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State of Iowa

**Mortgage**

FHA Case No.  
**161-1393900/203**

THIS MORTGAGE ("Security Instrument") is given on October 9, 1990. The Mortgagor is Douglas E. Manfull and Beth A. Manfull, Husband and Wife

whose address is 816 E Washington Winterset, Ia 50273 ("Borrower").

The Security Instrument is given to Iowa Mortgage Corporation

which is organized and existing under the laws of IOWA, and whose address is 3501 Westown Parkway West Des Moines, Iowa 50265 ("Lender").

Borrower owes Lender the principal sum of Forty Two Thousand Six Hundred Sixty One and 00/100

Dollars (U.S. \$ 42,661.00). This debt is evidenced by

Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on November 1, 2020. This Security Instrument secures to Lender: (a) the

repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 6 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, grant and convey to Lender, the following described property located in Madison County:

**The North Half (1/2) of Lots Three (3) and Four (4) in Block Fifteen (15) in Pitzer & Knight's Addition to the Town of Winterset, Madison County, Iowa**

RELEASED 8-19-93 168 PAGE 483  
MORTGAGE RECORD

which has the address of 623 NW 3rd Avenue Winterset Iowa 50273

("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all 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 of record.

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**803**  
FILED NO. 803  
BOOK 157 PAGE 466  
90 OCT 10 AM 11:22  
MARY E. WELTY  
RECORDER  
MADISON COUNTY, IOWA  
Fee \$ 60.00

See Mtg Rec 151-478

See Mtg Rec 150-104  
7-6-92

**1. Payment of Principal, Interest and Late Charge.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and late charges due under the Note.

**2. Monthly Payments of Taxes, Insurance and Other Charges.** Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, an installment of any (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for insurance required by Paragraph 4.

Each monthly installment for items (a), (b) and (c) shall equal one-twelfth of the annual amounts, as reasonably estimated by Lender, plus an amount sufficient to maintain an additional balance of not more than one-sixth of the estimated amounts. The full annual amount for each item shall be accumulated by Lender within a period ending one month before an item would become delinquent. Lender shall hold the amounts collected in trust to pay items (a), (b) and (c) before they become delinquent.

If at any time the total of the payments held by Lender for items (a), (b), and (c), together with the future monthly payments for such items payable to Lender prior to the due dates of such items, exceeds by more than one-sixth the estimated amount of payments required to pay such items when due, and if payments on the Note are current, then Lender shall either refund the excess over one-sixth of the estimated payments or credit the excess over one-sixth of the estimated payments to subsequent payments by Borrower, at the option of Borrower. If the total of the payments made by Borrower for item (a), (b), or (c) is insufficient to pay the item when due, then Borrower shall pay to Lender any amount necessary to make up the deficiency on or before the date the item becomes due.

As used in this Security Instrument, "Secretary" means the Secretary of Housing and Urban Development or his or her designee. Most Security Instruments insured by the Secretary are insured under programs which require advance payment of the entire mortgage insurance premium. If this Security Instrument is or was insured under a program which did not require advance payment of the entire mortgage insurance premium, then each monthly payment shall also include either: (i) an installment of the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary. Each monthly installment of the mortgage insurance premium shall be in an amount sufficient to accumulate the full annual mortgage insurance premium with Lender one month prior to the date the full annual mortgage insurance premium is due to the Secretary, or if this Security Instrument is held by the Secretary, each monthly charge shall be in an amount equal to one-twelfth of one-half percent of the outstanding principal balance due on the Note.

If Borrower tenders to Lender the full payment of all sums secured by this Security Instrument, Borrower's account shall be credited with the balance remaining for all installments for items (a), (b) and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b) and (c).

**3. Application of Payments.** All payments under paragraphs 1 and 2 shall be applied by Lender as follows:

**First** to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium, unless Borrower paid the entire mortgage insurance premium when this Security Instrument was signed;

**Second**, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

**Third**, to interest due under the Note;

**Fourth**, to amortization of the principal of the Note;

**Fifth**, to late charges due under the Note.

**4. Fire, Flood and Other Hazard Insurance.** Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in Paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in Paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

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In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

**5. Preservation and Maintenance of the Property, Leaseholds.** Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the property if the property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned property. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

**6. Charges to Borrower and Protection of Lender's Rights in the Property.** Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in Paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by Paragraph 2, or fails to perform any other 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, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of Lender, shall be immediately due and payable.

**7. 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 place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in Paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in Paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

**8. Fees.** Lender may collect fees and charges authorized by the Secretary.

**9. Grounds for Acceleration of Debt.**

**(a) Default.** Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:

- (i) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or
- (ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

**(b) Sale Without Credit Approval.** Lender shall, if permitted by applicable law and with the prior approval of the secretary, require immediate payment in full of all the sums secured by this security instrument if:

- (i) All or part of the property is otherwise transferred (other than by devise or decent) by the borrower, and
- (ii) The property is not occupied by the purchaser or grantee as his or her primary or secondary residence, or the purchaser or grantee does so occupy the property but his or her credit has not been approved in accordance with the requirements of the Secretary.

**(c) No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

**(d) Regulations of HUD Secretary.** In many circumstances regulations issued by the Secretary will limit Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

**10. Reinstatement.** Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or 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

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by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if 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.

**11. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time of payment or modification of amortization 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.

**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 9.b. 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 Property 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 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 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.

**15. Borrower's Copy.** Borrower shall be given one conformed copy of this Security Instrument.

**16. Assignment of Rents.** Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this Paragraph 16.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

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

**17. Foreclosure Procedure.** If Lender requires immediate payment in full under Paragraph 9, Lender may foreclose this Security Instrument by judicial proceeding, Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 17, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

**18. Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower.

**19. Waivers.** Borrower relinquishes all right of dower and waives all right of homestead and distributive share in and to the property. Borrower waives any right to exemption as to the Property.

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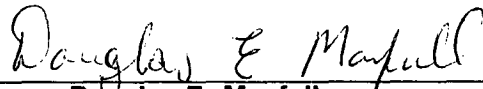
**20. Redemption Period.** If the Property is less than 10 acres in size and Lender waives in any foreclosure proceeding any right to a deficiency judgment against Borrower, the period of redemption from judicial sale shall be reduced to 6 months. If the court finds that the Property has been abandoned by Borrower and Lender waives any right to a deficiency judgment against Borrower, the period of redemption from judicial sale shall be reduced to 60 days. The provisions of this paragraph 20 shall be construed to conform to the provisions of Sections 628.26 and 628.27 of the Code of Iowa.


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

- ☐ Condominium Rider
 ☐ Adjustable Rate Rider
 ☐ Growing Equity Rider
- ☐ Planned Unit Development Rider
 ☐ Graduated Payment Rider
 ☒ Other FHA Acceleration Rider & IFA Rider

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

Witnesses:

  
 Borrower **Douglas E. Manfull** (Seal)

  
 Borrower **Beth A. Manfull** (Seal)


[Space Below This Line For Acknowledgement]

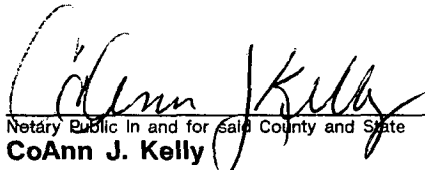
STATE OF IOWA }  
 COUNTY OF Polk } ss:

On this 9th day of October, 90, before me, a Notary Public in the State of IOWA personally appeared: Douglas E. Manfull and Beth A. Manfull,  
**Husband and Wife**

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: **10-12-92**



  
 Notary Public In and for said County and State  
**CoAnn J. Kelly**

## FHA ACCELERATION RIDER

This Acceleration Rider is made this 9th day of October, 1990, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Instrument") of the same date given by the undersigned (the "Mortgagor") to secure the Mortgagor's Note (the "Note") of the same date to Iowa Mortgage Corporation

(the "Mortgagee" and covering the property described in the Instrument and located at:

623 NW 3rd Avenue Winterset Iowa 50273

(Property Address)

AMENDED COVENANT. In addition to the covenants and agreements made in the Instrument, Mortgagee and Mortgagor further covenant and agree as follows:

Borrower agrees that should this Security Instrument and the note secured thereby not be eligible for insurance under the National Housing Act within 240 days from the date hereof, Lender may, at its option and notwithstanding anything in Paragraph 9, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 240 days from the date hereof, declining to insure this Security Instrument and the note secured thereby, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the secretary.

IN WITNESS WHEREOF, the Mortgagor has executed this Acceleration Rider.

Douglas E. Manfull (Seal)  
Mortgagor **Douglas E. Manfull**

Beth A. Manfull (Seal)  
Mortgagor **Beth A. Manfull**

\_\_\_\_\_  
Mortgagor (Seal)

\_\_\_\_\_  
Mortgagor (Seal)

(Sign Original Only)

[Space Below This Line For Acknowledgement]

STATE OF IOWA  
COUNTY OF Polk

} ss:

On this 9th day of October, 1990, before me, a Notary Public in the State of IOWA, personally appeared: Douglas E. Manfull and Beth A. Manfull, Husband and Wife

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: 10-12-92



CoAnn J. Kelly  
Notary Public **CoAnn J. Kelly**

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D-2

## IOWA FINANCE AUTHORITY

## 1989 ISSUE A SINGLE FAMILY HOUSING PROGRAM

SINGLE FAMILY MORTGAGE RIDER  
(FHA)

This Rider, made this 8th day of October, 1990, is incorporated into and shall be deemed to amend and supplement the Mortgage of the same date (the "Mortgage") given by the undersigned (the "Mortgagor") to secure its Note of the same date (the "Note") to

Iowa Mortgage Corporation  
(the "Lender", which includes any successors to or assigns of the Lender). 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") held on behalf of the Iowa Finance Authority (the "Issuer") by 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 Mortgagor omits or misrepresents a fact (a) with regard to the Mortgagor'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 Mortgagor 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. Residency; Transfer of Property; Assumption. If the Mortgagor shall cease to use the Property as the Mortgagor's primary place of residence, or if all or any part of the Property or an interest therein is sold or transferred by the Mortgagor 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

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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); (B) the credit of the Transferee is satisfactory to the Lender; (C) the assumption by the Transferee shall have been approved by the Lender; (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 of the Internal Revenue Code of 1986, as amended (the "Code"); (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 (i) the usual and reasonable settlement or 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 Mortgagor or members of the Mortgagor's family in completing the residence; and (iii) the cost of land which has been owned by the Mortgagor for at least two (2) years prior to the date on which construction of the residence begins.

(b) "Targeted Area" means any of the areas within the State listed as Qualified Census Tracts or as "areas of chronic economic distress" designated and approved as provided by the Code.



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If the Lender exercises its option to accelerate under this paragraph, the Lender shall give the Mortgagor notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is delivered or mailed within which the Mortgagor must pay all sums secured by this Mortgage. If the Mortgagor fails to pay these sums prior to the expiration of this period, the Lender may invoke any remedies permitted by this Mortgage without further notice or demand on the Mortgagor.

3. Tax Covenants. The Mortgagor covenants to execute an affidavit in order to comply with Section 143 of the Code. The Mortgagor 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 Mortgagor 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 Mortgagor 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 Mortgagor is liable under the Note; (d) the Mortgagor had no present ownership interest in a principal residence 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 Mortgagor had no permanent mortgage loan on the Property at any time prior to executing this Mortgage; and (g) the Mortgagor 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 Mortgagor, 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 Mortgagor covenants to take no action that would (a) cause the foregoing representations which evidence compliance with Section 143 of the Code to be untrue or (b) in any way adversely affect the eligibility of this Mortgage and the Note for purchase by the Servicer, on behalf of the Issuer, under Section 143 of the Code.

4. Non-Purchase. The Mortgagor further agrees that should the Note and this Mortgage securing the Note not be eligible for purchase by the Servicer within sixty (60) days of the date hereof (a written statement of the Servicer for the Issuer dated subsequent to such sixty-day period declining to purchase said Mortgage and Note 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.

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5. Additional Representations. All representations of the Mortgagor contained in the Mortgagor's Affidavit and Certification executed by the Mortgagor in connection with this Mortgage are hereby incorporated into this Mortgage. The Mortgagor 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 Mortgagor. THE MORTGAGOR UNDERSTANDS, THEREFORE, THAT ANY DEFAULT WITH RESPECT TO SUCH REPRESENTATIONS MAY RESULT IN THE EXERCISE OF ANY REMEDY UNDER THE NOTE AND THE 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 Code for interest with respect to the Mortgage and Note 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 this Mortgage shall remain unmodified.

Mortgagor(s):

Douglas E. Manfull  
Douglas E. Manfull  
Beth A. Manfull  
Beth A. Manfull

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## FHA ADDENDUM

The Mortgagee, Iowa Mortgage Corporation, or such of its successors or assigns as may 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) unless the property is in a Targeted Area; 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, in the case of a family of three or more, exceeds 115 percent of applicable median family income (140 percent for a family in a Targeted Area residence), or, in the case of a family of less than three, exceeds 100 percent of applicable median family income (120 percent for a family of less than three 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.

Mortgagor(s);

Douglas E. Manfull  
Douglas E. Manfull

Beth A. Manfull  
Beth A. Manfull

D2-5

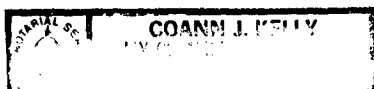
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STATE OF IOWA

COUNTY OF Polk

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) SS:  
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On this 8th day of October, 19890, before me appeared Douglas E. and Beth A. Manfull, Husband and Wife, 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 he/she/they executed the same as his/her/their free act and deed and stated that the information and certifications contained therein are true and correct.



*CoAnn J. Kelly*  
Notary Public CoAnn J. Kelly

My commission expires: 10-12-92