

RETURN RECORDED DOCUMENT TO:
SunTrust Mortgage, Inc.
Loss Mitigation, RVW 3054
1001 Semmes Avenue
Richmond, VA 23224

Prepared By: David Lopez [Space Above This Line For Recording Data] Loan Number: [REDACTED]

LOAN MODIFICATION AGREEMENT
(Providing for Step Rate Interest Only)

This Loan Modification Agreement ("Agreement"), made this 22ND day of JULY 2009, between [REDACTED] ("Borrower") and SUNTRUST MORTGAGE, INC. ("Lender"), amends and supplements (1) that certain Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), and Timely Payment Rewards Rider, if any, dated SEPTEMBER 14, 2005 in the amount of \$370,000.00 and recorded in Book or Document# 2005-0818523 of the Official Records of SAN DIEGO COUNTY, CA. (County and State, or other Jurisdiction) and (2) that certain Note, bearing the same date as, and secured by, the Security Instrument, which covers the real and personal property described in the Security Instrument and defined therein as the "Property", located at

[REDACTED]
ESCONDIDO CA
(Property Address)

the real property described being set forth as follows:

*****SEE ATTACHED DOCUMENT*****

MICHAEL GADDIS

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

- As of AUGUST 1, 2009, the amount payable under the Note and secured by the Security Instrument (the "Unpaid Principal Balance") is U.S. \$379,682.00, consisting of the unpaid amount(s) loaned to Borrower by Lender plus any interest and other amounts capitalized to date.
- The terms of the Note and the Security Instrument are amended as follows:

SECTION I:

PAYMENTS:

(A) Time of Payments

Borrower will make an interest only payment each and every month on the 1ST day of the month, beginning on SEPTEMBER 1, 2009 (First Payment Date). Each monthly payment will be applied as of its scheduled due date and if the payment includes both principal and interest, it will be applied to interest before principal.

(B) Amount of Monthly Payments

During the Interest-Only Period, the monthly payment will be in an amount sufficient to pay accrued interest, at the rates specified in Section II of this Agreement below, until OCTOBER 1, 2015 (Last Interest Only Date). For the first year, each monthly payment will be in the amount of U.S. \$949.21 beginning on the 1ST day of SEPTEMBER 2009. For the second year, each monthly payment will be in the amount of U.S. \$1,255.61 beginning on the 1ST day of SEPTEMBER 2010. For the third year, each monthly payment will be in the amount of U.S. \$1,898.41 beginning on the 1ST day of SEPTEMBER 2011.

SECTION II:

INTEREST RATE AND PAYMENT CHANGES:



(A) Current Interest Rate and Interest Rate Changes

Under this Agreement, interest will be charged on the Unpaid Principal Balance for the first year at the yearly rate of 3.00% beginning on the 1st day of AUGUST 2009. During the second year, the Borrower's interest rate will be 4.00% beginning on the 1st day of AUGUST 2010. For the third year, and continuing thereafter until the Maturity Date (as herein defined), the Borrower's interest rate will be 6.00% beginning on the 1st day of AUGUST 2011.

(B) Interest-Only Period

The "Interest-Only Period" is the period from the date of the Note through OCTOBER 1, 2015 (Last Interest Only Date). For the Interest-Only Period, after calculating the new interest rate as provided above, Lender will determine the amount of the monthly payment that will be sufficient to pay the interest which accrues on the unpaid principal balance of the loan. The result of this calculation will be the amount of the monthly payment.

(C) Amortization Period

The "Amortization Period" is the period after the Interest-Only Period. For the Amortization Period, after calculating my new interest rate as provided in (B) above, the Note Holder will then determine the amount of the monthly payment necessary to pay the then current interest plus a monthly amount necessary to repay the Unpaid Principle Balance as established in Paragraph 1 above. To establish the reduction in The Unpaid Principle Balance, the balance will be divided by the remaining months before Maturity Date. The amount of the monthly reduction of the Unpaid Principle Balance plus the current interest calculation shall be the new monthly payment.

(D) Maturity Date

If on OCTOBER 1, 2015 (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.

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 the Security Instrument.

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 delivered or mailed within which Borrower must pay all sums secured by the Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Security Instrument without further notice or demand on Borrower.

4. Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that Borrower is obligated to make under the Security Instrument however, the following terms and provisions are forever canceled, null and void, as of the date specified in paragraph No. 1 above:
- (a) all terms and provisions of the Note and Security Instrument (if any) providing for, implementing, or relating to, any change or adjustment in the rate of interest payable under the Note, including, where applicable, the Timely Payment Rewards rate reduction, as described in paragraph 1 of the Timely Payment Rewards Addendum to Note and paragraph A.1. of the Timely Payment Rewards Rider. By executing this Agreement, Borrower waives any Timely Payment Rewards rate reduction to which Borrower may have otherwise been entitled; and
 - (b) all terms and provisions of any adjustable rate rider, or Timely Payment Rewards Rider, where applicable, or other instrument or document that is affixed to, wholly or partially incorporated into, or is part of, the Note or Security Instrument and that contains any such terms and provisions as those referred to in (a) above.
5. 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 be and 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 affect 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) Borrower has no right of set-off or counterclaim, or any defense to the obligations of the Note or Security Instrument.
- (d) 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.
- (e) 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.
- (f) 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.



THE LAW OFFICES OF
MICHAEL GADDIS