

AFFIDAVIT

STATE OF TEXAS

COUNTY OF \_\_\_\_\_

I \_\_\_\_\_, being first duly sworn according to law do depose and say:

THAT I am the owner of the land described in the (Mortgagee) (Owner) Title Policy Commitment, No. \_\_\_\_\_ issued by \_\_\_\_\_ dated \_\_\_\_\_ and being located in \_\_\_\_\_ County, Texas, which I am (selling) (mortgaging) to \_\_\_\_\_,

THAT there has been no material furnished or labor performed in respect to the repairing, alteration, remodeling, or constructing of improvements of any kind upon the land within the past four months which have not been paid for in full;

THAT there are no financing statements, security agreements, chattel mortgages, conditional sales contracts, or outstanding debts of any nature against any of the fixtures on said land;

THAT there is no one possession of any part of said lands other than myself nor have I heard of anyone claiming a right to possession or ownership of said premises or any portion thereof.

THAT the above statements are made for the purpose of inducing the above-named title insurance company to issue its policy of title insurance with no exceptions as to mechanics, or materialmen's liens or exceptions as to rights or claims of parties in possession, which statements shall be construed as contractual as distinguished from mere recitals and without which if is understood said company would not assume such liability.

Dated this \_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_

Sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_

(SEAL)

\_\_\_\_\_  
Notary Public, State of Texas

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL HOUSING SERVICE

**AGREEMENT WITH PRIOR LIENHOLDER**

*(Select the applicable first paragraph by marking the box by the selected paragraph with an 'X'.)*

WHEREAS \_\_\_\_\_  
(hereinafter referred to as "Mortgagee") is owner and holder of a certain \_\_\_\_\_ (hereinafter referred to as "Security Instrument") which is to be recorded in the \_\_\_\_\_ Records, \_\_\_\_\_ County, Texas. The Security Instrument secures the payment of a certain promissory note dated \_\_\_\_\_ in the original principal amount of \$ \_\_\_\_\_ (hereinafter referred to as "Indebtedness") which is more particularly described in said Security Instrument. Mortgagee is the owner and holder of said Indebtedness;

WHEREAS \_\_\_\_\_  
(hereinafter referred to as "Mortgagee") is owner and holder of a certain \_\_\_\_\_ (hereinafter referred to as "Security Instrument") which is recorded in Volume \_\_\_\_\_, Page \_\_\_\_\_, \_\_\_\_\_ Records, \_\_\_\_\_ County, Texas. The Security Instrument secures the payment of a certain promissory note dated \_\_\_\_\_ in the original principal amount of \$ \_\_\_\_\_ (hereinafter referred to as "Indebtedness") which is more particularly described in said Security Instrument. Mortgagee is the owner and holder of said Indebtedness;

WHEREAS, \_\_\_\_\_ (hereinafter called "Borrower") is (are) the owner(s) or purchaser(s) of certain real estate described in the said Security Instrument;

WHEREAS, Borrower has applied to the United States of America, acting through the Rural Housing Service, United States Department of Agriculture (hereinafter referred to as "Government"), for a loan in the amount of \$ \_\_\_\_\_

WHEREAS the loan to be made to the Borrower by the Government will be secured by a lien on said real estate which is inferior to the Security Instrument; and

WHEREAS the Government will not consummate said loan unless or until the Mortgagee executes this agreement.

NOW, THEREFORE, in consideration of the making of the loan by the Government, the Mortgagee, does hereby covenant and agree:

1. Unless prior written notice has been given by Mortgagee to the Government, Mortgagee will not:

- (a) declare the Security Instrument to be in default;
- (b) accelerate the Indebtedness secured by the Security Instrument;

- (c) commence the foreclosure of the Security Instrument pursuant to a power of sale, if any, contained in said Security Instrument or by way of a judicial foreclosure;
- (d) assert superior title to said real estate retained by virtue of an express vendor's lien, if any;
- (e) sell, transfer or otherwise dispose of the Indebtedness and Security Instrument; and/or
- (f) reamortize, modify, restructure, renew or extend the terms, conditions, or provisions of the Indebtedness and/or the Security Instrument.

Said notice will be mailed to the Government by certified mail and will be delivered to the Government not less than thirty (30) calendar days prior to the intended action. Said notice will be addressed to and delivered to the Government as follows:

- (a) Rural Development Manager, Rural Housing Service,  
\_\_\_\_\_ ; and
- (b) State Director, Rural Housing Service,  
101 South Main Street, Temple, Texas 76501.

and to such other addresses designated by the Government in writing to the Mortgagee.

If Mortgagee takes any action described in the notice required by this paragraph, Mortgagee shall give notice to Government within ten (10) calendar days of taking such action. Said notice shall be mailed in the manner and to the addresses specified in this paragraph.

2. If a default occurs in the payment of the Indebtedness, Mortgagee shall give Government written notice of such default. Said notice shall be mailed to the Government in the manner and to the addresses specified in ¶ 1 and within thirty (30) days of the occurrence of such default.

3. In the event of a default under the Security Instrument, the Government may, at its option:

- (a) cure any default and provide evidence of such cure to Mortgagee. If the default is a monetary default, the Government may pay the amount of the Borrower's delinquent payments to the Mortgagee. Any cure by Government must be completed within thirty (30) calendar days following the Government's receipt of the notice of default from Mortgagee; or
- (b) pay the Indebtedness secured by the Security Instrument in full. If the Government elects to pay the Indebtedness in full, the procedure described in ¶ 4 in this Agreement will be followed.

4. In the event that Mortgagee elects to sell, transfer or otherwise dispose of the Indebtedness and Security Instrument and after the Mortgagee provides notice to the Government of this intended action as required by this Agreement, the Government may, at its

option, purchase or pay off said Indebtedness and Security Instrument. Government shall have the first and prior right to purchase or pay off the Indebtedness and Security Instrument. If Government elects to purchase or pay off the Indebtedness, Government will advise Mortgagee of its election in writing within thirty (30) calendar days following the Government's receipt of the notice of the Mortgagee's intended action or notice of default. Within ten (10) calendar days of receipt of the Government's election, Mortgagee will provide Government with Indebtedness information (including the current unpaid balance of the Indebtedness with a daily per them figure for interest and with an itemized description of each component of the unpaid balance including unpaid principal, accrued interest and advances, fees and charges, if any). Within thirty (30) calendar days of receipt of the complete Indebtedness information, Government may purchase or pay said Indebtedness in full. When the Indebtedness is purchased or paid in full by the Government, Mortgagee will endorse its note or other evidence of the Indebtedness to the "United States of America" and assign its Security Instrument to the United States of America on a form acceptable to the Government.

If Mortgagee timely provides the notices and information required by this paragraph and if, within the time limits prescribed by this paragraph, the Government fails to exercise its rights under this paragraph to purchase or pay off the Indebtedness and Security Instrument, Mortgagee is released from all obligations under this paragraph.

5. If the Government commences liquidation proceedings and thereafter acquires the said real estate, the Mortgagee will not declare its Security Instrument to be in any non-monetary default;

6. If the Security Instrument secures the repayment of future advances, Mortgagee will make no advances for purposes other than the payment of taxes, insurance or payments on other prior liens without the prior written consent of the Government, acting through the State Director for Rural Development acting for the Rural Housing Service.

7. This Agreement is Mortgagee's consent to the Government for making (or transferring) loans and taking (or retaining) the related lien on the said real estate.

8. If the Government obtains title to the real estate either by foreclosure or voluntary conveyance, Mortgagee will grant consent so the Government may transfer the real estate subject to the Security Instrument.

9. Upon written request by the Government and within ten (10) calendar days of receipt of the request, Mortgagee will provide Government with the following information if it is in the possession of the Mortgagee:

- (a) current unpaid balance of the Indebtedness;
- (b) the amount of the delinquency, if any, on the Indebtedness;
- (c) amortization schedule for payments on the Indebtedness;
- (d) information as to the status of insurance and/or ad valorem taxes;

- (e) copies of any current insurance policies covering the real estate; and
- (f) information pertaining to Borrower's defaults under the Indebtedness and/or Security Instrument.

The Indebtedness balance information provided by Mortgagee will include an itemized description of each component of the unpaid balance including unpaid principal, accrued interest and advances, fees and charges, if any.

10. If Mortgagee violates any of the terms, conditions or requirements of this Agreement, Mortgagee hereby subordinates its Security Instrument to the lien or liens granted or to be granted to the Government to the extent:

- (a) of the entire unpaid balance of the Indebtedness, including accrued interest and any advances, if there is a violation of ¶ 1, ¶ 3, ¶ 4, ¶ 5, ¶ 7 or ¶ 8;
- (b) of all matured installments if there is a violation of ¶ 2 or ¶ 9; and
- (c) of all advances and the interest accrued thereon if there is a violation of ¶ 6.

11. This Agreement is binding on Mortgagee and on Mortgagee's heirs, executors, administrators, successors and assigns and on any person or entity which may claim Mortgagee's rights under the Security Instrument under principles of subrogation.

EXECUTED AND DELIVERED THIS \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**MORTGAGEE:**

Name: \_\_\_\_\_

If a Corporation

ATTEST:

\_\_\_\_\_

Secretary

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**GOVERNMENT:**

UNITED STATES OF AMERICA

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Rural Development, acting on behalf of  
the Rural Housing Service State of Texas

United States Department of Agriculture

**BORROWER APPROVAL AND CONSENT:**

The Borrower consents to the provisions of this Agreement and approves this Agreement.

Date: \_\_\_\_\_

\_\_\_\_\_

Borrower

\_\_\_\_\_

Borrower

**ACKNOWLEDGMENT**  
(Individual mortgagee)

STATE OF TEXAS

COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

(SEAL)

\_\_\_\_\_

Notary Public, State of Texas

**ACKNOWLEDGMENT**  
(Corporate mortgagee)

STATE OF TEXAS

COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_  
\_\_\_\_\_ (*name*), \_\_\_\_\_ (*title*) of \_\_\_\_\_  
\_\_\_\_\_, a Texas corporation, on behalf of said corporation.

(SEAL)

\_\_\_\_\_

Notary Public, State of Texas

**ACKNOWLEDGMENT**

(RHS)

STATE OF TEXAS

COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_ by  
\_\_\_\_\_ in his/her capacity as \_\_\_\_\_ (title), Rural  
Development, acting on behalf of the Rural Housing Service (successor in interest to the Farmers  
Home Administration), United States Department of Agriculture on behalf of the United States  
of America.

(SEAL)

\_\_\_\_\_

Notary Public, State of Texas

**ACKNOWLEDGMENT**  
(Borrower)

STATE OF TEXAS

COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_ by

(SEAL)

\_\_\_\_\_

Notary Public, State of Texas

**Agreement With Prior Lienholder**

Used by Rural Housing Service if. (1) the agency is making an initial or subsequent loan; and (2) there is going to be a prior lien on the security property which will be senior to the RHS lien.

Procedure Reference: RD Instruction 1927-B and Texas Instruction (RD) 1927-B

Prepared by: Closing agent, title insurance company or Field Office

Number of Copies: Original and One for each party to the Agreement

Signatures Required: Original signed by prior lienholder, authorized agency official, and borrower(s)

Distribution: The original is placed in the borrower's loan file after it has been signed, notarized and recorded in the appropriate county records. Conformed copy to borrower and prior lienholder.

**COMPLETION OF THE FORM:**

**1. COMPLETING THE FIRST PARAGRAPH IN THE AGREEMENT: There are two alternate first paragraphs for this Agreement. Only one should be selected. The one not selected should be stricken.**

A. Selecting the correct alternate paragraph for the first paragraph of the Agreement:  
One of two alternate first paragraphs must be selected by marking the box by the selected paragraph with an " x " .

The first alternate paragraph will be selected in those instances when the agency is making an initial loan at the same time that the other lender (which will have the senior lien) is making its loan. This option is used in most leverage loan situations where the leveraged lender will have the senior lien and the agency will have the junior lien.

The second alternate paragraph will be selected in those instances when the agency is making an initial or subsequent loan and the other lender has already made its loan and the other lender's deed of trust or mortgage has already been recorded.

B. Striking the alternate paragraph which is not selected. The alternate paragraph which is not selected should be stricken. See the following example:

**Example of striking out the alternate paragraph not selected:**

C. If the first alternate paragraph is selected, complete it as follows:

1. Name of the prior lienholder. Use the name as it appears on the prior lien instrument.
2. The type of instrument creating the prior lien. Examples - deed of trust, mortgage, purchase contract, security agreement, vendor's lien.
3. [Intentionally left blank.]
4. Name of records where the prior lien instrument is recorded. For example, Deed of Trust Records, Deed Records, Real Estate Records, Official Public Records, Real Property Records, etc.
5. Name of county where prior lien instrument deed is recorded.
6. Date of other lender's promissory note.
7. Original principal amount of other lender's note.

D. If the second alternate paragraph is selected, complete it as follows:

1. Name of the prior lienholder. Use the name as it appears on the prior lien instrument.
2. The type of instrument creating the prior lien. Examples - deed of trust mortgage, purchase contract, security agreement, vendor's lien.
3. Recording information for prior lien instrument. Usually this is expressed by a volume number and a page number. Some counties may use different recording information.
4. Name of records where the prior lien instrument is recorded. For example, Deed of Trust Records, Deed Records, Real Estate Records, Official Public Records, Real Property Records, etc.

5. Name of county where prior lien instrument deed is recorded.
6. Date of other lender's promissory note.
7. Original principal amount of other lender's note.

**II. COMPLETING THE REMAINING PART OF THE AGREEMENT:**

8. Name of borrower(s)/applicant(s).
9. Amount of the agency's loan to be made to the borrower(s).
10. Address of the Field Office.
11. Date of the Agreement.
12. Name and signature of the prior lienholder. The name should be typed below the signature line.
13. If the prior lienholder is a corporation, the signature, name and title of the official signing the Agreement for the corporation.
14. Name and title of authorized official signing on behalf of the agency. The name and title should be typed below the signature line in the spaces provided.
15. Date that the borrower(s)/applicant(s) sign the Agreement.
16. The signature and name of the borrower(s)/applicant(s). Type their names below the signature line.

The Agreement will be acknowledged before a notary public or other official authorized to take acknowledgments.

17. Acknowledgment form for the prior lienholder if an individual. .
18. Acknowledgment form for the prior lienholder if a corporation.
19. Acknowledgment form for the agency.
20. Acknowledgment form for the borrower(s)/applicant(s).

**After this form is completed, signed by all parties and notarized, it must be recorded in the**

appropriate real estate records of the county where the security property is located. The loan may not be closed unless this form is completed and signed at or before loan closing.

AGREEMENT FOR RENEWAL AND EXTENSION AND/OR INCLUSION  
OF ADDITIONAL COVENANT IN DEED OF TRUST

(Transfer and Assumption)

STATE OF TEXAS \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

WHEREAS, on \_\_\_\_\_ executed a deed of trust to \_\_\_\_\_, Trustee, covering a tract of land in \_\_\_\_\_ County, Texas, for the benefit of the United States of America (herein called "Government"), to secure one promissory note of even date in the original principal amount of \$ \_\_\_\_\_ payable to the Government with a final maturity date of \_\_\_\_\_. which deed of trust is recorded in Volume \_\_\_\_\_, Page \_\_\_\_\_ Records, \_\_\_\_\_ County, Texas, reference to which deed of trust and the record thereof is hereby made for a complete description of the said land and the indebtedness secured thereby, and

WHEREAS, said land was conveyed by \_\_\_\_\_ to \_\_\_\_\_ (herein called "First Transferee") by deed dated \_\_\_\_\_, recorded in Volume \_\_\_\_\_ Page \_\_\_\_\_, \_\_\_\_\_ Records, \_\_\_\_\_ County, Texas, whereby the said First Transferee assumed the indebtedness to Government referred to above, and

WHEREAS, said land was conveyed by \_\_\_\_\_ to \_\_\_\_\_ (herein called "New Transferee") by deed dated \_\_\_\_\_, recorded in Volume \_\_\_\_\_ Page \_\_\_\_\_, \_\_\_\_\_ Records, \_\_\_\_\_ County, Texas, whereby the said New Transferee assumed the indebtedness to Government referred to above, and

WHEREAS, the New Transferee has requested the Government to reamortize the said indebtedness to the Government.

NOW, THEREFORE, in consideration of the foregoing, the Government and the New Transferee do hereby agree and contract that: *(Select the applicable provisions by marking the box by the selected provision with an "x" and placing the parties' initials in the blanks to the left of the selected provision.)*

\_\_\_\_\_ The date of maturity of the indebtedness evidenced by said note is hereby extended to and shall hereafter read to be the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and that said deed(s) of trust, including the power of sale and all covenants therein, are renewed and extended and shall continue and be in full force and effect as provided by law until said Indebtedness and note(s) as so renewed and extended have been fully paid.

\_\_\_\_\_ The said deed(s) of trust referred to above are hereby modified to include the following covenant:

And this instrument also secures the recapture of any payment assistance and subsidy which may be granted to the Borrower by the Government pursuant to 42 U.S.C. §§ 1472(g) or 1490a.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

UNITED STATES OF AMERICA

By \_\_\_\_\_

Name: \_\_\_\_\_

Area Director for USDA Rural Development,  
acting on behalf of the Rural Housing Service  
(successor in interest to the Farmers-Home Administration,)  
State of Texas  
United States Department of Agriculture

\_\_\_\_\_  
New Transferee/Borrower

\_\_\_\_\_  
New Transferee/Borrower

ACKNOWLEDGMENT

STATE OF TEXAS \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_ in his/her capacity as Area Director, USDA Rural Development, acting on behalf of the Rural Housing Service (successor in interest to the Farmers Home Administration), United States Department of Agriculture on behalf of the United States of America.

(SEAL)

\_\_\_\_\_  
Notary Public, State of Texas

ACKNOWLEDGMENT

STATE OF TEXAS \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_, by \_\_\_\_\_

(SEAL)

\_\_\_\_\_  
Notary Public, State of Texas

Form RD TX 1927-22

(05/2003)

AGREEMENT FOR RENEWAL AND EXTENSION AND/OR INCLUSION  
OF ADDITIONAL COVENANT IN DEED OF TRUST

(Transfer and Assumption)

STATE OF TEXAS \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

WHEREAS, on \_\_\_\_\_ (1)\_, \_\_\_\_\_(2) \_\_\_\_\_ executed a deed of trust to \_\_\_\_ (3) \_\_\_\_\_, Trustee, covering a tract of land in \_\_\_\_ (4) \_\_\_\_\_ County, Texas, for the benefit of the United States of America (herein called "Government"), to secure one promissory note of even date in the original principal amount of \$ \_ (5) \_\_\_\_\_ payable to the Government with a final maturity date of \_\_\_\_\_ (6) \_\_\_\_\_. which deed of trust is recorded in Volume \_\_\_\_ (7)\_, Page \_\_\_\_\_, (8) \_\_\_\_\_ Records, \_\_\_\_ (9) \_\_\_\_\_ County, Texas, reference to which deed of trust and the record thereof is hereby made for a complete description of the said land and the indebtedness secured thereby, and

WHEREAS, said land was conveyed by \_\_\_\_\_ (10) \_\_\_\_\_ to \_\_\_\_\_ (11) \_\_\_\_\_ (herein called "First Transferee") by deed dated \_\_\_\_ (12) \_\_\_\_\_, recorded in Volume \_ (13) Page \_\_\_\_\_, \_\_\_\_\_ (14) \_\_\_\_\_ Records, (15) \_\_\_\_\_ County, Texas, whereby the said First Transferee assumed the indebtedness to Government referred to above, and

WHEREAS, said land was conveyed by \_\_\_\_\_ (16) \_\_\_\_\_ to \_\_\_\_\_ (17) \_\_\_\_\_ (herein called "New Transferee") by deed dated \_\_\_\_\_ (18), \_\_\_\_\_, recorded in Volume \_ (19) \_\_\_\_\_ Page \_\_\_\_\_, \_\_\_\_\_ (20), \_\_\_\_\_ Records, \_\_\_\_ (21) \_\_\_\_\_ County, Texas, whereby the said New Transferee assumed the indebtedness to Government referred to above, and

WHEREAS, the New Transferee has requested the Government to reamortize the said indebtedness to the Government.

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Form RD TX 1927-22

(05/2003)

NOW, THEREFORE, in consideration of the foregoing, the Government and the New Transferee do hereby agree and contract that: (Select the applicable provisions by marking the box by the selected provision with an 'Y' and placing the parties' initials in the blanks to the left of the selected provision.)

(22)

[ ] \_\_\_\_\_ The date of maturity of the indebtedness evidenced by said note is hereby extended to and shall hereafter read to be the \_\_\_\_\_(23) \_\_\_\_ day of (23) \_\_\_\_\_ \_\_\_\_; and that said deed(s) of trust, including the power of sale and all covenants therein, are renewed and extended and shall continue and be in full force and effect as provided by law until said Indebtedness and note(s) as so renewed and extended have been fully paid.

(24)

[ ] \_\_\_\_\_ The said deed(s) of trust referred to above are hereby modified to include the following covenant:

And this instrument also secures the recapture of any payment assistance and subsidy which may be granted to the Borrower by the Government pursuant to 42 U.S.c. §§ 1472(g) or 1490a.

EXECUTED this \_ (25) \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

UNITED STATES OF AMERICA

By \_\_\_\_\_(26) \_\_\_\_\_

Name: \_\_\_\_\_

Area Director for USDA Rural Development, acting on behalf of the Rural Housing Service (successor in interest to the Farmers Home Administration), State of Texas United States Department of Agriculture

\_\_\_\_\_(27) \_\_\_\_\_

New Transferee/Borrower

\_\_\_\_\_  
New Transferree/Borrower

Page 3 of Form

Form RD TX 1927-22  
(05/2003)

ACKNOWLEDGMENT

(28)

STATE OF TEXAS \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_ in his capacity as Area Director, USDA Rural Development, acting on behalf of the Rural Housing Service (successor in interest to the Farmers Home Administration), United States Department of Agriculture on behalf of the United States of America.

(SEAL)

\_\_\_\_\_  
Notary Public, State of Texas

(29)

ACKNOWLEDGMENT

STATE OF TEXAS \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

This instrument was acknowledged before me on \_\_\_\_\_, by

\_\_\_\_\_

(SEAL)

\_\_\_\_\_  
Notary Public, State of Texas

**AGREEMENT FOR RENEWAL AND EXTENSION AND/OR INCLUSION OF  
ADDITIONAL COVENANT IN DEED OF TRUST  
(Transfer and Assumption)**

**GENERAL DIRECTIONS** -- This form is used by the Rural Housing Service on SFH loans when:

(1) the security property is being sold, the loan is being assumed, the loan was approved prior to October 1, 1979, the deed of trust does not contain the recapture clause and the maturity date of the loan is being extended to a later date. This form changes the maturity date of the loan to a later date and adds the recapture provision to the deed of trust.

**Under these circumstances, both of the optional provisions should be selected;** or

(2) the security property is being sold, the loan is being assumed, the loan was approved after October 1, 1979, the recapture clause is included in the deed of trust and the maturity date of the loan is being extended to a later date. This form changes the maturity date of the loan to a later date.

**Under these circumstances, only the first optional provision (which changes the maturity date) should be selected;** or

(3) when the security property is being sold, the loan is being assumed, the loan was approved prior to October 1, 1979, the deed of trust does not contain the recapture, clause and the maturity date of the loan is not being extended to a later date. This form adds the recapture provision to the deed of trust.

**Under these circumstances, only the second optional provision (which adds the recapture provision) should be selected.**

- Procedure Reference: RD Instruction 1927-B and Texas Instruction (RD) 1927-B
- Prepared by: Closing agent, title insurance company or Field Office
- Number of Copies: Original and One
- Signatures Required: Original signed by borrower and spouse (if any) and by agency.
- Distribution: The Original is placed in the borrower's loan file after it has been signed, notarized and recorded in the appropriate county records. Conformed copy to borrower.

**INSTRUCTIONS FOR PREPARATION**

1-9. If there is more than one deed of trust, this paragraph should be repeated to describe each deed of trust which secures the payment of note(s) being assumed.

1. Date of deed of trust.
2. Name of the borrower(s) exactly as they appear on the deed of trust. If there are two borrowers (e.g., husband and wife) both names should be stated and both must sign this form. This will ordinarily be the name of the seller(s).

3. The name of the trustee which appears on the deed of trust.
  4. Name of county where the security property is located and where the deed of trust is recorded.
  5. The original principal amount of the note.
  6. The original maturity date of the note.
  7. Recording information for the deed of trust. Usually this is expressed by a volume number and a page number. Some counties may use different recording information.
  8. Name of records where the deed of trust is recorded. For example, Deed of Trust Records, Real Estate Records, Official Public Records, Real Property Records, etc.
  9. Name of county where the deed of trust is recorded.
- 10-15. This paragraph is optional and is to be used only if there has been a prior transfer and assumption of the agency loan.

If there has been no prior transfer and assumption, this paragraph may be stricken.

If there has been more than one prior transfer and assumption, this paragraph may be repeated for each such transfer and assumption. If this paragraph is repeated, the phrase, "First Transferee" should be changed to coincide with the applicable transfer. For example, for the second transfer, the phrase should be changed to "Second Transferee."

10. The name of the seller(s) (or transferor(s)) in the transfer and assumption transaction being described in this paragraph.
11. The name of the buyer (or transferee) in the transfer and assumption transaction being described in this paragraph.
12. Date of the deed for the transfer and assumption transaction being described in this paragraph.
13. Recording information for the deed for the transfer and assumption transaction being described in this paragraph. Usually this is expressed by a volume number and a page number. Some counties may use different recording information.
14. Name of records where the deed is recorded. For example, Deed Records, Real Estate Records, Official Public Records, Real Property Records, etc.
15. Name of county where the deed is recorded.
16. Name of seller(s) (or transferor(s)) in the current transfer and assumption transaction. This will ordinarily be the name of the current borrower(s).

17. Name of the buyer(s) (or transferee(s)) in the current transfer and assumption transaction. This will be the name of the new borrower(s).
18. Date of the deed to the buyer(s).
19. Recording information for the deed. Usually this is expressed by a volume number and a page number. Some counties may use different recording information.
20. Name of records where the deed is recorded. For example, Deed Records, Real Estate Records, Official Public Records, Real Property Records, etc.
21. Name of county where the deed is recorded.
22. **First Optional Provision** - If this provision is selected, insert an x into the box and the transferee(s) and the Area Director must initial the provision by placing their respective initials in the blanks located immediately to the left of the provision.  
  
See the Directions above in order to determine if this provision should be selected. If this provision is not selected, it may be stricken.
23. [Complete only if the First Optional Provision has been selected.] The new maturity date for the note. The month, date and year must be stated.
24. **Second Optional Provision** - If this provision is selected, insert an "x" into the box and the transferee(s) and the Area Director must initial the provision by placing their respective initials in the blanks located immediately to the left of the provision.  
  
See the Directions above in order to determine if this provision should be selected. If this provision is not selected, it may be stricken.
25. Date of the Agreement.
26. Name of official signing on behalf of the agency. The name should be typed below the signature line.
27. The signature and name of the borrower(s). Type their names below the signature line.
28. Acknowledgment form for the agency.
29. Acknowledgment form for the transferee(s)/borrower(s).

**After this form has been completed, signed by all parties and notarized, it must be recorded in the appropriate real estate records of the county where the security property is located.**

AGREEMENT FOR RENEWAL AND EXTENSION AND/OR INCLUSION  
OF ADDITIONAL COVENANT IN DEED OF TRUST  
(Reamortization)

STATE OF TEXAS \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

WHEREAS \_\_\_\_\_ (herein called "Borrower") executed or assumed the payment of the promissory note(s) described below payable to the United States of America (herein called "Government"):

<u>Date</u>	<u>Amount</u>	<u>Maturity Date</u>
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WHEREAS, the payment of the said promissory note(s)(herein called "Indebtedness"), is secured by the deed(s) of trust described below covering certain described land in \_\_\_\_\_ County, Texas:

<u>Lien Instrument</u>	<u>Trustee</u>	<u>Date</u>	<u>Volume</u>	<u>Page</u>
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reference to which deed(s) of trust and the record thereof is hereby made for a more complete description of said land and the Indebtedness secured thereby, and

WHEREAS Borrower has requested the Government to reamortize the said Indebtedness owed to the Government.

NOW, THEREFORE, in consideration of the foregoing, the Government and Borrower do hereby agree that: *(Select the applicable provisions by marking the box by the selected provision with an "x" and placing the parties' initials in the blanks to the left of the selected provision.)*

\_\_\_\_\_ The date of maturity of the indebtedness evidenced by said note is hereby extended to and shall hereafter read to be the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ and that said deed(s) of trust, including the power of sale and all covenants therein, are renewed and extended and shall continue and be in full force and effect as provided by law until said Indebtedness and note(s) as so renewed and extended have been fully paid.

\_\_\_\_\_ The said deed(s) of trust referred to above are hereby modified to include the following covenant:

And this instrument also secures the recapture of any payment assistance and subsidy which may be granted to the Borrower by the Government pursuant to 42 U.S.C. s<sup>s</sup>1472(g) or 1490a.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

UNITED STATES OF AMERICA

By \_\_\_\_\_

Name: \_\_\_\_\_  
Area Director for USDA Rural Development,  
acting on behalf of the Rural Housing Service (successor  
in interest to the Farmers Home Administration),  
State of Texas, United States Department of Agriculture

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Borrower

ACKNOWLEDGMENT

STATE OF TEXAS \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_ in his capacity as Area Director, USDA Rural Development, acting on behalf of the Rural Housing Service (successor in interest to the Farmers Home Administration), United States Department of Agriculture on behalf of the United States of America.

(SEAL)

\_\_\_\_\_  
Notary Public, State of Texas

ACKNOWLEDGMENT

STATE OF TEXAS \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

This instrument was acknowledged before me on \_\_\_\_\_ • by \_\_\_\_\_

(SEAL)

\_\_\_\_\_  
Notary Public, State of Texas

AGREEMENT FOR RENEWAL AND EXTENSION AND/OR INCLUSION  
OF ADDITIONAL COVENANT IN DEED OF TRUST

(Reamortization)

STATE OF TEXAS \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

WHEREAS \_\_\_\_\_(1) \_\_\_\_\_ (herein called "Borrower") executed or assumed the payment of the promissory note(s) described below payable to the United States of America (herein called "Government"):

(2)    Date                      Amount                      Maturity Date

WHEREAS, the payment of the said promissory note(s)(herein called "Indebtedness"), is secured by the deed(s) of trust described below covering certain described land in  
\_ (3) \_\_\_\_\_ County, Texas:

(4)    Lien Instrument                      Trustee                      Date                      Volume                      Page

reference to which deed(s) of trust and the record thereof is hereby made for a more complete description of said land and the Indebtedness secured thereby, and

WHEREAS Borrower has requested the Government to reamortize the said Indebtedness owed to the Government.

NOW, THEREFORE, in consideration of the foregoing, the Government and Borrower do hereby agree that: *(Select the applicable provisions by marking the box by the selected provision with an "x" and placing the parties' initials in the blanks to the left of the selected provision.)*

(5)

\_\_\_\_\_ The date of maturity of the indebtedness evidenced by said note is hereby extended to and shall hereafter read to be the \_\_\_\_\_(6)\_ day of \_\_\_\_\_, \_\_\_\_\_, and that said deed(s) of trust, including the power of sale and all covenants therein, are renewed and extended and shall continue and be in full force and effect as provided by law until said Indebtedness and note(s) as so renewed and extended have been fully paid.

(7)

\_\_\_\_\_ The said deed(s) of trust referred to above are hereby modified to include the following covenant:

And this instrument also secures the recapture of any payment assistance and subsidy which may be granted to the Borrower by the Government pursuant to 42 U.S.C. §§ 1472(g) or 1490a.

EXECUTED this \_(8) \_\_\_\_\_ day of \_\_\_\_\_

UNITED STATES OF AMERICA

By \_\_\_\_\_(9) \_\_\_\_\_

Name: \_\_\_\_\_  
Area Director for USDA Rural Development,  
acting on behalf of the Rural Housing Service (successor  
in interest to the Farmers Home Administration),  
State of Texas, United States Department of Agriculture

\_\_\_\_\_(10) \_\_\_\_\_

Borrower

\_\_\_\_\_  
Borrower

(11)

ACKNOWLEDGMENT

STATE OF TEXAS \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_ in his capacity as Area Director, USDA Rural Development, acting on behalf of the Rural Housing Service (successor in interest to the Farmers Home Administration), United States Department of Agriculture on behalf of the United States of America.

(SEAL)

\_\_\_\_\_  
Notary Public, State of Texas

(12)

ACKNOWLEDGMENT

STATE OF TEXAS \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

This instrument was acknowledged before me on \_\_\_\_\_, by \_\_\_\_\_

(SEAL)

\_\_\_\_\_  
Notary Public, State of Texas

**GENERAL DIRECTIONS** - This form may be used by the Rural Housing Service when:

(1) the loan is being reamortized, the maturity date is being extended to a later date, the loan was approved before October 1, 1979 and the recapture clause is not included in the deed of trust. **Under these circumstances, both of the optional provisions should be selected;** or

(2) the loan is being reamortized, the maturity date is being extended to a later date, the loan was approved after October 1, 1979 and the recapture clause is included in the deed of trust. **Under these circumstances, only the first optional provision (which changes the maturity date) should be selected;** or

(3) the loan is being reamortized, the maturity date is not being extended to a later date, the loan was approved before October 1, 1979 and the recapture clause is not included in the deed of trust. **Under these circumstances, only the second optional provision (which adds the recapture clause) should be selected.**

Procedure Reference: RD Instruction 1927-B and Texas Instruction 1927-B

Prepared by: Closing agent, title insurance company or Field Office

Number of Copies: Original and One

Signatures Required: Original signed by borrower and spouse (if any) and by agency.

Distribution: The Original is placed in the borrower's loan file after it has been signed, notarized and recorded in the appropriate county records. Conformed copy to the borrower.

**COMPLETION OF THE FORM:**

1. Name of the borrower(s). The name(s) should be exactly as they appear on the deed(s) of trust. If there are two borrowers (e.g., husband and wife) both names should be stated and both must sign this form.
2. Describe each promissory note (and each assumption agreement if applicable) for the debt being reamortized.
  - a. Insert the date of each note (and each assumption agreement) under "date."
  - b. Insert the original principal amount of each note (and the amount assumed in each assumption agreement) under "amount."
  - c. Insert the maturity date of each note (and each assumption agreement) under "maturity date."
3. Name of county where the security property is located and where the deed of trust is recorded.

4. Describe the "lien instrument." Describe each deed of trust which secures the payment of the debt (whether note(s), assumption agreement(s) or both) being reamortized.

- a. Insert "deed of trust" under "Lien Instrument."
- b. Insert the name of the trustee which appears on the deed of trust under "Trustee."
- c. Insert the date of the deed of trust under "Date."
- d. Insert the recording information for the deed of trust under "Volume" and "Page." Recording information is usually expressed by a volume number and a page number. Some counties may use different recording information. If that is the case, the form will need to be changed accordingly. Whatever recording information is used for the deed of trust must be inserted here.

5. **First Optional Provision** - If this provision is selected, insert an "x" into the box and the transferee(s) and the Area Director must initial the provision by placing their respective initials in the blanks located immediately to the left of the provision.

See the directions above in order to determine if this provision should be selected. If this provision is not selected, it may be stricken.

6. [Complete only if the First Optional Provision has been selected The new maturity date for the note as described in the reamortization agreement. The month, day and year must be stated.

7. **Second Optional Provision** - If this provision is selected, insert an x into the box and the transferee(s) and the Area Director must initial the provision by placing their respective initials in the blanks located immediately to the left of the provision.

See the directions above in order to determine if this provision should be selected. If this provision is not selected, it may be stricken.

8. Date of the Agreement.

9. Name of official signing on behalf of the agency. The name should be typed below the signature line.

10. The signature and name of the borrower(s). Type their names below the signature line.

11. Acknowledgment form for the agency.

12. Acknowledgment form for the borrower(s).

After this form has been completed, signed by all parties and notarized, it must be recorded in the appropriate real estate records of the county where the security property is located.

United States Department of Agriculture  
Rural Housing Service

**DEED OF TRUST FOR TEXAS**

THIS DEED OF TRUST ("Security Instrument") is made on \_\_\_\_\_ [Date]  
The grantor is \_\_\_\_\_ ("Borrower") whose  
mailing address is \_\_\_\_\_

Texas ("Mailing Address.") The trustee is \_\_\_\_\_ State Director for Rural  
Development for the State of Texas, United States Department of Agriculture, and the State Director's successors in office  
as State Director or Acting State Director, and whose address is 101 S. Main Street, Temple, Bell County, Texas 76501  
("Trustee"). The beneficiary is the United States of America acting through the Rural Housing Service or successor agency,  
United States Department of Agriculture ("Lender"), whose address is Rural Housing Service, c/o Centralized Servicing  
Center, United States Department of Agriculture, P.O. Box 66889, St. Louis, Missouri 63166.

Borrower is indebted to Lender under the following promissory notes and/or assumption agreements (herein collectively  
called "Note") which have been executed or assumed by Borrower and which provide for monthly payments, with the full  
debt, if not paid earlier, due and payable on the maturity date:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Maturity Date</u>
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This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all  
renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under  
paragraph 7; (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note, and  
(d) the recapture of any payment assistance and subsidy which may be granted to the Borrower by the Lender pursuant to 42  
U.S.C. §§ 1472(g) or 1490a. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of  
sale, the following described property located in the county of \_\_\_\_\_, State of Texas:

[See attached Exhibit A]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances,  
and fixtures which now or hereafter are a part of the property. All replacements and additions shall also be covered by this  
Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant  
and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and  
will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with  
limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due  
the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under  
the Note.
2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender,  
Borrower shall pay to

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR  
STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED  
FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S  
LICENSE NUMBER.**

*According to the Paperwork Reduction Act a 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of  
information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0172. The time  
required to complete this information collection is estimated to average 15 minutes per response, including the time or reviewing instructions,  
searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; and (d) yearly flood insurance premiums, if any. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 *et seq.* ("RESPA"), unless another law or federal regulation that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held by a federal agency (including Lender) or in an institution whose deposits are insured by a federal agency, instrumentality, or entity. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If Lender shall acquire or sell the Property after acceleration under paragraph 22, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

**3. Application of Payments.** Unless applicable law or Lender's regulations provide otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied in the following order of priority: (1) to advances for the preservation or protection of the Property or enforcement of this lien; (2) to accrued interest due under the Note; (3) to principal due under the Note; (4) to amounts required for the escrow items under paragraph 2; (5) to late charges and other fees and charges.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Lender has agreed in writing to such lien or Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within ten (10) days of the giving of notice.

Borrower shall pay to Lender such fees and other charges as may now or hereafter be required by regulations of Lender, and pay or reimburse the Lender or Trustee for all of Trustee's and Lender's fees, costs, and expenses in connection with any full or partial release or subordination of this instrument or any other transaction affecting the property.

**5. Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurer providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, at Lender's option Lender may obtain coverage to protect Lender's rights in the Property pursuant to paragraph 7.

All insurance policies and renewals shall be in a form acceptable to Lender and shall include a standard mortgagee clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be

applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within thirty (30) days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The thirty (30) day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If after acceleration the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

**6. Preservation, Maintenance, and Protection of the Property; Borrower's Loan Application; Leaseholds.**

Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall maintain the improvements in good repair and make repairs required by Lender. Borrower shall comply with all laws, ordinances, and regulations affecting the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

**7. Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender is not required to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

**8. Refinancing.** If at any time it shall appear to Lender that Borrower may be able to obtain a loan from a responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes, Borrower will, upon the Lender's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby in full.

**9. Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

**10. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured hereby immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security instrument, whether or not then due. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

**11. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower and any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or

remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**12. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

**13. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Borrower's Mailing Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

**14. Governing Law; Severability.** This Security Instrument shall be governed by federal law. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable. This instrument shall be subject to the present regulations of Lender, and to its future regulations not inconsistent with the express provisions hereof. All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise; and the rights and remedies provided in this instrument are cumulative to remedies provided by law.

**15. Borrower's Copy.** Borrower acknowledges receipt of one conformed copy of the Note and of this Security Instrument.

**16. Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is leased for a term greater than three (3) years, leased with an option to purchase, sold, or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument.

**17. Nondiscrimination.** If Borrower intends to sell or rent the Property or any part of it and has obtained Lender's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower, will refuse to negotiate for the sale or rental of the Property or will otherwise make unavailable or deny the Property to anyone because of race, color, religion, sex, national origin, handicap, age, or familial status, and (b) Borrower recognizes as illegal and hereby disclaims and will not comply with or attempt to enforce any restrictive covenants on dwelling relating to race, color, religion, sex, national origin, handicap, age or familial status.

**18. Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 13 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made.

**19. Uniform Federal Non-Judicial Foreclosure.** If a uniform federal non-judicial foreclosure law applicable to foreclosure of this security instrument is enacted, Lender shall have the option to foreclose this instrument in accordance with such federal procedure.

**20. Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any hazardous substances on or in the Property. The preceding sentence shall not apply to the presence, use, or storage on the Property of small quantities of hazardous substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any federal, state, or local environmental law or regulation.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any hazardous substance or environmental law or regulation of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with applicable environmental law and regulations.

As used in this paragraph "hazardous substances" are those substances defined as toxic or hazardous substances by environmental law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph, "environmental law" means federal laws and regulations and laws and regulations of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

**21. Cross Collateralization.** Default hereunder shall constitute default under any other real estate security instrument held by Lender and executed or assumed by Borrower, and default under any other such security instrument shall constitute default hereunder.

**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

**22. Default; Lender's Remedies upon Default.** Default occurs under this Security Instrument if Borrower breaches

any covenant and agreement in this Security Instrument or in the Note. Upon default, Lender shall give notice of the default to Borrower prior to acceleration if required by applicable law. If the default is not cured within the time stated in the notice, Lender, at its option, may: (a) accelerate the maturity of the Note and declare immediately due and payable the entire amount unpaid under the Note and any other indebtedness which is secured by this Security Instrument; (b) for the account of Borrower, incur and pay reasonable expenses for the repair or maintenance of and take possession of, operate or rent the Property; and (c) foreclose this Security Instrument and sell the property in accordance with the remedies provided in this Security Instrument and under applicable federal or state law.

**23. Trustee Sale under Texas Law.** Upon default and at the request of the Lender, Trustee may foreclose this instrument by notice and sale of the Property as provided by Texas law in effect at the time of the foreclosure sale. The sale may be for cash or secured credit at the option of the Lender. Such sale may be adjourned from time to time without notice other than oral proclamation at the time and place appointed for such sale. At such sale, the Lender and its agents may bid and purchase as a stranger. The Trustee, at Trustee's option, may: (a) conduct such sale, without being personally present, through Trustee's delegate authorized by Trustee for such purpose in writing and without notice to Borrower of such authorization; (b) enter a bid on behalf of the Lender; (c) sell less than all of the Property at any one sale; and (d) sell the Property in separate parcels at any one sale. If the property is situated in two or more counties, the sale may be held in any one of such counties selected by the Lender in its sole discretion. Trustee shall deliver to the purchaser a Trustee's Deed conveying indefeasible title to the Property with covenants of general warranty. Borrower covenants and agrees to defend generally the purchaser's title to the Property as against all claims and demands. The recitals and statements of fact in the Trustee's Deed shall be prima facie evidence of the truth of the statements made therein. In the event of foreclosure sale, Borrower shall give up and deliver immediately possession of the property to the purchaser thereof or assume the status of a tenant at will and be subject to summary dispossession as by law provided.

**24. Application of Foreclosure Sale Proceeds:** The proceeds of foreclosure sale shall be applied in the following order to the payment of. (a) expenses incident to the Lender's enforcement of its rights under this Security Instrument and the foreclosure of its lien hereunder, including, but not limited to, reasonable Trustee's and attorney fees; (b) any prior liens required by law or a court of competent jurisdiction to be so paid; (c) all sums secured by this Security Instrument; (d) inferior liens of record required by law or a court of competent jurisdiction to be so paid; (e) at the Lender's option, any other indebtedness of Borrower owing to the Lender or any agency of Lender; and (f) any balance to Borrower. In the case the Lender is the successful bidder at the foreclosure or other sale of all or any part of the property, the Lender may pay its share of the purchase price by crediting such amount on any debts of Borrower owing the Government, in the order prescribed above.

**25. Invalidity or Partial Invalidity.** If this Security Instrument should be invalid for any purpose for which it is executed, such invalidity for such purpose shall not impair its validity for any other purpose. If any provision of this Instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of this Instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

**26. Payment Application in Case of Partial Invalidity.** In the event any portion of the sums intended to be secured by this Security Instrument cannot be lawfully secured hereby, payments in reduction of such sums shall be applied first to those portions not secured hereby.

**27. Waivers.** Borrower agrees that Lender will not be bound by any present or future state laws (a) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action must be brought, (b) prescribing any other statute of limitations, or (c) limiting the conditions which Lender may by regulation impose, including the interest rate it may charge, as a condition to approving a transfer of the Property to a new borrower. Borrower expressly waives the benefit of any such state laws.

**28. Substitute Trustee.** Lender, or its assigns, may appoint in writing a substitute trustee who shall succeed to all of the title, power, rights and duties conferred upon Trustee herein. When a substitute trustee is appointed by Lender, the former trustee or any substitute trustee shall be divested of such title, power, rights and duties. The appointment of a substitute trustee may be accomplished with or without cause and without notice to Borrower.

**29. Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under applicable law.

**30. Subrogation.** Any of the proceeds of the Note used to take up outstanding liens against all or any part of the Property have been advanced by Lender at Borrower's request and upon Borrower's representation that such amounts are due and are secured by valid liens against the Property. Lender shall be subrogated to any and all rights, superior titles, liens and equities owned or claimed by any owner or holder of any outstanding liens and debts, regardless of whether said liens or debts are acquired by Lender by assignment or are released by the holder thereof upon payment.

**31. Non-Merger of Title.** If the Property is conveyed to the Lender, title shall not merge (unless Lender elects otherwise) and the lien provided under this Security Instrument shall not be affected or impaired by such conveyance.

**32. Additional Documents.** Borrower shall, upon request by Lender, execute, acknowledge and deliver to Lender any and all additional documents, instruments and further assurances as may be necessary or proper in the Lender's opinion, to effect the intent of this loan transaction or to provide the Lender with the security required or contemplated for this loan transaction.

**33. Replacement and Corrected Documents.** If any document material to this loan transaction is lost, misplaced, misstated or inaccurately reflects the true and correct terms and conditions of this loan transaction, upon request by Lender, Borrower will comply with Lender's request to execute, acknowledge, initial and deliver to Lender any and all



United States Department of Agriculture  
Rural Housing Service  
**DEED OF TRUST FOR TEXAS**

THIS DEED OF TRUST ("Security Instrument") is made on \_\_\_\_\_ (1) , [Date] \_\_\_\_\_

The grantor is \_\_\_\_\_ (2) ("Borrower") whose mailing address is \_\_\_\_\_ (3) , \_\_\_\_\_ ,

Texas ("Mailing Address.") The trustee is \_\_\_\_\_ (4) , State Director for Rural Development for the State of Texas, United States Department of Agriculture, and the State Director's successors in office as State Director or Acting State Director, and whose address is 101 S. Main Street, Temple, Bell County, Texas 76501 ("Trustee"). The beneficiary is the United States of America acting through the Rural Housing Service or successor agency, United States Department of Agriculture ("Lender"), whose address is Rural Housing Service, c/o Centralized Servicing Center, United States Department of Agriculture, P.O. Box 66889, St. Louis, Missouri 63166.

Borrower is indebted to Lender under the following promissory notes and/or assumption agreements (herein collectively called "Note") which have been executed or assumed by Borrower and which provide for monthly payments, with the full debt, if not paid earlier, due and payable on the maturity date:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Maturity Date</u>
(5)		

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7; (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note, and (d) the recapture of any payment assistance and subsidy which may be granted to the Borrower by the Lender pursuant to 42 U.S.C. §§ 1472(g) or 1490a. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale the following described property located in the county of \_\_\_\_\_ (6) , State of Texas:

(7) [See attached Exhibit A]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures which now or hereafter are a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

- Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.
- Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

*According to the Paperwork Reduction Act a 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0172. The time required to complete this information collection is estimated to average 15 minutes per response, including the time or reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; and (d) yearly flood insurance premiums, if any. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 et seq. ("RESPA"), unless another law or federal regulation that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held by a federal agency (including Lender) or in an institution whose deposits are insured by a federal agency, instrumentality, or entity. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If Lender shall acquire or sell the Property after acceleration under paragraph 22, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

**3. Application of Payments.** Unless applicable law or Lender's regulations provide otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied in the following order of priority: (1) to advances for the preservation or protection of the Property or enforcement of this lien; (2) to accrued interest due under the Note; (3) to principal due under the Note; (4) to amounts required for the escrow items under paragraph 2; (5) to late charges and other fees and charges.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Lender has agreed in writing to such lien or Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within ten (10) days of the giving of notice.

Borrower shall pay to Lender such fees and other charges as may now or hereafter be required by regulations of Lender, and pay or reimburse the Lender or Trustee for all of Trustee's and Lender's fees, costs, and expenses in connection with any full or partial release or subordination of this instrument or any other transaction affecting the property.

**5. Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurer providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, at Lender's option Lender may obtain coverage to protect Lender's rights in the Property pursuant to paragraph 7.

All insurance policies and renewals shall be in a form acceptable to Lender and shall include a standard mortgagee clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be

applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within thirty (30) days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The thirty (30) day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs I and 2 or change the amount of the payments. If after acceleration the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

**6. Preservation, Maintenance, and Protection of the Property; Borrower's Loan Application; Leaseholds.**

Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall maintain the improvements in good repair and make repairs required by Lender. Borrower shall comply with all laws, ordinances, and regulations affecting the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

**7. Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender is not required to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

**8. Refinancing.** If at any time it shall appear to Lender that Borrower may be able to obtain a loan from a responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes, Borrower will, upon the Lender's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby in full.

**9. Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

**10. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured hereby immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs I and 2 or change the amount of such payments.

**11. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower and any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or

remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**12. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the term of this Security Instrument or the Note without that Borrower's consent.

**13. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Borrower's Mailing Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

**14. Governing Law; Severability.** This Security Instrument shall be governed by federal law. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable. This instrument shall be subject to the present regulations of Lender, and to its future regulations not inconsistent with the express provisions hereof. All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise; and the rights and remedies provided in this instrument are cumulative to remedies provided by law.

**15. Borrower's Copy.** Borrower acknowledges receipt of one conformed copy of the Note and of this Security Instrument.

**16. Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is leased for a term greater than three (3) years, leased with an option to purchase, sold, or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument.

**17. Nondiscrimination.** If Borrower intends to sell or rent the Property or any part of it and has obtained Lender's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower, will refuse to negotiate for the sale or rental of the Property or will otherwise make unavailable or deny the Property to anyone because of race, color, religion, sex, national origin, handicap, age, or familial status, and (b) Borrower recognizes as illegal and hereby disclaims and will not comply with or attempt to enforce any restrictive covenants on dwelling relating to race, color, religion, sex, national origin handicap, age or familial status.

**18. Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 13 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made.

**19. Uniform Federal Non-Judicial Foreclosure.** If a uniform federal non-judicial foreclosure law applicable to foreclosure of this security instrument is enacted, Lender shall have the option to foreclose this instrument in accordance with such federal procedure.

**20. Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any hazardous substances on or in the Property. The preceding sentence shall not apply to the presence, use, or storage on the Property of small quantities of hazardous substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any federal, state, or local environmental law or regulation.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any hazardous substance or environmental law or regulation of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with applicable environmental law and regulations.

As used in this paragraph "hazardous substances" are those substances defined as toxic or hazardous substances by environmental law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph, "environmental law" means federal laws and regulations and laws and regulations of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

**21. Cross Collateralization.** Default hereunder shall constitute default under any other real estate security instrument held by Lender and executed or assumed by Borrower, and default under any other such security instrument shall constitute default hereunder.

**NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:**

**22. Default; Lender's Remedies upon Default.** Default occurs under this Security Instrument if Borrower breaches

any covenant and agreement in this Security Instrument or in the Note. Upon default, Lender shall give notice of the default to Borrower prior to acceleration if required by applicable law. If the default is not cured within the time stated in the notice, Lender, at its option, may: (a) accelerate the maturity of the Note and declare immediately due and payable the entire amount unpaid under the Note and any other indebtedness which is secured by this Security Instrument; (b) for the account of Borrower, incur and pay reasonable expenses for the repair or maintenance of and take possession of, operate or rent the Property; and (c) foreclose this Security Instrument and sell the property in accordance with the remedies provided in this Security Instrument and under applicable federal or state law.

**23. Trustee Sale under Texas Law.** Upon default and at the request of the Lender, Trustee may foreclose this instrument by notice and sale of the Property as provided by Texas law in effect at the time of the foreclosure sale. The sale may be for cash or secured credit at the option of the Lender. Such sale may be adjourned from time to time without notice other than oral proclamation at the time and place appointed for such sale. At such sale, the Lender and its agents may bid and purchase as a stranger. The Trustee, at Trustee's option, may: (a) conduct such sale, without being personally present, through Trustee's delegate authorized by Trustee for such purpose in writing and without notice to Borrower of such authorization; (b) enter a bid on behalf of the Lender; (c) sell less than all of the Property at any one sale; and (d) sell the Property in separate parcels at any one sale. If the property is situated in two or more counties, the sale may be held in any one of such counties selected by the Lender in its sole discretion. Trustee shall deliver to the purchaser a Trustee's Deed conveying indefeasible title to the Property with covenants of general warranty. Borrower covenants and agrees to defend generally the purchaser's title to the Property as against all claims and demands. The recitals and statements of fact in the Trustee's Deed shall be prima facie evidence of the truth of the statements made therein. In the event of foreclosure sale, Borrower shall give up and deliver immediately possession of the property to the purchaser thereof or assume the status of a tenant at will and be subject to summary dispossession as by law provided.

**24. Application of Foreclosure Sale Proceeds:** The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) expenses incident to the Lender's enforcement of its rights under this Security Instrument and the foreclosure of its lien hereunder, including, but not limited to, reasonable Trustee's and attorney fees; (b) any prior liens required by law or a court of competent jurisdiction to be so paid; (c) all sums secured by this Security Instrument; (d) inferior liens of record required by law or a court of competent jurisdiction to be so paid; (e) at the Lender's option, any other indebtedness of Borrower owing to the Lender or any agency of Lender; and (f) any balance to Borrower. In the case the Lender is the successful bidder at the foreclosure or other sale of all or any part of the property, the Lender may pay its share of the purchase price by crediting such amount on any debts of Borrower owing the Government, in the order prescribed above.

**25. Invalidity or Partial Invalidity.** If this Security Instrument should be invalid for any purpose for which it is executed, such invalidity for such purpose shall not impair its validity for any other purpose. If any provision of this Instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of this Instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

**26. Payment Application in Case of Partial Invalidity.** In the event any portion of the sums intended to be secured by this Security Instrument cannot be lawfully secured hereby, payments in reduction of such sums shall be applied first to those portions not secured hereby.

**27. Waivers.** Borrower agrees that Lender will not be bound by any present or future state laws (a) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action must be brought, (b) prescribing any other statute of limitations, or (c) limiting the conditions which Lender may by regulation impose, including the interest rate it may charge, as a condition to approving a transfer of the Property to a new borrower. Borrower expressly waives the benefit of any such state laws.

**28. Substitute Trustee.** Lender, or its assigns, may appoint in writing a substitute trustee who shall succeed to all of the title, power, rights and duties conferred upon Trustee herein. When a substitute trustee is appointed by Lender, the former trustee or any substitute trustee shall be divested of such title, power, rights and duties. The appointment of a substitute trustee may be accomplished with or without cause and without notice to Borrower.

**29. Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under applicable law.

**30. Subrogation.** Any of the proceeds of the Note used to take up outstanding liens against all or any part of the Property have been advanced by Lender at Borrower's request and upon Borrower's representation that such amounts are due and are secured by valid liens against the Property. Lender shall be subrogated to any and all rights, superior titles, liens and equities owned or claimed by any owner or holder of any outstanding liens and debts, regardless of whether said liens or debts are acquired by Lender by assignment or are released by the holder thereof upon payment.

**31. Non-Merger of Title.** If the Property is conveyed to the Lender, title shall not merge (unless Lender elects otherwise) and the lien provided under this Security Instrument shall not be affected or impaired by such conveyance.

**32. Additional Documents.** Borrower shall, upon request by Lender, execute, acknowledge and deliver to Lender any and all additional documents, instruments and further assurances as may be necessary or proper in the Lender's opinion, to effect the intent of this loan transaction or to provide the Lender with the security required or contemplated for this loan transaction.

**33. Replacement and Corrected Documents.** If any document material to this loan transaction is lost, misplaced, misstated or inaccurately reflects the true and correct terms and conditions of this loan transaction, upon request by Lender, Borrower will comply with Lender's request to execute, acknowledge, initial and deliver to Lender any and all

documentation Lender deems necessary to replace or correct the lost, misplaced, misstated or inaccurate document(s).

34. Interest Rate. Interest on the debt secured by this Security Instrument shall not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law; any interest in excess of that maximum amount shall be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess shall be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides other provisions in this and all other instruments concerning the debt.

35. Purchase Money; Vendor's Lien; Renewal and Extension. [Check applicable box]:

(8) [ ] The debt evidenced by the Note is in payment or part payment of the purchase price of the Property. The Note secured hereby is primarily secured by the Vendor's Lien retained in the Deed of even date herewith conveying the Property to Borrower, which Vendor's Lien has been assigned to Lender, this Security Instrument being additional security therefor. This Instrument does not waive the Vendor's Lien, and the two liens and the rights created by this Instrument shall be cumulative. Lender may elect to foreclose under either of the liens without waiving the other or may foreclose under both.

[ ] The Note secured hereby is in renewal and extension, but not in extinguishment or payment, of that certain indebtedness described on the Refinancing Rider attached hereto.

(9) 36. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box]

- [ ] Condominium Rider [ ] Planned Unit Development Rider [ ] Home Improvement/ Construction Rider
[ ] Refinancing Rider [ ] Other(s) [specify]

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in pages I through 6 of this Security Instrument and in any rider executed by Borrower and recorded with this Security Instrument.

WITNESS the signature(s) of borrower on this (10) day of \_\_\_\_\_, \_\_\_\_\_.

(11)

Borrower

Borrower

STATE OF TEXAS

ACKNOWLEDGMENT

COUNTY OF

This instrument was acknowledged before me on (12) by \_\_\_\_\_ and \_\_\_\_\_.

Notary Public, State of Texas

(SEAL)

State of Texas
County of \_\_\_\_\_ ss
I, the undersigned, do hereby certify that the foregoing instrument was filed for record in my office on the \_\_\_\_\_ day of \_\_\_\_\_ A.D. at \_\_\_\_\_ o'clock \_\_\_\_\_ M, and was duly recorded on this \_\_\_\_\_ day of \_\_\_\_\_ A.D. in \_\_\_\_\_ Volume \_\_\_\_\_, page \_\_\_\_\_ of the Deed of Trust Records of said County.
WITNESS MY HAND and the seal of the County Court of Said County at my office in \_\_\_\_\_ the day and year last above written
County Clerk \_\_\_\_\_ County, Texas
By \_\_\_\_\_ Deputy

**DEED OF TRUST FOR TEXAS**

Used by Rural Housing Service to obtain a lien on real estate as security for RHS SFH loans.

Procedure Reference: RD Instruction 1927-B and Texas Instruction 1927-B

Prepared by: Closing agent, title insurance company or local office

Number of Copies: Original and One

Signatures Required: Original signed by borrower and spouse (if any)

Distribution: Original to borrower's loan file after it has been signed, notarized and recorded in the appropriate county records. Conformed copy to the borrower.

**COMPLETION OF THE FORM:**

1. Date on which the deed of trust is signed by the borrower and spouse.
2. Name(s) of borrower and spouse as they appear on the promissory note. The name(s) must be exactly the same as the name(s) used on the deed to the borrower and spouse.
3. Mailing address of borrower and spouse.
4. Name of State Director. If the State Director is "acting", then insert the word "acting"
5. Describe note or notes, if there is more than one note.
6. Name of the county where the real estate security is located.
7. Legal description of the real estate security. The legal description used must be the same as the legal description on the deed to the borrower(s) and in the commitment for title insurance.

The legal description is to be placed on a separate page (Exhibit A) and attached to the deed of trust. That page should be entitled, "Exhibit A to Deed of Trust from \_\_\_\_\_ [borrowers] to \_\_\_\_\_ [name of State Director], State Director."

The exceptions to title will be stated in the deed of trust immediately following the legal description to the land. If the legal description is on an exhibit, the exceptions may be on that same exhibit following the legal description. Those exceptions must be the same exceptions to title which will be included in the title policy for the loan and which have been approved by the approval official.

8. In ¶ 35, there are two options. The appropriate box must be marked with an "x"

a. Loan to Purchase - Vendor's Lien Required - If all or a portion of the loan is being used by the borrower to purchase the real estate security, then the first block in ¶ 35 should be marked with an "x" In addition, the deed to the borrower must reserve a vendor's lien in favor of the United States of America for the amount of the purchase money advanced. See Texas Instruction (RD) 1927-B.

b. Loan to Refinance - If the loan is being made to refinance an existing lien on the real estate security, then the second block in ¶ 35 must be marked with an "x". In addition, the Refinancing Rider will be prepared, signed and attached to the deed of trust.

c. If the loan being made is not to purchase the real estate security or to refinance an existing lien, then ¶ 35 may be stricken.

9. In ¶ 36, there are several options. The appropriate box must be marked with an "x."

a. Loan to construct improvements - The box immediately to the left of "Home" Improvement/Construction Rider" will be marked with an "x." In addition, the Home Improvement/Construction Rider will be completed, signed by the borrower(s) and attached to the deed of trust. See Texas Instruction 1927-B.

b. Loan to refinance - On page 6 of the deed of trust form at ¶ 36, the box immediately to the left of "Refinancing Rider" will be marked with an "x". In addition, the Refinancing Rider will be completed, signed by the borrower(s) and attached to the deed of trust. The second box in ¶ 35 will also be marked with an "x". See Texas Instruction 1927-B.

c. Other riders - While there is a provision for attaching other riders to this form, no other riders have been approved for use. Do not attach other riders without prior approval of the State Office.

10. Date that the deed of trust is signed by the borrower.

11. Signature of the borrower and spouse as they appear in item 2 above. The name(s) of the borrower(s) should be typed below the line where they are to sign.

12. The deed of trust will be acknowledged before a notary public or other official authorized to take acknowledgments.

**After this form has been completed, signed by all parties and notarized, it must be recorded in the appropriate real estate records of the county where the security property is located.**



A deed of trust on the Property, which is dated \_\_\_\_\_ " \_\_\_\_\_ and recorded in Volume \_\_\_\_\_ Page \_\_\_\_\_, \_\_\_\_\_ Records, \_\_\_\_\_ County, Texas

Borrower acknowledges that: (a) the lien securing the prior note is valid; (b) it is free of any claims of usury; (c) it subsists against the Property; (d) by this instrument, it is renewed and extended in full force to secure payment of the Note, and (e) Lender or its assigns is hereby subrogated to all of the rights, liens, remedies, equities, superior title and benefits held, owned, possessed and enjoyed at any time by an owner or holder thereof. The prior note and the lien securing it have been transferred to Lender by instrument dated \_\_\_\_\_, \_\_\_\_\_ and recorded in Volume \_\_\_\_\_ Page \_\_\_\_\_ of the \_\_\_\_\_ Records, \_\_\_\_\_ County, Texas

By signing below, Borrower accepts and agrees to the terms and provisions contained in this Refinancing Rider.

\_\_\_\_\_ Borrower

\_\_\_\_\_ Borrower

**REFINANCING RIDER**

Used by Rural Housing Service when a loan is being made to refinance an existing real estate secured loan.

Procedure Reference: FmHA Instruction 1927-B and Texas Instruction (RD) 1927-B

Prepared by: Closing agent, title insurance company or Field Office

Number of Copies: Original and One

Signatures Required: Original signed by borrower and spouse (if any)

Distribution: The Original is attached to the original Form RD 3550-14 TX before it is recorded. The original Form RD 3550-14 TX (which includes the attached original Form RD 3550-14A TX) is placed in the borrower's loan file after it has been signed, notarized and recorded in the appropriate county records. Conformed copy to borrower.

**COMPLETION OF THE FORM:**

1. Date on which the deed of trust and rider are signed by the borrower and spouse.
2. The unpaid balance of the note being refinanced. The unpaid balance is stated in both words and in numbers. For example - TWENTY FIVE THOUSAND SIX HUNDRED FIFTY EIGHT AND 56/100 DOLLARS (\$25,658.56).
3. The original principal amount of the note being refinanced. That amount is stated in both words and in numbers. For example - THIRTY SIX THOUSAND AND NO/100 DOLLARS (\$36,000.00).
4. The date of the note being refinanced.
5. The payee of the note being refinanced.

The rider form has two boxes and corresponding paragraphs. One must be selected and the corresponding paragraph completed. If the note being refinanced is secured by both a vendor's lien (retained in a deed) and a deed of trust, the first box must be marked with an "x" and the blanks completed in the corresponding paragraph. If the note being refinanced is secured only by a deed of trust, the second box must be marked with an "x" and the blanks completed in the corresponding paragraph.

6. Date of deed where vendor's lien is retained.
7. Name of grantor(s) in deed.

8. Name of grantee(s) in deed.
9. Recording information for deed. Usually this is expressed by a volume number and a page number. Some counties may use different recording information.
10. Name of records where the deed is recorded. For example, Deed Records, Real Estate Records, Official Public Records, Real Property Records, etc.
11. Name of county where deed is recorded.
12. Name of grantor(s) in the deed of trust.
13. Name of trustee in the deed of trust.
14. Date of deed of trust.
15. Recording information for deed of trust. Usually this is expressed by a volume number and a page number. Some counties may use different recording information.
16. Name of records where the deed of trust is recorded. For example, Deed of Trust Records, Real Estate Records, Official Public Records, Real Property Records, etc.
17. Name of county where deed of trust is recorded.
18. Date of deed of trust.
19. Recording information for deed of trust. Usually this is expressed by a volume number and a page number. Some counties may use different recording information.
20. Name of records where the deed of trust is recorded. For example, Deed of Trust Records, Real Estate Records, Official Public Records, Real Property Records, etc.
21. Name of county where deed of trust is recorded.
22. Date of instrument transferring and assigning the refinanced lien to RHS.
23. Recording information for instrument transferring and assigning the refinanced lien to RHS. Usually this is expressed by a volume number and a page number. Some counties may use different recording information.
24. Name of records where this instrument is recorded. For example, Deed Records, Deed of Trust Records, Real Estate Records, Official Public Records, Real Property Records, etc.
25. Name of county where the instrument is recorded.
26. Signature of the borrower and spouse as they appear on the deed of trust. The name(s) of the borrower(s) should be typed below the line where they are to sign.

## HOME IMPROVEMENT/CONSTRUCTION RIDER

THIS HOME IMPROVEMENT/CONSTRUCTION RIDER is made this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and is incorporated by reference into and shall be deemed to amend and supplement the Deed of Trust ('Security Instrument') of the same date given by the undersigned ('Borrower') to secure Borrower's Note ('Note') to the United States of America acting through the Rural Housing Service or successor agency, United States Department of Agriculture ('Lender') of the same date and covering the Property described in the Security Instrument

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows

**[USE THIS PARAGRAPH " A" IF THE MECHANIC'S LIEN CONTRACT AND THE TRANSFER AND ASSIGNMENT OF LIEN HAVE ALREADY BEEN RECORDED]**

A. The Note renews and extends, but does not extinguish or pay, the balance of \_\_\_\_\_ AND \_\_\_\_\_/100 DOLLARS (\$ \_\_\_\_\_) that Borrower owes on a prior note in the original principal sum of \_\_\_\_\_ AND \_\_\_\_\_/100 DOLLARS (\$ \_\_\_\_\_), which is dated \_\_\_\_\_, executed by Borrower, and payable to the order of \_\_\_\_\_. The prior note is secured by a Mechanic's Lien Contract between Borrower and \_\_\_\_\_ ('Contractor'), which is dated \_\_\_\_\_, \_\_\_\_\_ and recorded in Volume \_\_\_\_\_, Page \_\_\_\_\_ of the \_\_\_\_\_ Records of \_\_\_\_\_ County, Texas. Borrower acknowledges that the lien securing the prior note is valid, that it subsists against the Property described in said Mechanic's Lien Contract, and that by this instrument, it is renewed and extended in full force until this Note is paid. The prior note and the lien securing it have been transferred to Lender by instrument dated \_\_\_\_\_, \_\_\_\_\_ and recorded in Volume \_\_\_\_\_, Page \_\_\_\_\_ of the \_\_\_\_\_ Records, \_\_\_\_\_ County, Texas.

- -OR- -

**[USE THIS PARAGRAPH " A'" IF THE MECHANIC'S LIEN CONTRACT AND THE TRANSFER AND ASSIGNMENT OF LIEN HAVE NOT ALREADY BEEN RECORDED]**

A. The Note renews and extends, but does not extinguish or pay, the unpaid balance that Borrower owes on a mechanic's

lien note in the original principal sum of \_\_\_\_\_  
AND \_\_\_\_\_/100 DOLLARS

(\$ \_\_\_\_\_), which is dated \_\_\_\_\_  
executed by Borrower, and payable to the order of \_\_\_\_\_

Said note is secured by a Mechanic's  
Lien Contract between Borrower and \_\_\_\_\_

\_\_\_\_\_ ('Contractor'), which is dated  
\_\_\_\_\_, and is to be recorded in the  
Records of \_\_\_\_\_ County,

Texas Borrower acknowledges that the lien securing the  
said note is valid, that it subsists against the Property  
described in said Mechanic's Lien Contract, and that by this  
instrument it is renewed and extended in full force until  
this Note is paid. The said note and the lien securing it  
have been transferred to Lender by instrument dated

\_\_\_\_\_, to be recorded in the \_\_\_\_\_  
Records, \_\_\_\_\_ County, Texas.

**B. IMPORTANT NOTICE FOR HOMESTEAD IMPROVEMENT LIENS: You  
and your contractor are responsible for meeting the  
terms and conditions of the Construction Contract and/or  
Mechanic's Lien Contract. If you sign the Construction  
Contract and/or Mechanic's Lien Contract and you fail to  
meet the terms and conditions of such contract(s), you may  
lose your legal ownership rights in your home. KNOW YOUR  
RIGHTS AND DUTIES UNDER THE LAW.**

By signing below, Borrower accepts and agrees to the terms  
and provisions contained in this Home Improvement/Construction  
Rider.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Borrower

### HOME IMPROVEMENT/CONSTRUCTION RIDER

Used by Rural Housing Service when a loan is being made to construct improvements on homestead.

Procedure Reference: RD Instruction 1927-B and Texas Instruction (RD) 1927-B

Prepared by: Closing agent, title insurance company or Field Office

Number of Copies: Original and One

Signatures Required: Original signed by borrower and spouse (if any)

Distribution: The Original is attached to the original Form RD 3550-14 TX before it is recorded. The original Form RD 3550-14 TX (which includes the attached original Form RD 3550-14B TX) is placed in the borrower's loan file after it has been signed, notarized and recorded in the appropriate county records. Conformed copy to borrower.

#### COMPLETION OF THE FORM:

1. Date on which the deed of trust and rider are signed by the borrower and spouse.

**NOTE: PARAGRAPH "A" HAS TWO VERSIONS. SELECT THE APPLICABLE VERSION.** The version which is not used may be stricken or marked out. The version which is stricken should be initialed by the borrower(s).

**Use the first version of Paragraph "A" if the Mechanic's Lien Contract and Transfer and Assignment of Lien have already been recorded.**

2. The unpaid balance of the note given by the borrower(s) to the contractor under the terms of the Mechanic's lien contract. *[Note.- The contract may be called a Mechanic's and Materialman's Lien Contractor a Mechanic's Lien Contract. There are different names depending on the form used.]* The unpaid balance is stated in both words and in numbers. For example - TWENTY FIVE THOUSAND SIX HUNDRED FIFTY EIGHT AND 56/100 DOLLARS (\$25,658.56).
3. The original principal amount of that note. That amount is stated in both words and in numbers. For example - THIRTY SIX THOUSAND AND NO/1 00 DOLLARS (\$36,000.00).
4. The date of that note.
5. The payee of that note. This payee should be the contractor.
6. The name of the contractor in the Mechanic's Lien Contract.

7. Date of the Contract.
8. Recording information for the Contract. Usually this is expressed by a volume number and a page number. Some counties may use different recording information.
9. Name of records where the Contract is recorded. For example, Mechanic's Lien Records, Deed Records, Real Estate Records, Official Public Records, Real Property Records, etc.
10. Name of county where the Contract is recorded.
11. Date of instrument transferring and assigning the Mechanic's lien to RHS.
12. Recording information for this instrument. Usually this is expressed by a volume number and a page number. Some counties may use different recording information.
13. Name of records where this instrument is recorded. For example, Deed Records, Deed of Trust Records, Real Estate Records, Official Public Records, Real Property Records, etc.
14. Name of county where the instrument is recorded.

**Use the second version of Paragraph "A" if the Mechanic's Lien Contract and Transfer and Assignment of Lien have not been recorded at the time of loan closing.**

15. The original principal amount of that note. That amount is stated in both words and in numbers. For example - THIRTY SIX THOUSAND AND NO/100 DOLLARS (\$36,000.00).
16. The date of that note.
17. The payee of that note. This payee should be the contractor.
18. The name of the contractor in the Mechanic's Lien Contract.
19. Date of the Contract.
20. Name of records where the Contract is to be recorded. For example, Mechanic's Lien Records, Deed Records, Real Estate Records, Official Public Records, Real Property Records, etc.
21. Name of county where the Contract is to be recorded.
22. Date of instrument transferring and assigning the Mechanic's lien to RHS.
23. Name of records where this instrument is to be recorded. For example, Deed Records, Deed of Trust Records, Real Estate Records, Official Public Records, Real Property Records, etc.

24. Name of county where the instrument is to be recorded.

25. Signature of the borrower and spouse as they appear on the deed of trust. The name(s) of the borrower(s) should be typed below the line where they are to sign.