

**Recording Requested By And  
After Recording Return To:**

RUTH RUHL, P.C.  
[Company Name]  
Attn: Recording Department  
[Name of Natural Person]  
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[City, State, Zip]

Prepared By: RUTH RUHL, P.C.  
2305 Ridge Road, Suite 106  
Rockwall, TX 75087

THE LAW OFFICES OF  
**MICHAEL GADDIS**

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Loan No.: [REDACTED]  
MERS No.: [REDACTED]

MERS Phone: 1-888-679-6377

**LOAN MODIFICATION AGREEMENT**

(Providing for Initial Temporary Fixed Rate with  
Conversion to Original Adjustable Interest Rate Note terms and Balloon Payment on the Maturity Date)

THIS LOAN IS PAYABLE IN FULL AT MATURITY. YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THIS LOAN AND ALL UNPAID INTEREST AND ANY OTHER AMOUNTS THEN DUE. LENDER IS UNDER NO OBLIGATION TO REFINANCE THIS LOAN AT THAT TIME. YOU WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS THAT YOU MAY OWN, OR YOU WILL HAVE TO FIND A LENDER, WHICH MAY BE THE LENDER WITH WHOM YOU HAVE THIS LOAN, WILLING TO LEND YOU THE MONEY. IF YOU REFINANCE THIS LOAN AT MATURITY, YOU MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF YOU OBTAIN REFINANCING FROM THE SAME LENDER.

This Loan Modification Agreement ("Agreement"), effective this 1st day of July, 2009, between [REDACTED] husband and wife as joint tenants ("Borrower") and JPMorgan Chase Bank, as Trustee for the NovaStar Home Equity Loan Asset-Backed Certificates, Series 2006-2 by: Saxon Mortgage Services, Inc. its attorney-in-fact ("Lender"), and Mortgage Electronic Registration Systems, Inc. ("Beneficiary")

Loan No.: [REDACTED]

amends and supplements (1) Deed of Trust (the "Security Instrument") and Timely Payment Rewards Rider, if any, dated April 20th, 2006, granted or assigned to Mortgage Electronic Registration Systems, Inc. as mortgagee of record (solely as nominee for Lender and Lender's successors and assigns), P.O. Box 2026, Flint, Michigan 48501-2026 and recorded on [REDACTED], in Book/Liber [REDACTED], Page [REDACTED], Instrument No. [REDACTED], Official Records of San Diego County, California, and (2) the adjustable rate note (the "Note"), bearing the same date as, and secured by, the Security Instrument, which covers the real and personal property described in said Security Instrument and defined therein as the "Property," located at [REDACTED] Vista, California 92084

the real property described being set forth as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.



## THE LAW OFFICES OF

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument):

# MICHAEL GADDIS

1. As of July 1st, 2009, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$ 504,506.02, consisting of the unpaid amount(s) loaned to Borrower by Lender plus any interest and other amounts capitalized. Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of Lender.

2. **Initial Temporary Fixed Interest Rate and Payment:** Interest will be charged on the Unpaid Principal Balance at the yearly fixed rate of 2.000 %, from July 1st, 2009 until June 1st, 2014. Borrower promises to make sixty (60) monthly payments of principal and interest of U.S. \$2,025.91 (which does not include any required escrow amounts), beginning on the 1st day of August, 2009. Borrower will continue making monthly principal and interest payments on the same day of each succeeding month until July 1st, 2014.

3. **Adjustable Interest Rate and Payment:** Interest will be charged on the Unpaid Principal Balance from July 1st, 2014. The interest rate Borrower will pay will be determined in accordance with the terms of the Note and may change every six (6) months in accordance with the terms of the Note. Borrower promises to make monthly payments of principal and interest beginning on the 1st day of August, 2014. The amount of Borrower's monthly principal and interest payments will be determined in accordance with the terms of the Note and may change in accordance with the terms of the Note. Borrower will continue to make monthly payments on the same day of each succeeding month until principal and interest are paid in full, except that, if not sooner paid, the final payment of principal and interest shall be due and payable on the 1st day of May, 2036, which is the present or extended Maturity Date.

Borrower understands and acknowledges that the Note contains provisions allowing for changes in the interest rate and the monthly payment. The Note limits the amount the Borrower's interest rate can change at any one time and the maximum rate the Borrower must pay.

4. If on the Maturity Date, Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, Borrower will pay these amounts in full on the Maturity Date.



Loan No. [REDACTED]

5. **Balloon Payment:** The Borrower acknowledges that interest has accrued but has not been paid and Lender has incurred, paid or otherwise advanced taxes, insurance premiums and other expenses necessary to protect or enforce its interest under the Note and the Security Instrument, and that such interest, taxes, insurance premiums and other expenses in the total amount of \$ 82,212.26 (collectively, the "Balloon Amount") will be due and payable on the Maturity Date or upon payment-in-full of all sums evidenced by the Note and this Modification and secured by the Security Instrument and this Modification, whichever first occurs. The Balloon Amount shall not bear interest if paid on the Maturity Date or if the Loan is paid in full prior to the Maturity Date. The Balloon Amount may not be paid separately prior to the Maturity Date. However, if the Borrower defaults hereunder and fails to pay the Balloon Payment on the Maturity Date, then any such unpaid amount shall bear interest, if permitted by applicable law, at the interest rate borne by the Note from such date up to, but not including, the date full payment of the Balloon Payment is made.

6. If the Borrower has, since inception of this loan but prior to this Agreement, received a discharge in a Chapter 7 bankruptcy, and there having been no valid reaffirmation agreement of the underlying debt, by entering into this Agreement, the Lender is not attempting to re-establish any personal liability for the underlying debt.

7. Borrower understands and agrees that:

(a) All the rights and remedies, stipulations, and conditions contained in the Security Instrument relating to default in the making of payments under the Security Instrument shall also apply to default in the making of the modified payments hereunder.

(b) All covenants, agreements, stipulations, and conditions in the Note and Security Instrument shall remain in full force and effect, except as herein modified, and none of the Borrower's obligations or liabilities under the Note and Security Instrument shall be diminished or released by any provisions hereof, nor shall this Agreement in any way impair, diminish, or effect any of Lender's rights under or remedies on the Note and Security Instrument, whether such rights or remedies arise thereunder or by operation of law. Also, all rights of recourse to which Lender is presently entitled against any property or any other persons in any way obligated for, or liable on, the Note and Security Instrument are expressly reserved by Lender.

(c) Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument.

(d) All costs and expenses incurred by Lender in connection with this Agreement, including recording fees, title examination, and attorney's fees, shall be paid by the Borrower and shall be secured by the Security Instrument, unless stipulated otherwise by Lender.

(e) Borrower agrees 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 Lender, shall bind and inure to the heirs, executors, administrators, and assigns of the Borrower.