

APPENDIX V: GRADUATED PAYMENT RIDER

THIS GRADUATED PAYMENT RIDER is made this _____ day of _____, 20__, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned _____ ("Borrower") to secure Borrower's Note to _____ ("Lender") of the same date ("Note") and covering the property described in the Security Instrument and located at:

[Property Address]

THIS NOTE PROVIDES FOR DEFERRED INTEREST AND INCREASING MONTHLY INSTALLMENTS ACCORDING TO A SCHEDULE IN THE NOTE. DEFERRAL OF INTEREST MAY INCREASE THE PRINCIPAL BALANCE TO _____ DOLLARS (U.S. \$____.)¹

The payment schedule in the Note is as follows:

- \$ _____ during the 1st note year.
- \$ _____ during the 2nd note year.
- \$ _____ during the _____ note year and thereafter.²

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Graduated Payment Rider.

(SEAL)
Borrower

(SEAL)
Borrower

[ADD ANY NECESSARY ACKNOWLEDGEMENT PROVISIONS.]

1. Insert maximum principal balance, not the amount by which the principal balance may be increased.
2. Complete schedule until payments stop increasing. This paragraph is optional; it should be included if required by state law or as otherwise needed to ensure the enforceability and priority of the mortgage. Lenders may recite the Note verbatim in this rider.