



Document 2011 3500

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LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

Fannie Mae Loan # 4005022762

Servicer Loan # 16004638

✓ Prepared by: Susan Wright/Vice President-Merchants Bank, N.A., 102 E 3rd Street,
Winona, MN 55987 Phone: 507-457-1140

LOAN MODIFICATION AGREEMENT

(Providing for Fixed Interest Rate)

This Loan Modification Agreement ("Agreement"), made this 31th day of August, 2011, between Brian Fairholm and Hollie Fairholm (married persons/borrower) and MERCHANTS BANK, NATIONAL ASSOCIATION ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), and Timely Payment Rewards Rider, if any, dated 8-11-2006 and recorded on 08-11-2006, Book 2006, at pages 3322, of the Madison County, Iowa Records of Madison County, Iowa (Name of Records), and (2) the Note bearing the same date as, and secured by, the Security instrument, which covers the real and personal property described in the Security Instrument and defined therein as the "Property", located at 427 W SUMMIT ST WINTERSET, IA 50273, the real property described being set forth as follows:

Commencing 16 rods and 17 1/4 links West of the Southeast corner of the Southwest Quarter of the Southeast Quarter of Section 36, in Township 76 North, Range 28 West of the 5th P.M., Madison County, Iowa, running thence West 4 rods and 15 links, thence North 12 rods, thence East 4 rods and 15 links, thence South 12 rods to the place of beginning, being otherwise know and described as Lot 3 of Wilson's Four Acre Lot except the North 13 rods and 7 3/4 links thereof and except the West 66 feet of the South 198 feet thereof, in Winterset, Iowa

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument):

1. As of 12/01/2011, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S.\$109,838.57 consisting of the unpaid amount(s) loaned to Borrower by Lender plus any interest and other amounts capitalized.

2. Borrower promises to paid the Unpaid Principal Balance, plus interest, to the order of Lender, Interest will be charged on the Unpaid Principal Balance at the yearly rate of 4.6250%, from 12/01/2011. Borrower promises to make monthly payments of principal and interest of U.S. \$502.65, beginning on the 1st. day of January, 2012 and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. The yearly rate of 4.6250% will remain in effect until principal and interest are paid in full. If on 12/01/2051, (the "Maturity Date"), the Borrower shall pay these amounts in full on the Maturity Date.

3. In all or any part of the Property or any interest in its sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument.

If the lender exercises this option, the Lender shall give the Borrower notice of acceleration. The Notice shall provide a period or not less than 30 days from the day the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

4. Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, the Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that the Borrower is obligated to make under the Security Instrument, however, the following terms and provisions are forever canceled, null, and void, as of the date specified in paragraph No. 1 above:

a) all terms and provisions of the Note and the Security Instrument (if any) providing for, implementing or relating to, any change or adjustment in the rate of interest payable under the Note, including where applicable, the Timely Payment Rewards rate reduction, as described in paragraph 1 of the Timely Payment Rewards Addendum to Note and Paragraph A.1 of the Timely Payment Rewards Rider. By executing this agreement, Borrower waives any Timely Payment Rewards rate reduction to which borrower may have otherwise being entitled: and

b) all terms and provisions of any Adjustable Rate Rider or Timely Payment Rewards Rider, where applicable, or other instrument or document that it is affixed to, wholly or partially incorporate into, or is part of the Note or Security instrument an that contains any such terms and provisions as those referred to in (a) above.

5. Borrower understands and agrees that:

(a) All the rights and remedies, stipulations, and conditions contained in the Security Instrument relating to the default in the making of payments under the Security Instruments shall also apply to default in the making of the modified payments hereunder.

(b) All covenants, agreements, stipulations, and conditions in the Note and Security Instruments shall be and remain in full force and effect, except as herein modified, and none of the Borrower's obligations or liabilities under the Note and Security Instruments shall be diminished or released by any provisions hereof, nor shall this Agreement in any way impair, diminish, or affect any of the Lender's rights under or remedies on the Note and Security Instrument, whether such rights or remedies arise there under or by operation of law. Also, all rights of recourse to which Lender is presently entitled against any property or any other persons in any way obligated for, or liable on, the Note and Security Instrument are expressly reserved by Lender.

(c) Borrower has not right of set-off or counterclaim, or any defense to the obligations of the Note or Security Instruments.

(d) Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument.

(e) All cost and expenses incurred by Lenders in connection with this Agreement, including recording fees, title examination, and other attorney's fees shall be paid by the Borrower and shall be secured by the Security Instrument, unless stipulated otherwise by Lender.

(f) Borrower agrees to make and execute such other documents or papers as may be necessary or required to effectuate the terms and conditions of this Agreement which, if approved and accepted by Lender, shall bind and inure to the heirs, executors, administrators, and assigns of the Borrower.

Merchants Bank (Seal)
(Seal) Lender

By: [Signature]
(Seal)

x Brian Fairholm

Brian Fairholm/Borrower

x Hollie Fairholm

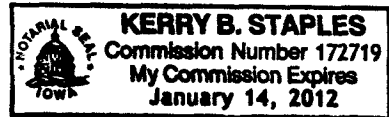
Hollie Fairholm/Borrower

State of IOWA

County of MADISON

On this 19 day of DECEMBER, 2011 before me appeared (married person) BRIAN FAIRHOLM to me personally know to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Kerry B. Staples
Notary Public
My Commission Expires:

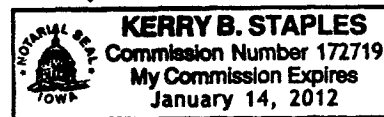


State of IOWA

County of MADISON

On this 19 day of DECEMBER, 2011 before me appeared (married person) HOLWE FAIRHOLM to me personally know to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Kerry B. Staples
Notary Public
My Commission Expires:

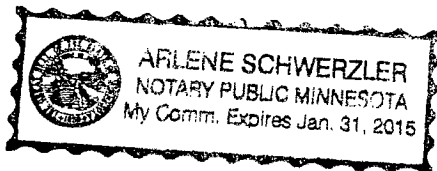


State of Minnesota

County of Winona

On this 27th day of December, 2011 before me appeared (Vice president) Susan Wright to me personally know to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Arlene Schwerzler
Notary Public
My Commission Expires:



This instrument was drafted by:

Merchants Bank, N.A.
102 E 3rd Street
Winona, MN 55987
507-457-1100