

RETURN TO:

NationsBanc Mtg. Corp  
4041 Knight Arnold Rd.  
Memphis, TN 38118

THIS INSTRUMENT WAS PREPARED BY:  
SMS NATIONWIDE DOCUMENT, LP  
UNDER THE SUPERVISION OF RACHEL CASTILLO  
11 GREENWAY PLAZA, 10TH FLOOR  
HOUSTON, TEXAS 77046-1182 (1-800-729-8064)

COMPUTER   
RECORDED   
INDEXED

REC \$ 30.00  
AND  
R.M.F. \$ 1.00

FILED NO. **663**  
BOOK 192 PAGE 6  
97 AUG 14 AM 11:38  
MICHELLE UTSLEK  
RECORDER  
MADISON COUNTY, IOWA

VA Form 26-6313 (Home Loan)  
Rev. Jan 1983. Use Optional  
Section 1810, Title 38, U.S.C.  
Acceptable to Federal National  
Mortgage Association  
Amended February, 1988

# MORTGAGE

IOWA  
# 30104152  
VA# LAPP 0203354

## NOTICE: THIS LOAN IS NOT ASSUMABLE WITHOUT THE APPROVAL OF THE DEPARTMENT OF VETERANS AFFAIRS OR ITS AUTHORIZED AGENT.

The attached RIDER is made a part of this instrument.

THIS MORTGAGE made this 13TH day of AUGUST, A.D. 19 97, between  
FRANCIS M. WALTERS AND CAROL A. WALTERS, HUSBAND AND WIFE

of the County of MADISON, and State of Iowa, hereinafter called the Mortgagor, and

NATIONSBANC MORTGAGE CORPORATION,  
corporation organized and existing under the laws of THE STATE OF TEXAS,  
having its principal place of business and post-office address at P.O. BOX 35140  
LOUISVILLE, KENTUCKY 40232

, hereinafter called the Mortgagee:

WITNESSETH: That the Mortgagor, in consideration of NINETY NINE THOUSAND FIVE HUNDRED  
AND NO / 100

Dollars (\$ 99,500.00), the receipt whereof is hereby acknowledged, does, by these presents, SELL,  
ASSIGN AND CONVEY unto the Mortgagee, forever, the following-described property situated in the County of  
MADISON, State of Iowa, to wit:

LOTS FIVE (5), SIX (6), AND SEVEN (7) IN BLOCK ONE (1)  
OF JOHNSON'S ADDITION TO THE TOWN OF EARLHAM, MADISON  
COUNTY, IOWA



SEE THE HOMESTEAD WAIVER RIDER ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES;

including all buildings and improvements now or hereafter thereon, and the hereditaments and appurtenances and  
all other rights thereunto belonging, or in anywise now or hereafter appertaining, and the reversion and reversions,  
remainder or remainders, rents, issues, and profits thereof (provided, however, that the Mortgagor shall be entitled  
to collect and retain the said rents, issues, and profits until default hereunder), and all fixtures now or hereafter attach-  
ed to or used in connection with the premises herein described; and in addition thereto the following described household  
appliances which are, and shall be deemed to be, fixtures and a part of the realty, and are a portion of the security  
for the indebtedness herein mentioned:

*FWW*      *CAW*

Mortgagor hereby covenants that he/she is seized of said premises in fee simple (or such other estate as is stated hereinbefore), he/she has good right to sell and convey the same, the premises are free from all encumbrances except as herein otherwise recited, and he/she will warrant and defend the title aforesaid unto the Mortgagee against the lawful claims of all persons whomsoever.

CONDITIONED, HOWEVER, That if the Mortgagor shall pay or cause to be paid to the Mortgagee, as is provided in a certain promissory note of even date herewith, the terms of which are incorporated herein by reference, the principal sum of **NINETY NINE THOUSAND FIVE HUNDRED AND NO / 100**

Dollars

(**\$ 99,500.00**), with interest from date at the rate of **EIGHT AND NO / 100** per centum (**8.000** %) per annum on the balance remaining from time to time unpaid, principal and interest being payable at the office of **NATIONS BANC MORTGAGE CORPORATION**  
**P.O. BOX 790081**  
in **ST. LOUIS, MISSOURI 63179-0081**

, or at such other place as the holder of the note may designate in writing delivered or mailed to the Mortgagor, in monthly installments of

**SEVEN HUNDRED THIRTY AND 10 / 100**

Dollars (**\$ 730.10**),

commencing on the first day of **OCTOBER**, 19**97**, and continuing on the first day of each month thereafter until the principal and interest are fully paid, except that the final payment of principal and interest, if not sooner paid, shall be due and payable on the first day of **SEPTEMBER**, 20**27**, and shall also fully perform all the covenants, conditions and terms of this mortgage, then these presents shall be void, otherwise to remain in full force and effect.

The Mortgagor covenants and agrees that:

1. He/She will pay the principal of and the interest on the indebtedness evidenced by the note secured hereby, at the times and in the manner therein provided. Privilege is reserved to prepay at any time, without premium or fee, the entire indebtedness or any part thereof not less than the amount of one installment or one hundred dollars (\$100.00), whichever is less. Prepayment in full shall be credited on the date received. Partial prepayment, other than on an installment due date, need not be credited until the next following installment due date or thirty days after such prepayment, whichever is earlier.

2. In order more fully to protect the security of this mortgage, together with, and in addition to, the monthly payments of principal and interest under the terms of the note secured hereby, he/she will pay to the Mortgagee, as trustee, (under the terms of this trust as hereinafter stated) on the first day of each month until the note is fully paid:

- (a) Subject to applicable law or to a written waiver by the Mortgagee, Mortgagor shall pay to the Mortgagee on the day monthly payments are due under the note, until the note is paid in full, a sum ("Funds") for: (I) taxes and assessments levied or to be levied against the property which may attain priority over this mortgage as a lien on the Premises; (II) leasehold payments or ground rents on the Premises, if any; (III) hazard or property insurance premiums; (IV) flood insurance premiums, if any; and (V) mortgage insurance premiums, if any. These items are called "Escrow Items." The Mortgagee may, at any time, collect and hold Funds in an aggregate amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Mortgagor'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.* and implementing regulations, 24 CFR Part 3500, as amended from time to time, ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, the Mortgagee may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. The Mortgagee 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 cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Mortgagor's payments are available in the account may not be based on amounts due for the mortgage insurance premium, if any.
- (b) The aggregate of the amounts payable pursuant to subparagraph (a) and those payable on the note secured hereby, shall be paid in a single payment each month, to be applied to the following items in the order stated:
  - (I) ground rents, if any, taxes, special assessments, fire, flood and other hazard insurance premiums;
  - (II) interest on the note secured hereby;
  - (III) amortization of the principal of said note; and
  - (IV) late charges.

Any deficiency in the amount of such aggregate monthly payment shall, unless made good by the Mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage. At Mortgagee's option, Mortgagor will pay a "late charge" not exceeding four per centum (4%) of any monthly payment of principal and interest, and Escrow Items if permitted by RESPA or any other governing law, when paid more than fifteen (15) days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured thereby.

*Jmw CAW*

3. If the amounts held by the Mortgagee for Escrow Items exceed the amounts permitted to be held by RESPA, the Mortgagee shall deal with the excess funds as required by RESPA. If the amounts of funds held by the Mortgagee at any time are not sufficient to pay the Escrow Items when due, the Mortgagee may notify the Mortgagor and require Mortgagor to make up the shortage or deficiency as permitted by RESPA. The Escrow Funds are pledged as additional security for all sums secured by this mortgage. If at any time the Mortgagor shall tender to the Mortgagee, in accordance with the provisions thereof, the full payment of the entire indebtedness represented thereby, the Mortgagee, as trustee, shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor any balance remaining in the funds accumulated under the provisions of (a) of paragraph 2 hereof. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby or if the property is otherwise acquired after default, the Mortgagee, as trustee, shall apply, at the time of the commencement of such proceedings or at the time the property is otherwise acquired, the amount then remaining in the funds accumulated under (a) of paragraph 2 preceding, as a credit on the interest accrued and unpaid and the balance to the principal then remaining unpaid on the note secured hereby.

4. He/She will pay all ground rents, taxes, assessments, water rates, and other governmental or municipal charges, fines or impositions, except when payment for all such items has theretofore been made under (a) of paragraph 2 hereof, and he/she will promptly deliver the official receipts therefor to said Mortgagee. Upon failure to pay same the Mortgagee may do so.

5. He/She will continuously maintain hazard insurance, including flood insurance, of such type or types and amounts as Mortgagee may from time to time require, on the improvements now or hereafter on said premises, and except when payment for all such premiums has theretofore been made under (a) of paragraph 2 hereof, he/she will pay promptly when due any premiums therefor. All insurance shall be carried in companies approved by the Mortgagee and the policies and renewals thereof shall be held by it and have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee. In event of loss he/she will give immediate notice by mail to the Mortgagee, who may make proof of loss if not made promptly by the Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagor and the Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee at its option, either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this mortgage, or other transfer of title to the mortgaged property in extinguishment of the debt secured hereby, all right, title, and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

6. Upon the request of the Mortgagee, the Mortgagor shall execute and deliver a supplemental note or notes for the sum or sums advanced by the Mortgagee for the alteration, modernization, improvement, maintenance, or repair of said premises, for taxes or assessments against the same and for any other purpose authorized hereunder. Said note or notes shall be secured hereby on a parity with and as fully as if the advance evidenced thereby were included in the note first described above. Said supplemental note or notes shall bear interest at the rate provided for in the principal indebtedness and shall be payable in approximately equal monthly payments for such period as may be agreed upon by the creditor and debtor. Failing to agree on the maturity, the whole of the sum or sums so advanced shall be due and payable thirty (30) days after demand by the creditor. In no event shall the maturity extend beyond the ultimate maturity of the note first described above.

7. He/She will keep the property in as good order and condition as it now is, reasonable wear and tear excepted, and will not commit or permit any waste thereof.

8. He/She will pay to the Mortgagee within thirty (30) days after demand all sums, including costs, expenses and reasonable agents' and attorneys' fees which it may expend or become obligated for in any proceedings, legal or otherwise, to establish or sustain the lien of this mortgage or its priority; or in defending against liens, claims, rights, estates, easements or restrictions of any person or persons asserting priority thereto. He/She will pay a reasonable attorneys' fee in connection with any suit to enforce or to foreclose this mortgage, or to recover any sums secured hereby, and all costs and expenses thereof, including abstracts of title for foreclosure purposes, with interest on all such sums at the rate provided for in the principal indebtedness from date of payment; and said sums and interest shall be secured by this mortgage.

9. Upon maturity of said debt or other sums secured hereby, whether in course or otherwise as hereinbefore provided, the Mortgagee shall have the right to enter into and upon the premises hereinbefore conveyed and take possession thereof or to appoint an agent or trustee for collection of the rents, issues and profits thereof; and the net income, after allowing a reasonable fee for the collection thereof, and management of the property, may be applied to the payment of taxes, insurance premiums and other charges against the property, or in reduction of the debt or other sums secured hereby; and the rents, issues and profits are hereby specifically pledged to the payment of the debt hereby secured and of all other obligations which may accrue under the terms of this mortgage.

10. If default shall be made in the payment of the note secured hereby or interest thereon or if there shall be a failure to comply with any and every condition of this mortgage, then the whole of the indebtedness secured by this mortgage, shall, at the option of the Mortgagee, become due and collectible at once by foreclosure or otherwise, and without notice of broken conditions. At any time after the proper commencement of an action in foreclosure, or during the period of redemption, the court having jurisdiction of the case shall, at the request of the Mortgagee, appoint a receiver to take immediate possession of said property and of the rents and profits accruing therefrom, to rent the same as he may deem best for the interest of all parties concerned, and shall be liable to account to the Mortgagor only for the net profits, after application of rents, issues and profits upon the cost of the expense of receivership and foreclosure and the indebtedness, charges and expenses hereby secured and herein mentioned. It is further agreed that in the event of the foreclosure of this mortgage and sale of the property by sheriff's sale on special execution in said foreclosure proceedings, the time of one year for redemption from said sale provided by the statutes of the State of Iowa, shall be reduced to six months, provided the Mortgagee waives in said foreclosure proceedings any rights to deficiency judgment against the Mortgagor(s) which may arise out of the foreclosure proceedings.

11. It is further agreed, under Chapter 628, Code 1981, as amended, that in the event of such foreclosure, and in the event of the finding by court decree in such foreclosure that the real estate hereinabove set out has been abandoned by the owners and persons personally liable under the mortgage at the time of foreclosure, the period of redemption from foreclosure sale will be reduced to sixty (60) days, provided the Mortgagee waives in said foreclosure proceedings any rights to a deficiency judgement against the Mortgagor(s) successors in interest which may arise out of the foreclosure proceedings, subject to the provisions of the above referenced law as amended.

12. The lien of this instrument shall remain in full force and effect during any postponement or extension of the time of payment of the indebtedness or any part thereof secured hereby. Failure of the Mortgagee to exercise any option granted herein shall not be deemed a waiver of his right to exercise such option in the event of any subsequent default.

13. If the premises, or any part thereof, be condemned under any power of eminent domain, or acquired for a public use, the damages, proceeds and consideration from such acquisition, to the extent of the full amount of the indebtedness upon this mortgage and the note secured hereby remaining unpaid, are hereby assigned by the Mortgagor to the Mortgagee and shall be paid forthwith to the Mortgagee, to be applied by it on account of the last installment of such indebtedness.

14. If the indebtedness secured hereby be guaranteed or insured under Title 38, United States Code, such Title and Regulations issued thereunder and in effect on the date hereof shall govern the rights, duties and liabilities of the parties hereto, and any provisions of this or other instruments executed in connection with said indebtedness which are inconsistent with said Title or Regulations are hereby amended to conform thereto.

The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever appropriate, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, and the term "Mortgagee" shall include any payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

IN WITNESS WHEREOF, the Mortgagor(s) have hereunto set hand(s) the day and year first above written, and Mortgagor(s) certify(ies) receipt of a copy of this instrument.

*Francis M. Walters*  
FRANCIS M. WALTERS

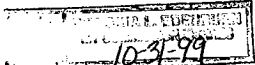
*Carol A. Walters*  
CAROL A. WALTERS

STATE OF IOWA

COUNTY OF Polk } ss:

On this 13 day of August, 1997, A.D. Nineteen Hundred and , before me, a Notary Public in and for County, State of Iowa, personally appeared FRANCIS M. WALTERS AND CAROL A. WALTERS, HUSBAND AND WIFE

to me known to be the person(s) named in and who executed the foregoing instrument and acknowledged that THEY executed the same as voluntary act and deed.



*Victoria J. Edmundson*  
Notary Public in and for said County.

STL&D# IA4-4.AGG Rev. 07-25-95

RETURN ORIGINAL TO:  
NATIONS BANC MORTGAGE CORPORATION  
4041 KNIGHT ARNOLD ROAD  
MEMPHIS, TENNESSEE 38118

STATE OF IOWA

Mortgage

TO

MTG RECORD 192

STATE OF IOWA

County of

} ss:

This instrument was filed for Record the

day of

, A.D. 19

M.,

at o'clock,

and duly recorded in Book

of at Page

County Recorder.

VA SECURITY INSTRUMENT  
ASSUMPTION AGREEMENT RIDER

This Assumption Agreement Rider, made this 13TH day AUGUST, 1997, shall be and is hereby incorporated by reference into and deemed an amendment and supplement to the provisions of the Deed of Trust, Mortgage, Deed to Secure Debt, or other security instrument ("Security Instrument") of even date given by the undersigned (the Borrower) to secure the Borrower's Note (the Note) to \_\_\_\_\_  
NATIONSBANC MORTGAGE CORPORATION  
(the Lender) of the same date and covering the property described in the Security Instrument.

A. **FUNDING FEE:** "A fee equal to one-half of 1 percent of the balance of this loan as of the date of transfer of the property shall be payable at the time of transfer to the loan holder or its authorized agent, as trustee for the DEPARTMENT OF VETERANS AFFAIRS. If the assumer fails to pay this fee at the time of transfer, the fee shall constitute an additional debt to that already secured by this instrument, shall bear interest at the rate herein provided, and, at the option of the payee of the indebtedness hereby secured or any transferee thereof, shall be immediately due and payable. This fee is automatically waived if the assumer is exempt under the provisions of 38 U.S.C. 1829(b)."

B. **PROCESSING CHARGE:** "Upon application for approval to allow assumption of this loan, a processing fee may be charged by the loan holder or its authorized agent for determining the creditworthiness of the assumer and subsequently revising the holder's ownership records when an approved transfer is completed. The amount of this charge shall not exceed the maximum established by the Department of Veterans Affairs for a loan to which Section 1814 of Chapter 37, Title 38, United States Code applies."

C. **INDEMNITY LIABILITY:** "If this obligation is assumed, then the assumer hereby agrees to assume all of the obligations of the veteran under the terms of the instrument creating and securing the loan, including the obligation of the veterans to indemnify the Department of Veterans Affairs to the extent of any claim payment arising from the guaranty or insurance of the indebtedness created by this instrument."

D. This loan is immediately due and payable upon transfer of the property securing such loan to any transferee, unless the acceptability of the assumption of the loan is established pursuant to Section 1814 of Chapter 37, Title 38, United States Code.

E. Should the Department of Veterans Affairs fail or refuse to issue its guaranty of the loan secured by this Security Instrument under the provisions of the Servicemen's Readjustment Act of 1944, as amended within sixty days from the date the loan would normally become eligible for such guaranty, the mortgagee may, at its option, declare all sums secured hereby immediately due and payable and may foreclose immediately or may exercise any other rights hereunder or take any other proper action as by law provided.

F. The mortgagor covenants and agrees that so long as this mortgage and the said note secured hereby are insured under the provisions of the Servicemen's Re-adjustment Act of 1944, he will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the mortgaged property on the basis of race, color or creed. Upon any violation of this undertaking the mortgagee may, at its option, declare the unpaid balance of the debt secured hereby immediately due and payable.

Page 1 of 2

VAASSUMP.FRM  
ST&L NK4.5 Rev. 02-03-97

NATIONSBANC MC INT 152

*Fine*

CAW

By signing below, Borrower accepts and agrees to the terms and covenants contained in this Assumption Agreement Rider.

Francis M. Walters (SEAL)  
FRANCIS M. WALTERS

Carol A. Walters (SEAL)  
CAROL A. WALTERS

\_\_\_\_\_ (SEAL)

\_\_\_\_\_ (SEAL)

State of IOWA

County of Polk

I, Victoria L. Edenburn Notary Public in and for the county and state aforesaid, do hereby certify that Francis M. Walters and Carol A. Walters personally appeared before me this day acknowledged the due execution of the foregoing instrument.

Witness my hand and Notarial Seal the 13 day of August, 1997.



Victoria L. Edenburn  
NOTARY PUBLIC

My commission expires: \_\_\_\_\_