

This Document Prepared By:
HSBC Mortgage Corporation
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When Recorded Mail To:
HSBC MORTGAGE CORPORATION (USA)
2929 WALDEN AVE.
DEPEW, NEW YORK 14043

[Space Above This Line For Recording Data]

Original Recorded Date: DECEMBER 18, 2005 MERS MIN Number: [REDACTED]
Original Principal Amount: \$ 325,000.00 Loan No.: [REDACTED]
Investor Loan No.: [REDACTED]

HOME AFFORDABLE MODIFICATION AGREEMENT
TH (Step Two of Two-Step Documentation Process)

Borrower ("I")¹: [REDACTED] AND [REDACTED], Husband and Wife

MICHAEL GADDIS

Lender or Servicer ("Lender"): HSBC MORTGAGE CORPORATION (USA)

Date of first lien mortgage, deed of trust, or security deed ("Mortgage") and Note ("Note"):

DECEMBER 1, 2005

Loan Number: [REDACTED]

Property Address: [REDACTED], SANTA ANA, CALIFORNIA 92707

Legal Description:

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

**Prior instrument reference: Book or Liber N/A, at page(s) N/A, Instrument No. [REDACTED]
of the Official Records of ORANGE County, CALIFORNIA.**

("Property"):

¹ If more than one Borrower or Mortgagor executing this document each is referred to as "I." For purposes of this document words signifying the singular (such as "I") shall include the plural (such as "we") and vice versa where appropriate.

3. **The Modification.** If my representations in Section 1 continue to be true in all material respects and all preconditions to the modification set forth in Section 2 have been met, the Loan Documents will automatically become modified on **JULY 1, 2010** (the "Modification Effective Date") and all unpaid late charges that remain unpaid will be waived. I understand that if I have failed to make any payments as a precondition to this modification under a workout plan or trial period plan, this modification will not take effect. The first modified payment will be due on **JULY 1, 2010**.

- A. The new Maturity Date will be: **DECEMBER 1, 2035**.
- B. The modified principal balance of my Note will include all amounts and arrearages that will be past due as of the Modification Effective Date (including unpaid and deferred interest, fees, escrow advances and other costs, but excluding unpaid late charges, collectively, "Unpaid Amounts") less any amounts paid to the Lender but not previously credited to my Loan. The new principal balance of my Note will be \$ **328,514.39** (the "New Principal Balance"). I understand that by agreeing to add the Unpaid Amounts to the outstanding principal balance, the added Unpaid Amounts accrue interest based on the interest rate in effect under this Agreement. I also understand that this means interest will now accrue on the unpaid interest that is added to the outstanding principal balance, which would not happen without this Agreement.
- C. Interest at the rate of **3.000 %** will begin to accrue on the New Principal Balance as of **JUNE 1, 2010** and the first new monthly payment on the New Principal Balance will be due on **JULY 1, 2010**. My payment schedule for the modified Loan is as follows:

Years	Interest Rate	Interest Rate Change Date	Monthly Principal and Interest Payment Amount	Estimated Monthly Escrow Payment Amount*	Total Monthly Payment*	Payment Begins On	Number of Monthly Payments
1-5	3.000%	06/01/2010	\$1,537.35	\$549.56 may adjust periodically	\$2,086.91 may adjust periodically	07/01/2010	60
6	4.000%	06/01/2015	\$1,683.00	May adjust periodically	May adjust periodically	07/01/2015	12
7-26	4.750%	06/01/2016	\$1,792.36	May adjust periodically	May adjust periodically	07/01/2016	234

*The escrow payments may be adjusted periodically in accordance with applicable law and therefore my total monthly payment may change accordingly.

The above terms in this Section 3.C. shall supersede any provisions to the contrary in the Loan Documents, including but not limited to, provisions for an adjustable or step interest rate.

[REDACTED]

- G. That, as of the Modification Effective Date, notwithstanding any other provision of the Loan Documents, I agree as follows: If all or any part of the Property or any interest in it is sold or transferred without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by the Mortgage. However, Lender shall not exercise this option if state or federal law, rules or regulations prohibit the exercise of such option as of the date of such sale or transfer. If Lender exercises this option, Lender shall give me notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which I must pay all sums secured by the Mortgage. If I fail to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Mortgage without further notice or demand on me.
- H. That, as of the Modification Effective Date, I understand that the Lender will only allow the transfer and assumption of the Loan, including this Agreement, to a transferee of my property as permitted under the Garn St. Germain Act, 12 U.S.C. Section 1701j-3. A buyer or transferee of the Property will not be permitted, under any other circumstance, to assume the Loan. Except as noted herein, this Agreement may not be assigned to, or assumed by, a buyer or transferee of the Property.
- I. That, as of the Modification Effective Date, if any provision in the Note or in any addendum or amendment to the Note allowed for the assessment of a penalty for full or partial prepayment of the Note, such provision is null and void.
- J. That, I will cooperate fully with Lender in obtaining any title endorsement(s), or similar title insurance product(s), and/or subordination agreement(s) that are necessary or required by the Lender's procedures to ensure that the modified mortgage loan is in first lien position and/or is fully enforceable upon modification and that if, under any circumstance and not withstanding anything else to the contrary in this Agreement, the Lender does not receive such title endorsement(s), title insurance product(s) and/or subordination agreement(s), then the terms of this Agreement will not become effective on the Modification Effective Date and the Agreement will be null and void.
- K. That I will execute such other documents as may be reasonably necessary to either (i) consummate the terms and conditions of this Agreement; or (ii) correct the terms and conditions of this Plan if an error is detected after execution of this Agreement. I understand that a corrected Agreement will be provided to me and this Agreement will be void and of no legal effect upon notice of such error. If I elect not to sign any such corrected Agreement, the terms of the original Loan Documents shall continue in full force and effect, such terms will not be modified by this Agreement, and I will not be eligible for a modification under the Home Affordable Modification Program.
- L. Mortgage Electronic Registration Systems, Inc. ("MERS") is a separate corporation organized and existing under the laws of Delaware and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, (888) 679-MERS. In cases where the loan has been registered with MERS who has only legal title to the interests granted by the borrower in the mortgage and who is acting solely as nominee for Lender and Lender's successors and assigns, MERS has the right: to exercise any or all of those interests including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling the mortgage loan.



MULTISTATE HOME AFFORDABLE MODIFICATION AGREEMENT