



This form is used in connection with deeds of trust insured under the new 10-year-filing provisions of the National Housing Act.

DEED OF TRUST

With Addendum, for Repayment of Section 235 Assistance

THIS DEED, made this _____ day of _____, 19____, by and between

party of the first part and _____, Trustee, as hereinafter set forth, party of the second part:

WHEREAS, the party of the first part is justly indebted unto the Secretary of Housing and Urban Development whose address is:

_____ in the principal sum of _____ Dollars (\$ _____) but not to exceed an amount computed under the terms of a note executed by said party on _____, with interest, if any, according to the terms of the note.

AND WHEREAS, the party of the first part desires to secure the prompt payment of said debt, and interest thereon, when and as the same shall become due and payable, and all costs and expenses incurred in respect thereto, including reasonable counsel fees incurred or paid by the said party of the second part or substituted Trustee, or by any person acting inured, on account of any litigation at law or in equity which may arise in respect to this trust or the property hereinafter mentioned, and of all money which may be advanced as provided herein, with interest on all such said advances from the date thereof.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that the party of the first part, in consideration of the premises, and of one dollar, lawful money of the United States of America, is

in hand paid by the party of the second part, the receipt of which, before the sealing and delivery of these presents, is hereby acknowledged, has granted and conveyed, and does hereby grant and convey unto the party of the second part, as Trustee, its successors and assigns, the following described land and premises, situated in the County of _____ and State of Maryland, to-wit: _____

SAMPLE

together with all the improvements in anywise appertaining, and all the estate, right, title, interest, and claim, either at law or in equity, or otherwise howsoever, of the party of the first part, of, in, to, or out of the said land and premises.

By the execution of this instrument, Mortgagee, Grantor or parties of the first part (whichever appears) severally and acknowledge that prior thereto they have received both a fully executed agreement as to the contractual rate of interest and a loan disclosure statement in connection with the loan secured hereby both as required by Article 49 of the Annotated Code of Maryland.

TO HAVE AND TO HOLD the said property and improvements unto the party of the second part, its successors and assigns

IN AND UPON THE TRUSTS, NEVERTHELESS, hereinafter declared, that is to say IN TRUST to permit said party of the first part, or assigns, to use and occupy the said described land and premises, and the rents, issues, and profits thereof, to take, have, and apply to and for _____ use use and benefit, until default be made in the payment of any manner of indebtedness hereby secured or in the performance of any of the covenants as hereinafter provided

AND upon the full payment of all of said note and the interest thereon, and all moneys advanced or expended as herein provided, and all other proper costs, charges, commissions, half-commissions, and expenses, at any time before the sale hereinafter provided for to release and recover the said described premises unto the said party of the first part or assigns, at _____ cost. Prior to the execution and delivery of any partial or complete release, each trustee shall be entitled to charge and receive a fee of \$5.00, plus 50 cents for Notary's fee, for each release. The right to charge and receive said fee shall be limited to two Trustees.

Revised Form FHA-2127M, which may be used upon Section 235 contracts



AND UPON THIS FURTHER TRUST: upon any default made in the payment of the said note or of

default in payment on demand of any money advanced by the holder of said note on account of any proper cost, charge, commission, or expense in and about the same, or on account of any tax or assessment or insurance or expense of litigation, with interest thereon at the rate set forth in the note secured hereby from date of such advance (it being hereby agreed that on default in the payment of any ground rent, tax, or assessment, or insurance premium or any payment on account thereof, or in the payment of any of said cost, expense of litigation, as aforesaid, the holder of said note may pay the same and all sums so advanced with interest as aforesaid, shall immediately attach as a lien hereunder, and be payable on demand), or upon failure or neglect faithfully and fully to keep and perform any of the other conditions or covenants herein provided, then upon any and every such default being so made as aforesaid, the said party of the second part, or the Trustee acting in the execution of this trust, shall have power and it shall be his duty to sell, and in case of any default of any purchaser, to resell, at public auction, for cash, in one parcel at such time and place, and after such previous public advertisement as the party of the second part, or the Trustee acting in the execution of this trust, shall deem advantageous and proper, and to convey the same in fee simple, upon compliance with the terms of sale, to and at the cost of the purchaser or purchasers thereof, who shall not be required to see to the application of the purchase money, and shall apply the proceeds of said sale or sales: Firstly, to pay all proper costs, charges, and expenses, including all attorneys' and other fees and costs herein provided for, and all moneys advanced for costs or expenses, or expense of litigation as aforesaid, or taxes or assessments, or insurance with interest thereon as aforesaid, and all taxes, general and special, and assessments, due upon said land and premises at time of sale and to retain as compensation a commission of one per centum (1%) on the amount of the said sale or sales: Secondly, to pay whatever may then remain unpaid of said note, whether the same shall be due or not, and the interest thereon to date of payment, it being agreed that said note shall, upon such sale being made before the maturity of said note, be and become immediately due and payable at the election of the holder thereof, and, Lastly, to pay the remainder of said proceeds, if any there be, to the party of the first part, his heirs, or their heirs or assigns of possession of the premises so, as aforesaid, sold and conveyed, less the expense, if any, of obtaining possession.

AND in the event of the resignation, death, incapacity, disability, removal, or absence from the State of any Trustee or Trustee, or should either refuse to act or fail to execute this Trust when requested, then any other Trustee shall have all the rights, powers, and authority and be charged with the duties that are hereby conferred or charged upon both, and in such event, or at the option of the holder of the note and with or without cause the holder of the note is hereby authorized and empowered to appoint, and to substitute and appoint, by an instrument recorded wherever the Deed of Trust is recorded, a Trustee in the place and stead of any Trustee herein named or any succeeding or substitute Trustee, which appointment and substitution of Trustee or Trustee shall have all the rights, powers, and authority and be charged with all the duties that are conferred or charged upon any Trustee or Trustee herein named.

AND the party of the first part, in order more fully to protect the security of this Deed of Trust, covenants and agrees as follows:

1. That he will pay the indebtedness, as hereinbefore provided. Privilege is reserved to pay the debt in whole, or in an amount equal to one or more monthly payments on the principle 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.

The note secured hereby, he will pay to the holder of the said note on the first day of each month until the said note is fully paid, the following sums:

- (i) An amount sufficient to provide the holder hereof with funds to pay the next mortgage insurance premium (if the mortgage and the note secured hereby are insured, or a monthly charge (in lieu of a mortgage insurance premium) if they are held by the Secretary of Housing and Urban Development) as follows:
- (ii) If and so long as said note of even date and this instrument are insured or are reinsured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the holder of the note to pay each premium to the Secretary of Housing and Urban Development pursuant to the Act, as amended, and applicable Regulations thereunder; or
- (iii) If and so long as said note of even date and this instrument are held by the Secretary of Housing and Urban Development, a monthly charge (in lieu of a mortgage insurance premium) equal to one-twelfth (1/12) of one-half (1/2) per centum of the average debt outstanding computed without taking into account delinquencies or prepayments.
- (b) A sum equal to the ground rent, if any, and the taxes and special assessments, plus the premiums that will next become due on the premises covered hereby (all as estimated by the holder of the note) and all sums already paid therefor, divided by the number of months to elapse from the date when such ground rent, premiums, taxes, and assessments will become due, to be held by Mortgagee in Trust to pay said ground rents, premiums, taxes, and special assessments, if the same become delinquent, and
- (c) All payments mentioned in the two preceding subsections, paragraph and all payments to be made under the note secured hereby shall be added together and the whole amount thereof shall be paid by the party of the first part each month in a single payment to be delivered by the holder of the note to the following items in the order set forth:
 - (i) premium charges under the contract of insurance with the Secretary of Housing and Urban Development, or monthly charge (in lieu of mortgage insurance premium) as the case may be;
 - (ii) ground rent, if any, taxes, special assessments, fire and other hazard insurance premiums;
 - (iii) interest on the note secured hereby; and
 - (iv) amortization of the principal of the said note.

Any deficiency of the amount of any such aggregate monthly payment shall, unless made good by the party of the first part prior to the due date of the next such payment constitute an event of default under this Deed of Trust. The holder of the note may collect a "late charge" not to exceed four cents (4¢) for each dollar (\$1) of each payment more than fifteen (15) days in arrears to cover the extra expense involved in handling delinquent payments, but in no event shall such "late charge" exceed the limitations imposed by Article 49 of the Annotated Code of Maryland as of the date hereof.

2. That if the total of the payments made by the party of the first part under (b) paragraph 1. preceding shall exceed the amount of payments actually made by the holder of the note for ground rent, taxes, or assessments or insurance premiums, as the case may be, such excess, if the loan is current, at the option of the party of the first part, shall be credited on subsequent payments to be made by the party of the first part, or refunded to the party of the first part. If however the monthly payments made by the party



1. That he will pay to the holder of said note any amount necessary to make up the deficiency on or before the date when payment of such interest, taxes, assessments or insurance premiums shall be due. If at any time the party of the first part shall tender to the holder of said note in accordance with the provisions thereof for payment of the entire indebtedness of the first part the said holder shall compute the amount of such indebtedness, credit to the account of the party becoming obligated to pay to the Secretary of Housing and Urban Development, and any balance remaining in the funds Deed of Trust resulting in a purchase of the premises covered hereby, or if the holder of the note acquires the property then the party of the first part 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 the provisions of paragraph 2 hereof, as a credit against the amount of principal then remaining unpaid under said note, and shall properly secure the same.

4. That he will pay all taxes, assessments, water rates and other governmental or municipal charges, fines or impositions, and costs, expenses and charges of attorneys for services in any legal proceeding wherein Trustee shall be made a party by reason of this Deed of Trust, and ground rents, for which provision has not been made herebefore, and will promptly deliver the official receipts therefor to the holder of the note, and in default of such payment by the party of the first part the holder of the note may pay the same, and any sum or sums so paid by the holder of the note shall be added to the debt hereby secured, shall be payable on demand, shall bear interest at the rate set forth in the note secured hereby and shall be secured by this Deed of Trust.

5. That he will keep the said premises in as good order and condition as they are now and will not commit or permit any waste thereof, reasonable wear and tear excepted.

6. That he will keep the improvements now existing or hereafter erected on the said premises insured as may be required from time to time by the holder of the note against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by the holder of the note and will pay promptly, when due, any premiums on such insurance policies for payment of which has not been made herebefore. All insurance shall be carried in companies approved by the holder of the note and the policies and renewals therefor shall be held by the holder of the note and have attached thereto loss payable clauses in favor of and in form acceptable to the holder of the note. In event of loss he will give immediate notice by mail to the holder of the note who may make proof of loss if not made promptly by the party of the first part, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the holder of the note instead of to the party of the first part and the holder of the note jointly, and the insurance proceeds or any part thereof, may be applied by the holder of the note 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 Deed of Trust or other transfer of title in the said premises in extinguishment of the indebtedness secured hereby, all right, title, and interest of the party of the first part in and to any insurance policies then in force shall vest in the purchaser or grantee.

7. The party of the first part further agrees that should this Deed of Trust and the note secured hereby not be eligible for insurance under the National Housing Act within 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 time from the date of this Deed of Trust, declining to insure said note and this Deed of Trust, being deemed conclusive proof of such ineligibility, the party of the second part or the holder of the note may, at its option, secure all sums secured hereby immediately due and payable;

8. That if the said property shall be advertised for sale as herein provided, and no bid the Trustee or Trustees acting shall be entitled to execute the commission above provided, to be computed on the amount of the debt hereby secured and the amount hereby secured in like manner as other charges and expenses attending the execution of this trust, and shall bear full legal interest.

9. That if the premises or any part thereof be condemned under any power of eminent domain, or acquired for a public use, the damage proceeds, and the consideration for such acquisition to the extent of the full amount of indebtedness upon this Deed of Trust, and the note secured hereby remaining unpaid, are hereby assigned by the party of the first part to the holder of the note secured hereby and shall be paid forthwith to said holder to be applied by an account of the indebtedness secured hereby, whether due or not.

10. That if any suit, action, or proceeding whatsoever shall be commenced or prosecuted for the collection of the note, or any part of the note, or for the enforcement of any endorsement or endorsements thereof, or any other matters hereby secured, or in reference to the execution of the trust hereby created, or any of the trust or property of funds which may become part thereof, he will pay all costs and charges and expenses of the same, including all counsel and attorney's fees and charges, which shall also be deemed a charge attending the execution of this trust, to be secured hereby as such debt and bear interest at the rate set forth in the note secured hereby.

11. That he specially warrants the property herein conveyed and that he will execute such further assurances thereof as may be required.

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 used the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

WITNESS the signatures and seals of the party of the first part on the day and year first above written

Witness _____

_____ (SEAL)

_____ (SEAL)

STATE OF MARYLAND

I HEREBY CERTIFY that on this the _____ day of _____, 19____, before me, a Notary Public of the State of Maryland, the undersigned officer personally appeared _____ known to me (or satisfactorily _____) to be the persons whose names is (are) subscribed to the within instrument and acknowledged that _____ executed the same for the purpose therein contained.

At the same time, also personally appeared _____ of the party secured by the foregoing deed of trust, and made oath in due form of law that the consideration of said deed of trust is true and bona fide as therein set forth, that the same sum secured hereby has been paid over and disbursed by the party secured hereby into the within named party of the first part or the person responsible for disbursement of funds in the closing transaction or their respective agent at a time no later than the execution and delivery of this deed of trust by the party of the first part, and he further made oath that he is the agent of the party secured by the foregoing deed of trust and is such a duly authorized to make the aforesaid.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My commission expires _____

RECEIVED FOR RECORD on the _____ day of _____, 19____, at _____ one of the Land Records. Examined by _____

Notary Public

A. D. 19____ at _____

Recorder