



Midland Mortgage Co. Delinquency Assistance Center

P.O. Box 268806 Oklahoma City, Oklahoma 73126
Tel 800-552-3000 FAX 405-767-5815 www.MyMidlandMortgage.com

June 21, 2011

Read and sign.

Please return the enclosed documents by 7/5/2011

Property Address:

Dear

Please find the enclosed FHA Partial Claim documents ready for your signature. The following document outlines in detail the FHA Partial Claim and actions required of you to ensure proper submission. Please read the following document in its entirety.

As previously discussed, we are offering you an FHA Partial Claim to cure your delinquency. An FHA Partial Claim is an interest free loan from the Department of Housing and Urban Development (referred to in the remainder of this letter as HUD). This interest free loan takes the form of a Subordinate Note and a Subordinate Mortgage/Deed of Trust between you and HUD. This Subordinate Mortgage/Deed of Trust will be recorded in your local land records, resulting in a lien being placed against the property. You will be required to pay back this loan upon refinancing your home, paying your loan in full, or selling your property.

Once signed, HUD employs a third party vendor to service these Partial Claims. After the signed documents have been accepted, any questions can be directed to them below.

C & L Service Corporation
2488 East 81st Street, Suite 700
Tulsa, OK 74137
Toll Free: (877) 622-8525
Local: (918) 935-2900
TTY: (877) 622-8528
Fax: (918) 935-2994

This FHA Partial Claim includes past due payments from 8/1/2010 to 6/1/2011. It may also include all or part of the Attorney Fees & Costs owed on your loan as detailed below. No other fees and costs, including late charges, may be included in the partial claim loan amount; however, those fees and costs will remain owing on the loan. **Following processing of the FHA Partial Claim, your next payment of \$765.02 will be due on 7/1/2011.**

Your FHA Partial Claim is made up of the following amounts:

Past Due Payments:	\$9,150.35
Escrow Shortage:	\$0.00
Allowable Foreclosure Attorney Fees & Costs:	\$0.00
Total Partial Claim:	\$9,150.35

MMC Loan Number: [REDACTED]

Please follow the instructions below and return the completed documents to our office. Failure to follow these instructions could result in the documents being rejected by our office.

INSTRUCTIONS:

- The Subordinate Note & Subordinate Mortgage/Deed of Trust must be signed in the presence of a notary.
- Your signature must match your name exactly as it appears on the documents (i.e. middle initial, middle name, Jr., etc.).
- All parties listed on the Subordinate Note & Subordinate Mortgage/Deed of Trust must sign the document.
- Do not alter the documents in any way.
- The attached "Affidavit of Condition", "Error and Omission" and "Bankruptcy Certification" must be signed and included with the completed documents. If you are not able to sign the Bankruptcy Certification, please contact our office immediately, at the telephone number provided below.
- **USE BLACK INK ONLY!**

WITNESSES (IF REQUIRED):

- Sign their name and then print their name below.
- A different witness must sign on each line.
- The notary cannot be a witness.

INSTRUCTIONS FOR NOTARY:

- Notary must sign and print name.
- Date of Acknowledgment must be completed.
- The expiration date of notary must be listed.
- Must include notary stamp and/or seal.
- Make sure notary seal is in a blank space and does not cover text or signatures.
- **NOTARY STAMP AND SIGNATURE MUST BE IN BLACK INK.**

MAILING INSTRUCTIONS:

By Overnight Courier (UPS, FedEx, Etc.)
Midland Mortgage Co.
Attn: DAC
999 N.W. Grand Boulevard, Suite 100
Oklahoma City, OK 73118

By US Mail
Midland Mortgage Co.
Attn: DAC
P.O. Box 268806
Oklahoma City, OK 73126-8806

The signed and notarized documents must be returned by 7/5/2011; however, if a foreclosure sale has been scheduled on your property, then you must return the executed documents to Midland at least 48 hours prior to your scheduled foreclosure sale. Failure to return the documents will prevent your Loan Modification from being approved and the collection and/or foreclosure process may proceed without further notice to you.

Please call 1-800-552-3000 ext. [REDACTED] if you have any questions.

Sincerely,

Delinquency Assistance Center
Midland Mortgage Co

MMC Loan Number: [REDACTED]

When Recorded Mail to:
First American Title
Attn: Loss Mitigation Title Services
PO BOX 27670
Santa Ana, CA 92799

Document Prepared by:
[Redacted]
Midland Mortgage
999 N.W. Grand Boulevard, Suite 100
Oklahoma City, OK 73118-6116
1-800-552-3000

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

FHA Case Number: [Redacted]

SUBORDINATE DEED OF TRUST

THIS SUBORDINATE DEED OF TRUST ("Security Instrument") is made on **June 21, 2011**. The grantor is [Redacted] ("Borrower"). The trustee is **Secretary of Housing and Urban Development** ("Trustee"). The beneficiary is the **Secretary of Housing and Urban Development**, which is organized and existing under the laws of the United States of America, and whose address is **451 Seventh Street, SW, Washington, DC 20410** ("Lender"). Borrower owes Lender the principal sum of (**US \$9,150.35**). Borrower represents that this amount is being used to cure a delinquency and reinstate the primary loan ("Primary Loan") given to Borrower in the original principal amount of **\$70,788.00** for the below-referenced property, which is secured by (i) a Deed of Trust ("Primary Lien") dated **09/18/2007** and recorded in Instrument Number: [Redacted] **Texas** and (ii) the vendor's lien, if any, in favor of the originating lender of the Primary Loan, or its successors and assigns. The debt secured by this Security Instrument is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for the full debt, if not paid earlier, due and payable on **10/1/2037**. The Note represents the amount of cash that HUD advanced to Borrower and that Borrower used in part to discharge a portion of the Primary Loan. Borrower acknowledges that, to the extent they cover the Property, the liens securing the Primary Loan are valid, that they subsist against the Property, as well as other real estate, if any, and that by this Security Instrument, they are renewed and extended in full force until the Note is paid. Borrower also acknowledges that by this Security Instrument, Lender and

Borrower Initial Lines

* Please add the appropriate number of initial lines for each signatory over 4

Lender's successors and assigns are subrogated to all of the rights, claims, liens, title and interests existing against the Property heretofore held by, or in favor of, the Primary Lender and such former rights, claims, liens, title and interests, if any, are not waived but rather are continued in full force and effect in favor of Lender and are merged with the lien and security interest created herein as cumulative security for the repayment of the Note and the performance and discharge of Borrower's obligations under this Security Instrument. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums advanced to protect the security of this Security Instrument; and (c) the performance of the Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in [REDACTED]

See Exhibit "A" attached hereto and made a part hereof.

Tax ID # [REDACTED]

which has the address of: [REDACTED] ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances and 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 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.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal.

Borrower shall pay when due the principal of the debt evidenced by the Note.

2. Borrower Not Released; Forbearance by Lender Not a Waiver.

Extension of the time of payment 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 of remedy shall not be a waiver of or preclude the exercise of any right or remedy.

3. 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. 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.

4. 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: **Department of Housing and Urban Development, Attn: Single Family Notes Branch, 451 Seventh Street, SW, Washington, DC 20410 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.

5. 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 the Security Instrument and the Note are declared to be severable.

6. Borrower's Copy.

Borrower shall be given one conformed copy of the Note of this Security Instrument.

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

7. Acceleration; Remedies.

Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration

under Section 3 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 7, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Trustee shall give notice of sale by public advertisement in the county in which the Property is located for the time and in the manner provided by applicable law, and Lender or Trustee shall mail a copy of the notice of sale to Borrower in the manner provided for in paragraph 4. Trustee without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and under the terms designated in the notice of sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustees' deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it. If the Property is sold pursuant to this paragraph 7, Borrower, or any person holding possession of the Property through Borrower, shall immediately surrender possession of the Property to the purchaser at the sale. If possession is not surrendered, Borrower or such person shall be a tenant at will of the purchaser and hereby agrees to pay the purchaser the reasonable rental value of the Property after sale.

If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under the paragraph 7 of the Subordinate Note, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 USC 3571 et seq) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to Lender under this paragraph or applicable law.

8. Release.

Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Lender may charge such person or

persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law.

9. Substitute Trustee.

Lender, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Security Instrument is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

10. Waivers.

Borrower waives all right of homestead, equity of redemption, statutory right of redemption and relinquishes all other rights and exemptions of every kind, including, but not limited to, a statutory right to an elective share in the Property.

11. Application of Payments.

If any portion of the amounts intended to be secured by this Security Instrument cannot be lawfully secured by this Security Instrument, payments will be applied first to discharge that portion.

12. Release of Primary Lien.

Borrower expressly authorizes Primary Lender, or any successor or assign thereof, including, without limitation, any loan servicer, to condition the release of any or all of the liens securing the Primary Loan on Borrower's payment in full of the Note. Borrower expressly agrees that the payoff amount for the Note may be included on the settlement statement for the payoff of the Primary Loan.

Borrower Initial Lines

* Please add the appropriate number of initial lines for each signatory over 4

Exhibit "A"

ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE [REDACTED]
[REDACTED] AND BEING DESCRIBED AS BEING THE [REDACTED]
[REDACTED]
ADDITION, ACCORDING TO THE PLAT RECORDED IN [REDACTED] [REDACTED] OW
KNOWN AS [REDACTED]

FHA Case Number: [REDACTED]

SUBORDINATE NOTE

Date: June 21, 2011

Property Address: [REDACTED]

1. Parties

"Borrower" means each person signing at the end of this Note, and the Person's successors and assigns. "Secretary" or "Lender" means the Secretary of Housing and Urban Development and its successors and assigns.

2. Borrower's Promise to Pay

In return for a loan received from Lender, Borrower promises to pay the principal sum of **nine-thousand-one-hundred-fifty dollars and thirty-five cents** (US \$9,150.35) to the order of the Lender.

3. Promise to Pay Secured

Borrower's promise to pay is secured by a mortgage, deed of trust, or similar instrument that is dated the same date as this Note and called the "Security Instrument." This Security Instrument protects the Lender from losses which might result if Borrower defaults under this Note.

4. Manner of Payment**A. Time**

On **10/1/2037** or, if earlier, when the first of the following events occurs:

- i. Borrower has paid in full all amounts due under the primary Note and related mortgage, deed of trust or similar Security Instruments insured by the Secretary, or
- ii. The maturity date of the primary Note has been accelerated, or
- iii. The primary Note and related Mortgage, Deed of Trust, or similar Security Instrument are no longer insured by the Secretary, or
- iv. The property is not occupied by the purchaser as his or her principal residence.

B. Place

Payment shall be made at U.S. Department of HUD, c/o C & L Service Corporation 2488 East 81st Street, Suite 700 Tulsa, OK 74137 or any such other place as Lender may designate in writing by notice to Borrower.

5. Borrower's right to Repay

Borrower has the right to pay the debt evidenced by this Note, in whole or in part, without charge or penalty. If Borrower makes a partial prepayment, there will be no changes in the due date or in the amount of the monthly payment unless Lender agrees in writing to those changes.

6. Waivers

Borrower and any other person who has obligations under this Note waive the rights to presentment and notice of dishonor. "Presentment" means the right to require Lender to demand payment of the amounts due. "Notice of dishonor" means the right to require Lender to give notice to other persons that amounts due have not been paid.

7. Obligations of Persons Under This Note

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. Lender may enforce its rights under this Note against each person individually or against all signatories together. Any one person signing this Note may be required to pay off the amount owed under this Note.

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

BORROWER

[Redacted Signature]

Date

[Redacted Signature]

Date



Midland Mortgage Co. Delinquency Assistance Center

P.O. Box 268806 Oklahoma City, Oklahoma 73126
Tel 800-552-3000 FAX 405-767-5815 www.MyMidlandMortgage.com

CERTIFICATION OF CONDITION

Loan Number: [REDACTED]

Property Address: [REDACTED]

By signing this, I (we) certify that the property, which is the subject of this loan, has no physical conditions that will adversely affect the continued use of the property or interfere with my (our) ability to maintain the monthly mortgage payments.

BORROWER

[REDACTED] _____

_____ Date

[REDACTED] _____

_____ Date

Loan ID [REDACTED]



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BANKRUPTCY CERTIFICATION

Loan Number: [Redacted]

Property Address: [Redacted]

By signing this, I (we) certify that the debt associated with this Loan has not been discharged in a bankruptcy case and that I (we) am not currently involved in an active bankruptcy case.

BORROWER

[Redacted]

Date

[Redacted]

Date

Loan ID: [Redacted]