FHA- PARTIAL CLAIM

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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

EW WHEN RECORDED, MAIL TO:
BANK OF AMERICA HOME LOANS SERVICING
ATTN: RECORDING DEPT - RAMONA TONGDEE
100 Beecham Drive, Suite 104
Pittsburgh, PA 15205
888.259.3004 ext. 2206

SPACE ABOVE FOR RECORDER USE

FHA Case No.
1612486959703

DOC ID#0651963164777105B

229637

2000-327

MORTGAGE

THIS MORTGAGE ("Security Instrument"), is given on 3/26/2010. The Mortgagor(s) are CHERYL L MCWILLIAMS & SCOTT A MCWILLIAMS, whose address is 309 POTTER STREET, MANCHESTER, IA 52057 ("Borrower"). This Security Instrument is given to the Secretary of Housing and Urban Development, and whose address is **Department of Housing and Urban Development, Attention: C&L Service Corp./ Morris-Griffin Corp. 2488 E 81st Street, Suite 700, Tulsa, OK 74137** ("Lender"). Borrower owes Lender the principal sum of $5,795.55. This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for the full debt, if not paid earlier, due and payable on 2/1/2039. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note: (b) the payment of all other sums, with interest, advanced under Paragraph 2 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, warrant, grant and convey to the Lender, with power of sale, the following described property located in DELAWARE county, State of **Iowa**: which has the address 309 POTTER STREET, MANCHESTER, IA 52057 ("Property Address") more particularly described as set forth in **Schedule A** attached hereto and made a part hereof; (page 6)

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter 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 seized of the estate hereby conveyed and has the right to mortgage, 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 or 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. Borrower shall pay when due the principal of the debt evidenced by the Note, together with interest or other charges as provided in the Note and the Security Instrument.

2. LENDER'S RIGHT TO TAKE ACTION TO PROTECT THE PROPERTY. If (A) Borrower does not keep all promises and agreements made in this Security Instrument, or (B) someone, including Borrower, begins a legal proceeding that may significantly affect Lender's rights in the Property (such as, for example, a legal proceeding in bankruptcy, in probate, for condemnation, 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 under this Paragraph 2 may include, for example, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Lender must give Borrower notice before Lender may take any of these actions.

Borrower will pay to Lender any amounts, with interest, which Lender spends under this Paragraph 2. This Security Instrument will protect Lender in case Borrower does not keep this promise to pay those amounts with interest.

Borrower will pay those amounts to Lender when Lender sends Borrower a notice requesting that Borrower do so. Borrower will also pay interest on those amounts at the same rate stated in the Note. Interest on each amount will begin on the date that the amount is spent by Lender. However, Lender and Borrower may agree in writing to terms of payment that are different from those in this paragraph.

Although Lender may take action under this Paragraph 2, Lender does not have to do so.

3. BORROWER NOT RELEASED; FORBEARANCES BY LENDER NOT A WAIVER. Extension of the time of payment of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor 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.

4. 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. 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 consigning 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.

5. 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 Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to: **Department of Housing and Urban Development, Attention: C&L Service Corp./ Morris-Griffin Corp. 2488 E 81st Street, Suite 700, Tulsa, OK 74137 or any 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.

6. GOVERNING LAW; SEVERABILITY. This Security Instrument shall be governed by Federal law and the law of the jurisdiction in which the Property is located. 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.

7. BORROWER'S COPY. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

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

8. ACCELERATION; REMEDIES. If Borrower fails to keep any promise or agreement made in this Security Instrument, including the promise to pay, when due, the amount owed under the Note and this Security Instrument, Lender, prior to acceleration, shall give notice to Borrower as provided in paragraph 5 hereof specifying: (1) the breach; (2) the

action required to cure such breach; (3) a date, not less than 10 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrower to acceleration and foreclosure. If the breach is not cured on or before the date the date specified in the notice, Lender, at Lender's option, may declare all of the sums secured by this Security Instrument to be immediately due and payable without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees and costs of documentary evidence, abstracts and title reports. If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under the Paragraph 7 of the Subordinate Note, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 U.S.C. 3751 et seq.) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this paragraph or applicable law.

9. **BORROWER'S RIGHT TO REINSTATE.** Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to keep any promise or agreement made in this Security Instrument, including the promise to pay, when due, the amounts due under the Note and this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if the Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

10. **RELEASE.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay all official fees in connection with this Security Instrument.

11. **WAIVER OF DOWER, HOMESTEAD AND DISTRIBUTIVE SHARE.** Borrower hereby relinquishes all right of dower and hereby waives all right of homestead and distributive share in and to the Property. Borrower hereby waives any right of exemption as to the Property.

12. **REDEMPTION PERIOD.** If the Property is less than ten acres in size and if Lender waives in any foreclosure proceeding any right to a deficiency judgment against Borrower, then the period of redemption from judicial sale shall be reduced to six months. If the court finds that the Property has been abandoned by Borrower and if Lender waives any right to a deficiency judgement against Borrower, then the period of redemption from judicial sale shall be reduced to sixty days. The provisions of this paragraph 12 shall be construed to conform to the provisions of Sections 628.26 and 628.27 of the Code of Iowa.

I understand that homestead property is in many cases protected from the claims of creditors and exempt from judicial sale, and that by signing this Security Instrument, I voluntarily give up my right to this protection for this property with respect to claims based upon this contract.

REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Security Instrument to give Notice to Lender, at Lender's address set forth on page one of this Security Instrument, of any default under the superior encumbrance and of any sale or other foreclosure action.

By SIGNING BELOW, Borrower accepts and agrees to the terms contained in this Security Instrument and in any riders(s) executed by Borrower and recorded with it.

IN WITNESS WHEREOF, Borrower has executed this Security Instrument.

CHERYL L MCWILLIAMS *(Seal)* *Borrower*

SCOTT A MCWILLIAMS *(Seal)* *Borrower*

STATE OF IOWA, **County ss:**

On this 6 day of April, 2010, before me, a Notary Public in the State of Iowa, personally appeared Cheryl L McWilliams and Scott A McWilliams, to me personally known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

My Commission Expires: 9-14-12

Michele R. Africa
Notary Public in and for said County and State

MICHELE R. AFRICA
Commission Number 742822
My Commission Expires
9-14-12

Michele R. Africa

(Space Below This Line Reserved For Lender and Recorder)

This is certify that this document was prepared by Bank of America Home Loans,

Lakeitha Roberts
LAKEITHA ROBERTS

Lakeitha Roberts
Partial Claims Team - Richardson
2380 Performance Drive
MS: TX2-984-05-04
Richardson, TX 75082
866-788-8495 ext 2497

196316477 MCWILLIAMS

Legal Description

The West Sixteen (16) feet of the South One-Half (S 1/2) of Lot Number Two Hundred Sixty Two (262), and the South One-Half (S 1/2) of Lot Number Two Hundred Sixty Three (263) of the City of Manchester, Iowa: Sellers also quit claim to Grantees all their right, title and interest in and to a strip of land twenty (20) feet wide from North to South extending the full East and West length of the property described aforesaid and lying contiguous to the South line of said property and all their right, title and interest in and to the East Three (3) feet of the West Nineteen (19) feet of the South One-Half (S 1/2) of said Lot Two Hundred Sixty Two (262). Situated in Delaware County, State of Iowa.