” means those items that are described in Section 3.

(M) “Miscellaneous Proceeds” means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) “Mortgage Insurance” means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(O) “Periodic Payment” means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) “RESPA” means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, “RESPA” refers to all requirements and restrictions that are imposed in regard to a “federally related mortgage loan” even if the Loan does not qualify as a “federally related mortgage loan” under RESPA.

(Q) “Successor in Interest of Borrower” means any party that has taken title to the Property, whether or not that party has assumed Borrower’s obligations under the Note and/or this Security Instrument.