

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.

8. 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.

9. 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.

10. 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.

11. 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. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, 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.

B.4 SAMPLE CHANGE RATE NOTICE FOR ARM

[Mortgage Company]

January 17, 2013

Loan: [NUMBER]

Dear: [NAME]

Effective with your 03-01-13 payment the interest rate on your mortgage loan will be adjusted, as required by your Mortgage Note. Please refer to your Note for details on how we are required to compute your new rate, or call our Customer service Department at 1-800-555-5555.

Your current interest rate of 11.10000% was based on the index rate of 1.98375%. Your new interest rate of 11.10000% is based on the new index of 1.43000%, then added to your margin of 5.95000%. The result was then rounded as specified in your Note.

In conjunction with the interest rate change, your Principal and Interest payment will also be adjusted as specified by your Note. Your Principal and Interest payment will be \$ 459.97 effective with your 03-01-13 payment. Your new total payment, including your monthly escrow deposit, will be \$530.55. Your new Principal and Interest amount was based on a projected principal balance of \$47,209.37.

These changes will be reflected on your Monthly Statement when the 03-01-13 payment is due. If you have any questions regarding this change, please Contact our Customer Service Department, toll-free, at 1-800-555-5555.

Sincerely,
[Mortgage Company]

B.5 SAMPLE ANNUAL ESCROW ACCOUNT STATEMENT

[Bank Name]
Customer Service:
Toll free 1.800.555.5555 Se habla espanol
TDD Dial 7-1-1 for relay assistance

Annual Escrow
Account Statement
Statement Date: November 08, 2012
Review Period: January 2012 to December 2012
Your Loan Number:

What Is an Escrow Account?

A portion of each of your monthly home loan payments goes into an escrow account. This money is used to pay items such as your property taxes and insurance premiums when they are due.

In accordance with federal guidelines, we review your Escrow Account at least one time each year to ensure that we are collecting enough money to make all required payments. This document is a review of your Escrow Account activity since your last analysis

Monthly Home Loan Payment				
	Current	New Payment (effective 01/01/13) if you select Option A below	New Payment (effective 01/01/13) if you select Option B below	
Principal & Interest	1,337.13	1,337.13	1,337.13	
Escrow Account Deposit	247.86	324.45*	324.45*	
Plus: Account Balancer/ Shortage	0.00	0.00	146.79**	
Total Payment Amount	1,584.99	1,661.58	1,808.37	

Your new total payment includes an updated monthly escrow deposit, based on projected amounts to be paid from your Escrow Account, of \$324.45* and, if applicable, an amount needed to repay the escrow shortage of \$146.79**.

Please review the detailed information provided on the back of this page.

Here are your shortage repayment options. You may select one of the following options:

Option A: Pay Entire Shortage Now* Pay the entire \$1,761.47 escrow account shortage using the Escrow Account Balancer Payment Coupon below for a new total payment of \$1,661.58. **See chart above.**

*Pay a portion of your shortage—every \$12 paid reduces your total payment by \$1.

***NOTE: The new payment amount will be effective the month after the shortage amount is received. Any remaining increase in the escrow payment is to cover the projected increase in your bills for the upcoming years.**

Option B: Pay Shortage Over 12 Months

Pay the \$1,761.47 escrow account shortage in 12 Account Balancer payments of \$146.79 each. To choose this option, no action is required. The 12 payments will be automatically added to your home loan payment for January 2013 through December 2013.

If you select this option, your new monthly home loan payment (effective 01/01/13) will be \$1,808.37. See chart above.

ANTICIPATED ESCROW ACCOUNT PAYMENTS

This section reflects the escrow activity that is expected to occur in the next 12 months. The *Total Tax and Insurance Monthly Payment Amount* at the bottom of this chart is your new monthly escrow deposit, as listed on Page 1 of this statement.

TAX		
Item	Annual Expense	Anticipated Date(s) of Payment
COUNTY TAX	\$ 2,909.37	DECEMBER 13
INSURANCE		
Item	Annual Expense	Anticipated Date(s) of Payment
FIRE/ HOMEOWN	\$ 984.00	MARCH 13
TOTAL TAX AND INSURANCE MONTHLY PAYMENT AMOUNT = \$ 324.45		