

Loan Modification Agreement (5yr RF IO EXT)

Carrington Mortgage Services, LLC (CMS) is offering you this Loan Modification Agreement ("Agreement"), dated 04/17/09 which modifies the term of your existing mortgage loan as described in detail below:

I. DEFINITIONS

- A. "Mortgage" shall mean the mortgage, deed of trust, security deed, or other security instrument encumbering the Property and corresponding to the above CMS Loan Number, dated 05/24/06 and recorded in the public records of SAN DIEGO County.
- B. "Note" shall mean the note or other instrument of the same date and secured by the Mortgage.
- C. "Property" shall mean the real and personal property described in the Mortgage and located at:

FALLBROOK CA 92028-0000

- D. "You" shall mean the mortgagor/borrower on the Mortgage and any and all signatories to this Loan Modification Agreement.

II. TERMS AND CONDITIONS

Pursuant to our mutual agreement to modify your Note and Mortgage and in consideration of the promises, conditions, and terms set forth below, the parties agree as follows:

A. You agree that the new principal balance due under your modified Note and the Mortgage will be \$551364.00. Upon modification, your Note will become contractually current, however, any fees and charges that were not included in the principal balance will remain your responsibility and must be paid.

B. You promise to make an initial down payment in the amount of \$0.00 on or before N/A, after which you will commence interest only payments in the amount of \$2641.95 on 05/01/09. You will make your new interest only payments every month until 05/01/14, at which point you will begin making principal and interest payments until you have paid in full all of the principal and interest and any other charges described below that you may owe under this Loan Modification. Each monthly payment will be applied as of its scheduled due date and will be applied to interest only for the initial five (5) years, then to principal and interest for the duration of the loan term. You agree that this payment is affordable in light of your financial circumstances notwithstanding any independent determination of affordability by CMS, and you hereby waive any claim that the payment was unaffordable at the time this Agreement was entered into.

C. The modified loan will NOT be escrowed for payment of taxes and/or insurance. Any payments due for taxes and insurance will be your responsibility in addition to the payments of principal and interest required under the terms of this modification. Please Note: Your loan currently carries lender-placed hazard insurance at a monthly premium of \$0.00. **THIS AMOUNT IS PART OF YOUR TOTAL MONTHLY PAYMENT, AND THE FAILURE TO REMIT SUCH PAYMENT IS A BREACH OF YOUR MORTGAGE AGREEMENT. YOU MAY BE ABLE TO OBTAIN HAZARD INSURANCE COVERAGE ON YOUR OWN AT A REDUCED RATE.** If you have already secured separate hazard insurance coverage, please contact us immediately so that we can discontinue the lender-placed policy.

D. The Maturity Date of your loan is 06/2036. Nothing herein shall be construed to modify, alter or otherwise change the Maturity Date.

Carrington Mortgage Services Loan Number [REDACTED]

E. Upon Modification, the annual rate of interest charged on the unpaid principal balance of your loan will be **5.75000%**. This rate will remain fixed for five (5) years from the Effective Date, after which your loan will resume the normal adjustment schedule outlined in the terms of the original Note. If your loan was originated as a fixed rate loan the interest rate will revert to the fixed rate specified in the Note.

F. You will comply with all other covenants, agreements, and requirements of your Mortgage, including without limitation, the covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that you are obligated to make under the Mortgage, except as otherwise provided herein.

G. You understand and agree that:

1. All the rights and remedies, stipulations, and conditions relating to default in the making of payments under the Mortgage will also apply to default in the making of the modified payments hereunder.
2. All covenants, agreements, stipulations, and conditions in your Note and Mortgage will remain in full force and effect, except as modified herein, and none of your obligations or liabilities under your Note and Mortgage will be diminished or released by any provisions hereof, nor will this Agreement in any way impair, diminish, or affect any of CMS's rights under or remedies on your Note and Mortgage, whether such rights or remedies arise thereunder or by operation of law. All rights of recourse to which CMS is entitled against any property or any other persons in any way obligated for, or liable on, your Note and Mortgage are expressly reserved by CMS.
3. You represent and warrant that you occupy the Property as Your residence.
4. Any expenses incurred in connection with the servicing of your loan that may legally be charged to your account, but have not been charged to your account as of the date of this Agreement, may be charged to your account after the date of this Agreement.
5. Nothing in this Agreement will be understood or construed to be a satisfaction or release in whole or in part of your Note and Mortgage.
6. You agree to make and execute such other documents or papers as may be necessary or required to effectuate the terms and conditions of this Agreement which, if approved and accepted by CMS, will bind and inure to your heirs, executors, administrators, and assigns.
7. By making a payment in accordance with the terms of this Loan Modification, You are agreeing to be bound by the terms of the Loan Modification.
8. You understand that this agreement is legally binding and that it affects your rights. You confirm that you have had the opportunity to obtain, independent legal counsel concerning this Agreement and are signing this Agreement voluntarily and with full understanding of this contents and meaning. You represent that you have full authority to enter into this Agreement.



THE LAW OFFICES OF
MICHAEL GADDIS

Carrington Mortgage Services, LLC

By: _____

[REDACTED SIGNATURE]
