

State of Iowa

Mortgage

FHA Case No. 161-1278750

This Mortgage made this 31st day of March, A.D. 1989, between

Scott F. Hockaday and Christina D. Hockaday, husband and wife

of the County of Madison, and the State of Iowa, hereinafter called the Mortgagor, and United Federal Savings Bank of Iowa

a corporation organized and existing under the laws of the United States of America, and having its principal place of business and post-office address at Locust at Fourth, Des Moines, IA 50308, hereinafter called the Mortgagee:

Witnesseth: That the Mortgagor, in consideration of THIRTY SIX THOUSAND SEVEN HUNDRED FIFTY AND NO/100

Dollars (\$ 36,750.00), the receipt whereof is hereby acknowledged, does, by these presents, Sell and Convey unto the Mortgagee, forever, the following-described real estate situated in the County of Madison, State of Iowa, to wit:

Lot Five (5) in Block Two (2) of Clanton's Addition of 1888 to the Town of St. Charles, Madison County, Iowa,

Compared

1934

FILED NO. BOOK 152 PAGE 488

1989 MAR 31 PM 12:13

MARY E. WELTY RECORDER MADISON COUNTY, IOWA

\$35.00

RELEASED 8-18-95 SEE MORTGAGE RECORD 177 PAGE 778

including all buildings and improvements thereon, or that may hereafter be erected thereon, and, so far as they now are or may hereafter belong to or be used with said real estate or buildings thereon and whether attached or detached, all elevators, all gas, steam, electric, or other heating, lighting, plumbing, ventilating, sprinkling, irrigating, water and power systems, appliances, fixtures and apparatus, all storm and screen windows and doors, and all other fixtures; together with all rents, issues and profits thereof until the debt secured hereby is paid in full, as well as all the reversion and reversions, remainder and remainders, hereditaments, appurtenances and all other rights thereunto belonging or in anywise now or hereafter appertaining.

And the Mortgagor hereby covenants that he is seized of the said premises in fee simple, and that he has good right to sell and convey the same; that the premises are free from all encumbrances and that he will warrant and defend the title to the same 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

THIRTY SIX THOUSAND SEVEN HUNDRED FIFTY AND NO/100

Dollars (\$ 36,750.00), per centum (8.800 %)

with interest from date at the rate of EIGHT AND FOUR / FIFTHS per annum on the balance remaining from time to time unpaid, principal and interest being payable at the office of United Federal Savings Bank of Iowa in Des Moines, IA 50308, or at such other

place as the holder of the note may designate in writing, in monthly installments of TWO HUNDRED NINETY AND 43/100 Dollars (\$ 290.43), commencing on

the first day of May, 1989 and 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 April, 2019, 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.

This form is used in connection with Mortgages insured under the one-to-fourfamily programs of the National Housing Act which require a One-Time Mortgage Insurance Premium payment (including sections 203 (b) and (i)) in accordance with the regulations for those programs.

100 copy... To Seattle - First National Bank see mtg. Rec 152-495

American Grath. Trust & Savings Assn see mtg Rec 157-503

The Mortgagor Covenants and Agrees That:

1. He 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 pay the debt in whole, or in an amount equal to one or more monthly payments on the principal that are next due on the note, on the first day of any month prior to maturity; provided, however, that written notice of an intention to exercise such privilege is given at least thirty (30) days prior to prepayment.

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 will pay to the Mortgagee on the first day of each month until the note is fully paid the following sums:

(a) A sum equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by this mortgage, plus the premiums that will next become due and payable on policies of fire and other hazard insurance on the premises covered hereby (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one (1) month prior to the date when such ground rents, premiums, taxes, and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes, and special assessments, before the same become delinquent; and

(b) All payments mentioned in the preceding subsection of this paragraph and all payments to be made under the note secured hereby shall be added together, and the aggregate amount thereof shall be paid by the Mortgagor each month in a single payment to be applied by the Mortgagee to the following items in the order set forth:

(i) ground rents, taxes, special assessments, fire and other hazard insurance premiums;

(ii) interest on the note secured hereby; and

(iii) amortization of the principal of said note.

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. The Mortgagor agrees to pay a "late charge" not to exceed four cents (4¢) for each dollar (\$1) for each payment more than fifteen (15) days in arrears, to cover the extra expense involved in handling delinquent payments.

3. If the total of the payments made by the Mortgagor as hereinabove in subsection (a) of paragraph 2 provided, shall exceed the amount of the payments actually made by the Mortgagee for ground rents, taxes and assessments or insurance premiums, as the case may be, such excess, if the loan is current, at the option of the Mortgagor, shall be credited on subsequent payments to be made by the Mortgagor, or refunded to the Mortgagor. If, however, the monthly payments made by the Mortgagor under such subsection shall not be sufficient to pay ground rents, taxes and assessments or insurance premiums, as the case may be, when the same shall become due and payable, then the Mortgagor shall pay to the Mortgagee any amount necessary to make up the deficiency, on or before the date when payment of such ground rents, taxes and assessments or insurance premiums shall be due. If at any time the Mortgagor shall tender to the Mortgagee in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the said Mortgagee 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 subsection (a) of such paragraph. 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 Mortgagee acquires the property otherwise after default, the Mortgagee shall apply at the time of the commencement of such proceedings, or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under such subsection (a) of paragraph 2 as a credit against the amount of principal then remaining unpaid under the note.

4. He will pay all ground rents, taxes and assessments, general, local or special (except the Federal and State income taxes) for the payment of which provision is not otherwise made herein, which may be imposed upon said land, premises or property or upon the Mortgagee's interest therein, or upon this mortgage, or upon the said debt or other sums hereby secured; expressly waiving and renouncing hereby any and all right to discharge the debt or any sums hereby secured or any part hereof by the payment of any such ground rents, taxes or assessments; without regard to any law heretofore enacted or which may hereafter be enacted imposing payment of the whole or any part thereof upon the Mortgagee. He will not suffer or permit any such ground rents, taxes or assessments to become or remain delinquent on said premises or any part thereof, or any interest therein to be sold for any ground rents, taxes or assessments. He will furnish annually to the Mortgagee, prior to the date when they would become delinquent, certificates or receipts of the proper officer showing full payment of all such ground rents, taxes and assessments.

5. He will keep the improvements now existing or hereafter erected on the mortgaged premises, insured as may be required from time to time by the Mortgagee against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as it may require and will pay promptly, when due, any premiums on such insurance provision for payment of which has not been made hereinbefore. 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 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 his failure to pay ground rents, taxes and assessments, or to make payments on account thereof, or to furnish certificates or receipts therefor, or to make payments on account of insurance premiums, all as herein before provided, the Mortgagee may procure such insurance, pay such ground rents, taxes and assessments, redeem the property from any tax sale and procure certificates or receipts; and the Mortgagor shall within ten (10) days pay to the Mortgagee all sums which it may have so paid or become obligated to pay, together with interest at the rate set forth in the note secured hereby from the date of such payment; and same shall be secured by this mortgage.

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

8. He will pay to the Mortgagee within ten (10) days 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 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, including all costs and expenses, with interest upon all such sums at the rate set forth in the note secured hereby from the date the same were paid; and the payment of 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. He further agrees that should this mortgage and the note secured hereby not be eligible for insurance under the National Housing Act within S i x t y days from the date hereof (written statement of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to the S i x t y days' time from the date of this mortgage, declining to insure said note and this mortgage, being deemed conclusive proof of such ineligibility), the Mortgagee or the holder of the note may, at its option, declare all sums secured hereby immediately due and payable. This option may not be exercised by the mortgagee when the ineligibility for insurance under the National Housing Act is due to the mortgagee's failure to remit the mortgage insurance premium to the Department of Housing and Urban Development.

11. If default shall be made in the payment of the note secured hereby or any part of the interest thereon promptly on maturity, or if there shall be a failure to comply with any and every condition of this mortgage, then the note, and the whole of the indebtedness secured by this mortgage, including all payments for ground rents, taxes, assessments or insurance premiums, shall, at the option of the Mortgagee, become due and collectible at once by foreclosure or otherwise and without notice of broken conditions; and at any time after the 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, and 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.

12. If the note and mortgage, or either of them, shall be placed in the hands of an attorney for collection of foreclosure, or other legal proceedings, the Mortgagor will pay a reasonable attorney's fee for any service rendered by an attorney in connection herewith, and all expenses incurred in procuring abstracts of the title for purposes of the foreclosure suit, and such attorney's fees and expenses, shall be considered as part of the indebtedness secured by this mortgage and collectible accordingly.

13. Failure of the Mortgagee to exercise any option granted herein shall not be deemed a waiver of his right to exercise such option at any other time.

14. 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.

It is further agreed, under Chapter 628, Code 1966, as amended, that in the event of the foreclosure of this mortgage 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 and in the event the mortgagee waives any right to a deficiency judgment against the mortgagor or his successors in interest, then the period of redemption from foreclosure sale will be reduced to sixty (60) days, subject to the other provisions of the above-referenced law as amended.

It is further agreed that in the event of the foreclosure of this mortgage and sale of the property by sheriff's sale 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 6 months, provided the Mortgagee waives in said foreclosure proceedings any rights to a deficiency judgment against the Mortgagor which may arise out of the foreclosure proceedings.

The signing of this mortgage and the note secured hereby by the spouse of the owner is not only for the purpose of releasing dower or distributive share, but also for the purpose of creating a personal liability for the indebtedness evidenced by said note and secured by this mortgage.

If more than one joins in the execution hereof as Mortgagor, or any be of the feminine sex, the pronouns and relative words herein used shall be read as if written in the plural or the feminine respectively. The covenants herein contained shall bind, and the benefits and advantages inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto.

In witness whereof, the Mortgagor(s) has hereinto set

their

hand(s) the day and year first above written.

Scott F. Hockaday
Scott F. Hockaday

X Christina D. Hockaday
Christina D. Hockaday

State of Iowa

} ss:

County of Polk

On this 31st day of March, A.D. Nineteen Hundred and Eighty Nine

, before me, a Notary Public in and for

Polk

County, State of

Iowa, personally appeared

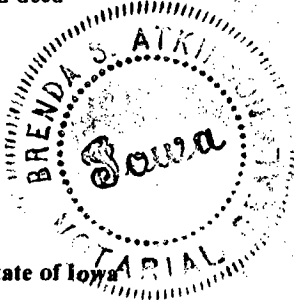
Scott F. Hockaday and Christina D. Hockaday, husband and wife

, to me known to be the person(s) named and who executed the

foregoing instrument and acknowledged that they executed the same as their voluntary act and deed

Brenda S. Atkinson
Notary Public in and for said County

Commission Expires - 6-9-91



State of Iowa

} ss:

County of Madison

this instrument filed for Record the 31 day of March A.D. 19 89, at 12:13 o'clock P M., and duly recorded in

Book 152

of Mtgs.

at Page 488

Mary E. Welty
County Recorder

Shirley H. Henry
Deputy

IOWA FINANCE AUTHORITY
 1988 ISSUE A SINGLE FAMILY HOUSING PROGRAM
 SINGLE-FAMILY MORTGAGE RIDER
 (FIA)

This Rider, made this 31st day of March, 1989, is incorporated into and shall be deemed to amend and supplement the Mortgage of the same date (the "Mortgage") given by the undersigned (the "Borrower") to secure its Note of the same date (the "Note") to United Federal Savings Bank of Iowa (the "Lender", which includes any successors or assigns thereof). The provisions of this Rider shall control any conflicting provision in the Mortgage.

The following provisions are hereby incorporated into the Mortgage:

1. Acceleration. As long as this Mortgage secures or "backs" a Government National Mortgage Association ("GNMA") mortgage pass-through certificate (the "GNMA Certificate") security held by the Iowa Finance Authority (the "Issuer"), or its trustee, the Lender may, at the Lender's option, in addition to any other remedy it may have, declare all sums secured by this Mortgage to be immediately due and payable if the Borrower omits or misrepresents a fact (a) with regard to the Borrower's Annual Family Income (as defined by the Issuer from time to time) or (b) in the Mortgagor's Affidavit and Certification executed by the Borrower in conjunction with this Mortgage. As an alternative remedy, if this Mortgage ceases to, or does not, secure a GNMA Certificate relating to the Issuer's Program, the Lender may increase the interest rate provided for in the Note in an amount not to exceed that permitted by applicable law. For purposes of this alternative remedy only, the Lender is defined to exclude the Issuer.

2. The following paragraph is added to the Mortgage, and any inconsistent provision is deleted:

Residency; Transfer of Property; Assumption. As long as this Mortgage secures or "backs" a GNMA Certificate held by the Issuer or its trustee, then if the Borrower shall cease to use the Property as the Borrower's primary place of residence, or if all or any part of the Property or an interest therein is sold or transferred by the Borrower without the Lender's prior written consent, the Lender may, at the Lender's option, declare all sums secured by this Mortgage to be immediately due and payable. The Lender shall have waived such option to accelerate if (A) the person to whom the Property is to be sold or transferred (the "Transferee") (1) has at the time of such transfer an Annual Family Income not in excess of the then Current Maximum Household Income Limit (as established by the Issuer for persons and families in the Statistical area in which the residence is located); (2) intends to use the Property as his or her principal residence within sixty (60) days of the date the Mortgage is assumed and intends to maintain the residence as his or her principal residence as long as he or she is liable under the Note; and (3) has not, at any time during the three-year period ending on the date the Mortgage is assumed, had a present ownership interest in a principal residence (except in the case of a residence in a Targeted Area as hereinafter defined) unless the Borrower at the time this Mortgage was executed was not required to be a first-time home-buyer pursuant to Section 143 of the federal Internal Revenue Code of 1986 ("Section 143"); (B) the credit of the Transferee is satisfactory to the Lender; (C) the assumption by the Transferee shall have been approved by the Issuer; (D) on the date of transfer the Purchase Price (as defined below) of the Property does not exceed the maximum purchase price established by the Issuer from time to time (for the same type of residence in the statistical area in which the Property is located) in accordance with Section 143; (E) the Transferee executes a written agreement with the Lender assuming the obligations under the Note and this Mortgage; and (F) the Transferee executes such affidavits and documents as are necessary to assure the Lender that the requirements of this paragraph are satisfied.

For purposes of this Mortgage, the following words and phrases have the following meanings:

(a) "Purchase Price" means the cost of acquiring a residence from the seller as a completed residential unit including (i) all amounts paid, either in cash or in kind, by the purchaser (or a related party or for the benefit of the purchaser) to the seller (or a related party or for the benefit of the seller) as consideration for the residence; (ii) if a residence is incomplete, the reasonable cost of completing the residence whether or not the cost of completing construction is to be financed with proceeds of the mortgage loan evidenced by the Note; and (iii) where a residence is purchased subject to ground rent, the capitalized value of the ground rent; but excluding (1) the usual and reasonable settlement of financing costs, e.g., titling and transfer costs, title insurance, survey fees or other similar costs and credit reference fees, legal fees, appraisal expenses, "points" that are paid by the buyer or other costs of financing the residence; (ii) the value of services performed by the Borrower or members of the Borrower's family in completing the residence; and (iii) the cost of land which has been owned by the Borrower for at least two (2) years prior to the date on which construction of the residence begins.

(b) "Targeted Area" means the areas within the State listed as Qualified Census Tracts, that is, areas in which at least seventy percent (70%) of the population make eighty percent (80%) or less of the area's median family income or areas designated as "chronically distressed."

3. Tax Covenants. The Borrower covenants to execute an affidavit in order to comply with Section 143. The Borrower covenants herein and in such Affidavit that (a) the residence is located in the State of Iowa; (b) at the time of execution of this Mortgage, the Borrower has Annual Family Income not in excess of the then-current Maximum Household Income Limit as established by the Issuer from time to time; (c) the Borrower will occupy such residence as his or her principal residence within sixty (60) days of execution of this Mortgage, will not use the residence in a trade or business, as an investment property or as a recreational home, and intends to use the residence as his or her principal residence as long as the Borrower is liable under the Note; (d) the Borrower had no present ownership interest in a principal residence (other than the Property) during the three-year period ending on the date of execution of this Mortgage (unless the residence is in a Targeted Area); (e) the Purchase Price of the Property does not exceed the appropriate Maximum Purchase Price established by the Issuer from time to time; (f) the Borrower had no permanent mortgage loan on the Property at any time prior to executing this Mortgage and (g) the Borrower understands that if there is a continuous period of at least one year during which the residence is not the principal residence of at least one of the Borrowers, then no deduction is allowed in computing taxable income for interest that accrues with respect to this Mortgage on or after the date such one-year period began.

The Borrower covenants to take no action that would (a) cause the foregoing representations which evidence compliance with Section 143 or the Program as permitted by laws of the State of Iowa to be untrue or (b) in any way adversely affect the eligibility of this Mortgage and the Note for purchase by the Issuer under Section 143 or the Program as permitted by the laws of the State of Iowa.

4. Non-Purchase. The Borrower further agrees that should this Note and the Mortgage securing this note not be eligible for purchase by the Issuer within sixty (60) days of the date hereof (a written statement of the Trustee or the Servicer for the Issuer dated subsequent to such sixty (60) day period declining to purchase said Mortgage and this Note being deemed conclusive proof of such ineligibility), the mortgagee or the holder of this Note may, at its option, declare all sums secured hereby immediately due and payable.

5. Additional Representations. All representations of the Borrower contained in a Mortgagor's Affidavit and Certification executed by the Borrower in connection with this Mortgage are hereby incorporated into this Mortgage. The Borrower understands that the truth of these representations is essential to the willingness of the Lender and Issuer to participate in the Program which makes the mortgage loan available to the Borrower. THE BORROWER UNDERSTANDS, THEREFORE, THAT ANY DEFAULT WITH RESPECT TO SUCH REPRESENTATIONS MAY RESULT IN THE EXERCISE OF ANY REMEDY UNDER THE NOTE AND MORTGAGE, INCLUDING, BUT NOT LIMITED TO, ACCELERATION OF THE INDEBTEDNESS EVIDENCED BY THE NOTE.

6. Change in Use. If there is a continuous period of at least one (1) year during which the Property is not the principal residence of at least one (1) of the Mortgagors, then no deduction shall be allowed under the federal Internal Revenue Code for interest on the Mortgage Loan which accrues on or after the date such period began, unless the Secretary of the Treasury determines that such consequence would result in undue hardship and that the failure to meet such requirements resulted from circumstances beyond the Mortgagor's control.

7. Other Provisions of Mortgage. All other provisions of the Mortgage shall remain unmodified.

Borrower:
X Scott F. Hockaday
Scott F. Hockaday
X Christina D. Hockaday
Christina D. Hockaday

STATE OF Iowa }
COUNTY OF Polk } ss.

On this 31st day of March, 1989, before me appeared Scott F. & Christina D. Hockaday to me known to be the person(s) described in the foregoing instrument, and who, being by me first duly sworn executed the foregoing instrument and acknowledged, deposed and said that they executed the same as their free act and deed and stated that the information and certifications contained therein are true and correct.



Brenda S. Atkinson
NOTARY PUBLIC
My Commission expires: June 9, 1991

FHA ADDENDUM

The Mortgagee, United Federal Savings Bank of Iowa, or such of its successors or assigns as may be by separate instrument assume responsibility for assuring compliance by the Mortgagor with the provisions of this Addendum, may declare all sums secured by this mortgage to be immediately due and payable if:

- (a) all or part of the property is sold or otherwise transferred (other than by devise, descent or operation of law) by Mortgagor to a purchaser or other transferee:
 - (i) who cannot reasonably be expected to occupy the property as a principal residence within a reasonable time after the sale or transfer, all as provided in Section 143(c) and (1)(2) of the Internal Revenue Code; or
 - (ii) who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (1)(2) of the Internal Revenue Code (except that the language "100 percent" shall be substituted for "95 percent or more" where the latter appears in Section 143(d)(1)); or
 - (iii) at an acquisition cost which is greater than 90 percent of the average area purchase price (greater than 110 percent for targeted area residences), all as provided in Section 143(e) and (1)(2) of the Internal Revenue Code; or
 - (iv) whose family income exceeds 115 percent of applicable median family income (140 percent for a family in a targeted area residence), all as provided in Section 143(f) and (1)(2) of the Internal Revenue Code; or
- (b) Mortgagor fails to occupy the property described in the mortgage without prior written consent of the Mortgagee or its successors or assigns described at the beginning of this Addendum; or
- (c) Mortgagor omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code in an application for this mortgage.

References are to the 1986 Internal Revenue Code in effect on the date of execution of the mortgage and are deemed to include the implementing regulations.

Borrower:
X Scott F. Hockaday
Scott F. Hockaday
X Christina D. Hockaday
Christina D. Hockaday

ASSUMPTION RIDER

The mortgage shall, with the prior approval of the Federal Housing Commissioner, or his designee, declare all sums secured by this mortgage to be immediately due and payable if all or a part of the property is sold or otherwise transferred (other than by devise, descent or operation of law) by the mortgagor, pursuant to a contract of sale executed not later than 12 months if owner-occupied or 24 months if investor after the date on which the mortgage is executed, to a purchaser whose credit has not been approved with the requirements of the Commissioner.

Scott F. Hockaday
Scott F. Hockaday

ATTEST:

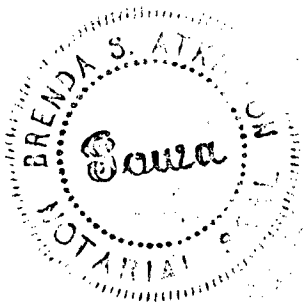
Kathy Madison

Christina D. Hockaday
Christina D. Hockaday

STATE OF IOWA)
) ss
COUNTY OF Polk)

On this 31st day of March, A.D., 1989, before me, a Notary Public, personally appeared Scott F. Hockaday and Christina D. Hockaday, husband and wife

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



Brenda S. Atkinson
Notary Public

My Commission expires:

June 9, 1991