

The Protective Insurance Payments Demonstration

Volume III - Appendices

HUD-002275

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VOLUME III - FINAL REPORT

Appendices

The Protective Insurance Payments Demonstration

A Temporary Mortgage Assistance Program

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For

U.S. Department of Housing and Urban Development

The Office of Policy Development and Research

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"The research and studies forming the basis for this report were conducted pursuant to a contract with the Department of Housing and Urban Development (HUD). The statements and conclusions contained herein are those of the contractor and do not necessarily reflect the views of the U.S. Government in general or HUD in particular. Neither the United States nor HUD makes any warranty, expressed or implied, or assumes responsibility for the accuracy or completeness of the information herein."

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APPENDIX A
DATA COLLECTION FORMS

PIP DEMONSTRATION PROGRAM
MORTGAGOR APPLICATION FORM

PRIVACY ACT OF 1975 (PL 93-579) STATEMENT

HUD Protective Insurance Payments (PIP) Demonstration Program

Mortgage Servicer Questionairs

- Authority - Sections 501 and 502 of the National Housing Act
- Purpose - The information requested in the form is to be used by the United States Department of Housing and Urban Development for determining the mortgagor's eligilbity for participation in the PIP Demonstration Program (a default and delinquency counseling program designed to assist unsubsidized homeowners in default).
- Use - This information will not be disclosed outside of the Department without your consent. Under some circumstances, the Department may be required by law to disclose this information to the mortgagor.
- Penalty - You will not be penalized for failure to provide this information.

DISCLOSURE OF THIS INFORMATION IS VOLUNTARY

PRIVACY ACT OF 1974 (PL 93-579) STATEMENT
HUD PROTECTIVE INSURANCE PAYMENTS (PIP) DEMONSTRATION PROGRAM

MORTGAGOR APPLICATION FORM

- Authority - Sections 501 and 502 of the National Housing Act
- Purpose - The information requested is to be used by the United States Department of Housing and Urban Development for determining the respondent's eligibility for participation in the PIP demonstration program (a default and delinquency counseling program designed to assist unsubsidized homeowners in default).
- Use - This information will not be disclosed outside the Department without your consent.
- Penalty - You will not be penalized for failure to provide this information.

DISCLOSURE OF THIS INFORMATION IS VOLUNTARY

DECLARACION DEL ACTA DE PRIVACIDAD DE 1974 (PL 93-579)
PROGRAM DE DEMONSTRACION DE PAGOS DEL SEGURO PROTECTOR (PSP) DEL DEPARTAMENTO DE VIVIENDA Y DESARROLLO URBANO

APLICACION DEL DEUDOR HIPOTECARIO

- Autoridad - Secciones 501 y 502 del Acta Nacional de Vivienda.
- Proposito - La información solicitada es para ser usada por el Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos en determinar la elegibilidad del respondiente para participar en el Programa de Demostración de Pagos del Seguro Protector (un programa Consejero en casos de incumplimiento o negligencia diseñado para asistir a aquellos propietarios de casas sin subsidio en negligencia).
- Uso - Esta información no se revelará fuera del Departamento sin su consentimiento.
- Penalidad - Usted no será penalizado por no proveer esta información.

REVELACION DE ESTA INFORMACION ES VOLUNTARIA

Acknowledged: _____

FEDERAL EQUAL CREDIT OPPORTUNITY ACT STATEMENT
HUD PROTECTIVE INSURANCE PAYMENTS (PIP) DEMONSTRATION PROGRAM

MORTGAGOR APPLICATION FORM

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of sex or marital status. The Federal agency which administers compliance with this law concerning the United States Department of Housing and Urban Development is the Federal Trade Commission, Washington, D.C.

DECLARACION DEL ACTA FEDERAL DE IGUALDAD DE OPORTUNIDAD DE CREDITO

PROGRAMA DE DEMONSTRACION DE PAGOS DEL SEGURO PROTECTOR (PSP) DEL DEPARTAMENTO DE VIVIENDA Y DESARROLLO URBANO

APLICACION DEL DEUDOR HIPOTECARIO

El Acta Federal de Igualdad de Oportunidad de Crediot prohíbe a los acreedores el discriminar en contra de aplicantes a credito basado en su sexo o estado civil. La Agencia Federal que administra el cumplimiento de esta ley, en lo que respecta a el Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos es la Comision Federal del Comercio en Washington, D.C.

Acknowledged: _____

My name is _____ and I would like to complete this questionnaire as part of a government program designed to assist some homeowners in default. The information is to determine eligibility to participate in the program. The sheet I am giving you describes the purpose of the questionnaire, the use and confidentiality of the data, and the fact that your answers to the questions are voluntary. (Hand respondent PRIVACY ACT STATEMENT and the FEDERAL EQUAL CREDIT OPPORTUNITY ACT STATEMENT.)

1. When did you move into your house? 19 (44)
Year

2. Is it the only house you own? (45)
Yes . . . 1
No . . . 2

IF NO, specify: _____

3. Is it a one-family house? (46)
Yes . . . 1
No . . . 2

4. Did you obtain a new mortgage or did you take over the previous owner's mortgage when you bought the house? (47)
New Mortgage . . . 1
Took Over Mortgage 2

IF TOOK OVER MORTGAGE,

4a. Is the deed to the house in your name? That is, are you the owner of record? (48)
Yes . . . 1
No . . . 2

4b. Have you refinanced since taking over the mortgage? (49)
Yes . . . 1
No . . . 2

5. Are there any other mortgages, second trusts, home improvement loans, or other liens on this house? (50)
Yes . . . 1
No . . . 2

IF YES, (specify)

Other mortgages \$ _____ (55)

Home Imp. Loans \$ _____ (60)

Other liens \$ _____ (65)

6. What was the value of your house when you purchased it?
(Best estimate) \$_____ (70)

6a. What is the present value of your house?
(Best estimate) \$_____ (75)

7. How many months are you behind in your payments?
Months (77)

Card (6)

8. Have you tried to make partial payments? (7)

Yes	1	<input type="checkbox"/>
Yes, but not accepted	2	<input type="checkbox"/>
No	3	<input type="checkbox"/>

IF YES,

8a. How many partial payments have you made?
Number of partial payments (8)

8b. What was the FIRST month that you made a partial payment?
 19 (12)
Month Year

8c. What was the amount of the partial payments?
(determine average monthly partial payment)
\$_____ (15)

9. How many people are living in the household?
People (16)

9a. How many of these are children?
Children (17)

9b. How many of these are children 5 years old and under?
Children under 5 years (18)

9c. Who is the head of household? (19) (Indicate sex and year of birth.)

Male 1
 Female 2

Date of birth: 19 (23)
 Month Year

9d. How many years of school did (you) the head of household complete? (24)

0 - 6 years 1
 7 - 8 years 2
 High School 1-3 . . . 3
 High School 4 4
 College 1-3 5
 College 4 6
 Graduate School . . . 7

10. What is your (head of household) occupation?

(26)

10a. (If married) What is your spouse's occupation?

(28)

11. Are you currently employed?

Head Spouse

	(29)	(30)
Fully employed 1	<input type="checkbox"/>	<input type="checkbox"/>
Part-time employed . . 2	<input type="checkbox"/>	<input type="checkbox"/>
Under-employed 3	<input type="checkbox"/>	<input type="checkbox"/>
Unable to work 4	<input type="checkbox"/>	<input type="checkbox"/>
Unemployed 5	<input type="checkbox"/>	<input type="checkbox"/>

IF FULLY EMPLOYED, SKIP TO QUESTION 13.

IF NOT (FULLY) EMPLOYED: (If both head and co-mortgagor are unemployed, enter data for household head.)

11a. How long unemployed (partially employed)?

Months (32)

11b. How long did you hold your last job? (33)
(If more than one year, skip to Question 12.)

Less than one year . . . 1
One to two years . . . 2
Two to four years . . . 3
Five years or more . . . 4

IF LESS THAN ONE YEAR,

11c. What kind of work were you doing before that?

11d. For how long did you hold that job? (34)

Less than one year . . . 1
More than one year . . . 2

12. Are you actively looking for work? (35)

Yes . . . 1
No . . . 2

12a. Are you (or co-mortgagor) collecting unemployment payments?(36)

Yes, Head alone receiving unemployment 1
Yes, co-mortgagor alone receiving unemployment 2
Yes, both head and co-mortgagor receiving unemployment . 3
No 4

IF NO,

12b. For what reason do you not qualify?(37)

Payments ran out 1
Not employed long enough . . . 2
Self-employed 3
Other, specify 4

13. Compared to this time last year, is your family income higher, lower, or about the same? (38)

Higher 1
 Lower 2
 About the same 3

13a. For all mortgagors interested in the program, we need to know monthly income from all sources.

MONTHLY INCOME

What is (your)	NOW	PREVIOUS (if higher)
(mortgagor) monthly base pay	\$ _____ (42)	\$ _____ (46)
(mortgagor) other earnings	\$ _____ (50)	\$ _____ (54)
(co-mortgagor) monthly base pay	\$ _____ (58)	\$ _____ (62)
(co-mortgagor) other earnings	\$ _____ (66)	\$ _____ (70)
Other family income	\$ _____ (74)	\$ _____ (78)
Any other income? (specify)		Card <input type="checkbox"/> 3 (6)
unemployment compensation	\$ _____ (9)	\$ _____ (12)
union/supplementary payments	\$ _____ (15)	\$ _____ (18)
welfare benefits	\$ _____ (21)	\$ _____ (24)
Other income	\$ _____ (27)	\$ _____ (30)
TOTAL AVERAGE MONTHLY INCOME	\$ _____ (34)	\$ _____ (38)

IF INCOME NOW LOWER,

13b. Within how many months do you expect your income to reach its previous level?

Months (40)

13c. Why do you think that is so? (Probe)

(41)

14. Compared to this time last year, are your housing expenses higher, lower, or about the same? (42)

Higher 1
 Lower 2
 About the same . . 3

14a. About how much are your monthly

AVERAGE EXPENSES

	<u>NOW</u>	<u>PREVIOUS</u> (if higher)
FHA mortgage payment (including taxes and insurance)	\$ _____ (45)	\$ _____ (48)
Gas and electricity	\$ _____ (51)	\$ _____ (54)
Water, sewer and garbage	\$ _____ (56)	\$ _____ (58)
Oil	\$ _____ (61)	\$ _____ (64)
Maintenance and repair	\$ _____ (66)	\$ _____ (68)
Other housing costs (specify) _____	\$ _____ (71)	\$ _____ (74)
TOTAL HOUSING EXPENSES	\$ _____ (77)	\$ _____ (80)

IF HOUSING EXPENSES HIGHER NOW,

Card (6)

14b. Do you expect these expenses to be substantially reduced within the next 12 months? (7)

Yes 1
 No 2

IF YES, Why? (Probe)

(8)

15. We have been talking about expenses for your house. Would you say your other expenses are higher, about the same, or lower than they were at this time last year? (9)

Higher 1
 About the same 2
 Lower 3

15a. Have you had any unusually large expenses recently?
 (medical, dental, funeral, casualty, legal, etc.)

Type: _____ (10) \$ _____ (15)
 Type: _____ (16) \$ _____ (21)

15b. Do you have any other regular monthly payments, such as loans, debts, car payments, child support, insurance payments? (Specify)

	<u>NOW</u>	<u>PREVIOUS</u>
Car payments	\$ _____ (24)	\$ _____ (27)
Other installment	\$ _____ (30)	\$ _____ (33)
Loans	\$ _____ (36)	\$ _____ (39)
Medical, life insurance	\$ _____ (42)	\$ _____ (45)
Child support	\$ _____ (48)	\$ _____ (51)
Other _____	\$ _____ (54)	\$ _____ (57)
TOTAL RECURRING EXPENSES	\$ _____ (61)	\$ _____ (65)

15c. Do you have any other loans or debts?

\$ _____ (70)

IF RECURRING EXPENSES ARE HIGHER,

15d. Do you expect these expenses to be substantially reduced within the next 12 months? (71)

Yes 1
 No 2

15e. IF YES, Why? (Probe)

(72)

16. Do you have any assets that are readily converted to cash (73)
(such as savings accounts, life insurance, stocks, etc.)?

Yes . . . 1
No . . . 2

IF YES, (Specify)

Card 5 (6)

Type: (7) \$ _____ (11)

Type: (12) \$ _____ (16)

TOTAL ESTIMATED VALUE \$ _____ (20)

17. Have you contemplated seeing a lawyer with regard to personal bankruptcy
action? (21)

Yes . . . 1
No . . . 2

IF YES,

17a. Are you now involved in any bankruptcy action? (22)

Yes . . . 1
No . . . 2

18. What would you say is the primary reason for not making your mortgage
payments? (Probe) (23)

18a. When do you believe you would be able to resume making full mortgage
payments again? (Probe)

Months (25)

19. If you were accepted into an experimental program to assist homeowners who have fallen behind in their mortgage payments, would you be willing to attend regular counseling sessions for homeowners who have financial difficulties? (26)

Yes	1	<input type="checkbox"/>
Maybe	2	<input type="checkbox"/>
No	3	<input type="checkbox"/>
Don't know	4	<input type="checkbox"/>

THAT COMPLETES THE QUESTIONS. THANK YOU VERY MUCH.

COMMENTS _____

INTERVIEWER'S COMMENTS

A. Length of Interview: (27)

0 - 10 minutes	1	<input type="checkbox"/>
10 - 20	2	<input type="checkbox"/>
20 - 30	3	<input type="checkbox"/>
30 - 35	4	<input type="checkbox"/>
45 - 60	5	<input type="checkbox"/>
60+	6	<input type="checkbox"/>

B. Race, or Ethnic Affiliation: (28)

White	1	<input type="checkbox"/>
Black	2	<input type="checkbox"/>
Spanish-American	3	<input type="checkbox"/>
Other	4	<input type="checkbox"/>

C. Was Respondent Cooperative? (29)

Yes	1	<input type="checkbox"/>
No	2	<input type="checkbox"/>

D. General Comments on Interview:

E. Recommended Action: (30)

PIP and Counseling	1	<input type="checkbox"/>
PIP	2	<input type="checkbox"/>
Counseling	3	<input type="checkbox"/>
Control	4	<input type="checkbox"/>
Rejection	5	<input type="checkbox"/>

IF REJECTED, code primary reason why:

(31)

(BOEING USE ONLY) 1 (6)

Card 2 (6)

PIP DEMONSTRATION PROGRAM U.S. Department of Housing and Urban Development Washington, D. C. 20410	Return to: THE BOEING COMPANY P.O. Box 3999, Mail Stop 87-13 Seattle, Washington 98124
MORTGAGE SERVICER DATA FORM	
1. FHA CASE NO. <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> (18) SERVICER LOAN NO. <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> (28) ▲ (Start here)	8. Mortgagor monthly income at inception. \$ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> , <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> . (10)
2. Mortgagor Zip: <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> (33)	9. Current monthly impounds (escrow): \$ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> . <input type="checkbox"/> <input type="checkbox"/> (15) Has there been a significant change in impounds in the last year? (16) Yes . . . 1 <input type="checkbox"/> No . . . 2 <input type="checkbox"/> IF YES, Previous monthly impounds: \$ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> . <input type="checkbox"/> <input type="checkbox"/> (21)
3. Mortgage Servicer Name: _____ Address: _____ HUD Servicer Code: <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> (38)	10. What is mortgagor's past payment record? (22) Best, never delinquent. . . 1 <input type="checkbox"/> Good, infrequently delinq.. 2 <input type="checkbox"/> Fair, occasionally delinq.. 3 <input type="checkbox"/> Poor, frequently delinq. . . 4 <input type="checkbox"/> Worst, a chronic delinq. . . 5 <input type="checkbox"/>
4. Mortgagee (if other than servicer) Name: _____ Address: _____ HUD Mortgagee Code: <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> (43)	11. Date of oldest unpaid installment: <input type="checkbox"/> <input type="checkbox"/> 19 <input type="checkbox"/> <input type="checkbox"/> (28) Mo Day Yr
5. Mortgage data Mortgage amount at inception: \$ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> , <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> (48) Interest rate: <input type="checkbox"/> <input type="checkbox"/> . <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> % (53) Term (no. of months): <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> (56) Monthly payment, P&I: \$ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> . <input type="checkbox"/> <input type="checkbox"/> (28) Due date- 1st payment: <input type="checkbox"/> <input type="checkbox"/> 19 <input type="checkbox"/> <input type="checkbox"/> (67) Mo Day Yr	12. Have partial payments been made? (29) Yes . . . 1 <input type="checkbox"/> No . . . 2 <input type="checkbox"/> IF YES, Average monthly partial payment: \$ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> . <input type="checkbox"/> <input type="checkbox"/> (34)
6. Is mortgage part of GNMA pool? (68) Check. Yes . . . 1 <input type="checkbox"/> No . . . 2 <input type="checkbox"/> IF YES, Are both principal and interest passed through? (69) Yes . . . 1 <input type="checkbox"/> No . . . 2 <input type="checkbox"/>	13. Balance on FHA mortgage: \$ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> , <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> . <input type="checkbox"/> <input type="checkbox"/> (41)
7. Property value at inception: \$ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> , <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> . (74)	14. Amounts foreborne Total interest foreborne: \$ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> . <input type="checkbox"/> <input type="checkbox"/> (46) Total impounds foreborne: \$ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> . <input type="checkbox"/> <input type="checkbox"/> (51) Late charges accrued: \$ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> . <input type="checkbox"/> <input type="checkbox"/> (56) Other amounts accrued: \$ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> . <input type="checkbox"/> <input type="checkbox"/> (61) TOTAL amounts foreborne: \$ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> . <input type="checkbox"/> <input type="checkbox"/> (67)
15. Please indicate date form prepared: <input type="checkbox"/> <input type="checkbox"/> 19 <input type="checkbox"/> <input type="checkbox"/> (73) Mo Day Yr	

Mortgagor: Name: _____
 Address: _____

Tear off
and destroy

MORTGAGE MODIFICATION DATA FORM

Boeing Control Number: 1 (6)

Mortgage Amount at Inception: \$, . (11)

Interest Rate: . % (16)

Term (No. of Months): (19)

Monthly Payment, P&I: \$. (24)

Due Date - - 1st Payment: 19 (30)
Mo. Day Yr.

Date of Final PIP Payment: 19 (36)
Mo. Day Yr.

As of That Date:

Balance on FHA Mortgage: \$, . (43)

Interest Forborne: \$. (48)

Impounds Advanced & Paid: \$. (53)

Other Amounts Accrued: \$. (58)

PIP Advances: \$, . (64)

Total Mtgr. Obligation: \$, . (71)

Card 2 (6)

Date of Mortgage Modification: 19 (12)
Mo. Day Yr.

Due Date of 1st Payment Under Modification: 19 (18)
Mo. Day Yr.

Legal Interest Rate Permitted - - 2nd Mtgs.: . % (23)

Monthly Gross Family Income at Modification: \$, . (27)

Monthly Payments to R.E. Taxes & Hazard Insurance at Modification: \$. (32)

Date This Form Prepared: 19 (38)
Mo. Day Yr.

Prepared by: _____

APPENDIX B

SEMINAR FOR MORTGAGE SERVICERS AND COUNSELING AGENCIES

SEMINAR FOR MORTGAGE SERVICERS
AND COUNSELING AGENCIES

This document contains the text of the seminar conducted for participating mortgage servicers and counseling agencies. The presentation was made by the contractor in Atlanta, Los Angeles and Philadelphia prior to implementation of the demonstration. A slide projector was used during the seminar to aid in emphasizing key points, outlining roles and responsibilities and illustrating procedures. Each page contains text of the presentation followed by the applicable slide.

**PROTECTIVE
INSURANCE
PAYMENTS**

Demonstration Program

PROTECTIVE INSURANCE PAYMENTS

Good morning (afternoon) ladies and gentlemen. The subject for this briefing is, as you can see, the Protective Insurance Payments—or PIP—program.

PIP is a government-generated, secondary-financing program for certain FHA insured homeowners in default. I will be explaining it in detail in a few minutes, but first let's look at what we'll be covering in this briefing.

Today you will get a detailed overview of the PIP program: what it will do; the theory behind it; and your various roles in operating PIP—particularly during the demonstration project.

At the end of the briefing, each of you will receive a full text of this presentation complete with illustrations, so that note taking can be minimized. Our objective here is to convey to you a clear understanding of the program and how it will work. The operation of the demonstration is straightforward—following directly from the logical “next-steps” of the cases as they develop.

AGENDA

- Introduction
- Protective Insurance Payments
 - What it is
 - Objectives
 - How it works
 - Principal advantages
 - PIP in future home financing

OK! –Here are the topics we will be discussing for the rest of the briefing—First, we will discuss the Protective Insurance Payments concept itself—what it is, what it can do; how it will achieve these objectives; its benefits to all parties involved in home financing; and potential impact on home financing in the years ahead.

3

AGENDA

- **Introduction**
- **Protective Insurance Payments**
- **PIP Demonstration Program**
 - Research background
 - Study objectives
 - Demonstration plan

4

Next, I will cover the PIP demonstration program we are beginning and will be operating over the next 36 months or so. You will want to understand the background of the program, what we are trying to prove, and how we plan to conduct the scientific study.

5

AGENDA

- Introduction
- Protective Insurance Payments
- PIP Demonstration Program
- Coffee Break

6

That should bring us to the halfway point in the briefing and provide a convenient stopping place for a short 15-minute break.

7

AGENDA

- Introduction
- Protective Insurance Payments
- PIP Demonstration Program
- Coffee Break
- Who Does What
 - Servicers
 - D&D counselors
 - Mortgagees
 - Mortgagors
 - HUD office

8

When we return, we will get into the specific roles and responsibilities of each of the organizations and parties represented here.

9

AGENDA

- Introduction
- Protective Insurance Payments
- PIP Demonstration Program
- Coffee Break
- Who Does What
- Recap
- Questions--Answers

10

And finally we will summarize the program once more and welcome your further questions.

11

PROTECTIVE INSURANCE PAYMENTS

- What it is
- Objectives
- How it works
- Principal advantages
- PIP in future home financing

12

As I indicated earlier, the Protective Insurance Payments (PIP) program is a governmental-generated, secondary-financing program for unsubsidized, FHA insured homeowners in default. The PIP program, very simple, is a program where (providing a mortgagor meets the criteria) the mortgagee forbears for 90 days; HUD makes payments for up to 12 months; and the mortgage is then recast over a reasonable period of time to keep the mortgage payments at a level that will give assurance that the mortgagor will be able to make the payments. The PIP program has been designed to provide temporary, secondary, financing for homeowners: (1) who have sustained a substantial reduction in gross family income due to unemployment or other similar occupationally related causes and (2) who have a reasonable prospect of substantial restoration of regular income levels. --Sounds very nice, but why do we need to expand the service we're already providing to homeowners? The answer, of course, is the key to whether PIP will be a useful tool in helping all of you to get the most benefit from the home financing industry.

Let's go back and look at that definition I just gave you in some detail and then we can relate the program to some problems intrinsic in the present system that you've all seen.

13

“GOVERNMENTALLY GENERATED---”

**Developed, sponsored, operated,
and financed by HUD**

14

The PIP program, evolved under contract with HUD, recognizes the need for a solution to a set of serious problems that can best be worked at the federal government level.

15

***“--for Sections 203(b), 221(d)(2)
mortgages--” insured homeowners--”***

Program applies to unsubsidized

FHA insured mortgages—

16

The PIP program applies to the regular, unsubsidized FHA-insured mortgages—not those where the homeowner's payments are subsidized by the government.

17

“HOMEOWNER'S IN DEFAULT---”

First missed payment	March 2	Delinquent
Second missed payment	April 2	Default
Third missed payment	May 2	30 days default

18

The conventional terminology applied to unpaid mortgage installments is shown here and is used in the PIP program and this briefing.

19

***“--TEMPORARY, SECONDARY,
FINANCING---”***

Temporary – Assistance over a maximum of a year

Secondary – Operates like a second mortgage

20

These terms that relate to program duration, and claim priority, are defined as shown on this slide. They are what you would expect but I wanted to remove any questions.

21

***“--SUBSTANTIAL REDUCTION
IN GROSS FAMILY INCOME--”***

Judgmental, but reasonably could
have caused the default.

22

Deciding how much of an income reduction would "qualify" applicants for participation is an area for judgment based on the circumstances in each case. Obviously, the program is not intended to be triggered by the effects of inflation or the loss of a paperboy's income when he moves out of the home. On the other hand, it is not necessary for the homeowner to be on the verge of bankruptcy to qualify for coverage. I will be discussing qualifying thresholds later.

23

***"--REASONABLE PROSPECT OF
SUBSTANTIAL RESTORATION OF
REGULAR INCOME LEVELS."***

Judgmental—based on occupational history,
attitude, commitment, employment market,
and related factors.

24

Again in this area, predicting what will happen over the next year is a subjective decision process. We will talk about this later also.

25

The PIP program is a governmentally generated, secondary financing program for sections 203(b) and 221(d)(2) insured homeowners in default. The PIP program has been designed to provide temporary, secondary, financing for such homeowners: (1) who have sustained a substantial reduction in gross family income due to unemployment, under-employment or other similar occupationally related causes; and (2) who have a reasonable prospect of substantial restoration of regular income levels.

26

“The PIP program is a governmentally-generated, secondary-financing program for sections 203(b) and 221(d) (2) insured homeowners in default. The PIP program has been designed to provide temporary, secondary, financing for such homeowners: (1) who have sustained substantial reduction in gross family income due to unemployment, under-employment or other similar occupationally related causes; and (2) who have a reasonable prospect of substantial restoration of regular income levels within a reasonable time.”

Remember the question I raised earlier about the need for an expanded government role in home financing? Let's take a look at some of the significant facts which define the problem PIP is intended to solve.

27

PROBLEM

- 70,000 houses in inventory
- \$9,500 average loss per home
- Evicted homeowner/families

28

At one time recently, HUD had approximately 70,000 houses in inventory in various stages of processing—from repossession, through maintenance and repair, and on through resale.

On the average, each of these houses costs HUD around \$9,500 to return to its intended purpose. Considering the amount of abuse, neglect, and vandalism many of these houses receive before they are turned over to HUD, \$9,500 is not an unreasonable repossession, repair and resale cost; but it is a lot of money.

The repossession/restoration/resale cost is high, but most importantly those repossessions represent an evicted homeowner (usually with a family). What happens after eviction is commonly substandard living accommodations, sometimes at public expense.

The net result of all these conditions, which have previously been considered unavoidable features of the home financing industry and our society, is a whopping public debt item, a growing social problem, and a mortgage-banking industry problem that can only increase with the passage of time.

IMPORTANT CAUSES OF DEFAULT

- **Unemployment**
- **Underemployment**

Certainly unemployment and underemployment are important underlying causes of mortgage default. As you know they contain a common characteristic. In both cases there will have been a sudden substantial reduction in the amount of money coming into the home. However, we know from Employment Security insurance records that, in the majority of cases where an unemployed homeowner remains in the area, the period of unemployment lasts less than a year. These are the cases PIP is designed to help. The typical delinquency-default-foreclosure cycle is usually completed in about a year. By systematically delaying this process until re-employment can occur, foreclosures can be prevented.

PIP OBJECTIVES

- Keep homeowners in homes
- Meet lender requirements
- Protect the property
- Lower overall cost to government
- More successful home buyers

The PIP program was developed around these objectives which are straightforward and easy to understand.

The first objective is clearly to keep homeowners living in the homes they bought. The whole function of federal assistance in home purchases is aimed at the same objective.

The lender, of course, must be protected in the process as it has every legal and moral right to insist on payment of mortgage installments. More importantly, I don't think any of us could afford the interest rates lenders would have to charge if additional forbearance requirements were added.

As most of you know, property that remains empty in a city for any reason carries a high vandalism risk. Add to this the negative community feelings toward the bank that evicted a family of valued friends and neighbors. In the world of reality we can expect to pay substantially for special security patrols; for a massive public relations effort; or for repairing the effects of neglect and abuse and even more important is that vacancies breed other vacancies and abandonments causing defaults to accelerate. Houses with families living in them fare considerably better—even though there may be less money available for home maintenance.

The PIP program is expected to significantly reduce the incidence of foreclosure through a system that saves the government more than it costs. I'm sure no one will object to the government spending less to provide better service.

The reason for the federal government to be in the home financing industry at all is because of its role in assuring the availability of adequate housing for citizens. To the extent the PIP program can prevent foreclosure it will assure more successful home buyers.

HOW PIP WORKS

When a homeowner defaults, PIP can prevent foreclosure for a full year, while restoring the lender's cash flow and assuring ultimate payback.

The design of the Protective Insurance Payments program uses the financial leverage available to protect the long-term interests of the homeowner—the lender—and the government. It guarantees the homeowner at least nine months-to-a-year of continued residency and ownership while new sources of income are being found and developed.

The government's interests are protected through improved performance in keeping homeowners in full possession of their homes: through reducing the need for maintaining and repairing repossessed homes; and through postponing or eliminating the need to pay off on defaulted mortgages.

The PIP program provides the equivalent of 9 total monthly payments over a maximum of 12 months because we want the defaulting homeowner to continue making partial payments from his/her own funds at least equivalent to the impounds on the home (monthly charges of taxes and insurance) where PIP payments operate as a supplement, or an assist to the homeowner, we feel personal involvement and responsibility will be retained.

The year's coverage is provided to support the mortgage repayment long enough for the homeowner to become reemployed and able to resume full payments.

Date	Amount forborne by mortgagee	HUD Advances	Comments
Jan. 1, 1977			Mortgagor makes last payment
Feb.	\$164.63		Mortgagor delinquent
Mar.	164.63		Mortgagor defaults
Apr.	164.63		Mortgagor in default 30 days
May		\$164.63	PIP program triggered
June		164.63	
July		164.63	
Aug.		164.63	
Sep.		164.63	
Oct.		164.63	
Nov.		164.63	
Dec.		164.63	Mortgagor income restored
Jan. 1, 1978		164.63	Last PIP payment made
Totals	\$493.89	\$1,481.67	

Original loan of \$20,460 at 9%, 30 years; P&I payment of \$164.63 per month.
Loan balance 3 years later of \$20,000

To give you a simplified overview of what will be happening to default cases under the PIP program, let's work through a typical example.

As an example of recasting, a loan of \$20,460 at 9% for 30 years would have a P + I of 164.63 per month. The loan balance at the end of 3 years would be \$20,000. Assuming that a mortgagor at this time, 3 years after securing the loan, is temporarily unable to continue full payments but does make partial payments in the amount of the impounds, we would have this situation: (Read thru example) Assuming the mortgagor is able in January 1978 to resume payments, the mortgage will be recast on the following basis:

37

Mortgage principal balance 1-1-78	\$19,864.42
Plus	446.95 (deferred interest)
For a total of	<u>\$20,311.37</u>
Recast over remaining mortgage term (26 years)	168.73 (new P&I payment)
Balance due HUD	\$1,481.67
Repaid at note interest over 5 years minimum,	30.76 (+MIP)
Up to life of mortgage (26 years)	12.31 (+MIP)
dependent on shelter cost/income ratio.	
Servicing fee (3/8 of 1%) is based on total of	
new principal balance and HUD advances	\$21,793.04

38

This is an example of how, at least for purposes of the demonstration, recasting will be accomplished.

(Read thru example)

The mortgage principal balance on January 1, 1978 is \$19,864.42 after crediting the PIP payments to the payments due February 1 through October 1. The balance to be recast is that amount plus \$446.95 in deferred interest (October, November, and December). That amount \$20,311.37 is now recast over the remaining 26 years of the original mortgage term—producing a monthly P & I payment of \$168.73. The \$1,481.67 balance owing HUD is scheduled for repayment over a variable period from 5 years (\$30.76 per month + M.I.P) to the remaining original mortgage term—26 years in this case (\$12.31 per month + M.I.P). The determining factor for the term used will be the maintenance of an acceptable shelter cost/income ratio.

The servicing fee paid on the amount owed HUD will be calculated at the rate of $\frac{3}{8}$ of 1% per annum on the unpaid balance.

PRINCIPAL ADVANTAGES

Homeowner --

- Reduced mortgage payments during period of reduced income
- Postponement of possibility of foreclosure
 - a place to live
 - help in preserving credit rating
- Extended payback period
- Same interest rate for new debt

As you can see, there are some definite advantages to the homeowner for having the PIP program available if it is needed. While the homeowner's income is lower, the program provides some (not total) relief in the cost of housing. It removes the urgency from the question of whether to sell the house to preserve the homeowner's credit rating.

It eliminates the need to seek commercial second mortgage money (at higher interest rates) to remain solvent; and it permits longer payback periods than are normally extended under conventional mortgage industry practices.

PRINCIPAL ADVANTAGES

Lender--

- Maintains cash flow
- Eliminates/postpones need for foreclosure
- If successful, avoids nonrecoverable costs of foreclosure
- If unsuccessful, foreclosure action can still be initiated

For the lender, the PIP program basically guarantees the resumption of normal cash flow for about a year and the eventual repayment of the mortgage plus accrued interest. This is in return for the lender's agreement to forbear on his right to foreclose to recover the three missed payments. If the homeowner's income can be restored, the lender avoids the costly process of foreclosure altogether. If not, the lender's position is not weakened in any way and he can take whatever legal steps he feels are necessary at the end of coverage under the PIP program.

The Future of the Protective Insurance Payments Program

The PIP program concept can become a major improvement to the home financing process providing more flexibility for the borrower and more safety for the lender's investment.

When this demonstration program is completed, we anticipate the final form of the program will be expanded to a nationwide scope covering conventional and V.A. loans as well as FHA insured. Its low cost and obvious benefits to all parties indicate early and enthusiastic acceptance.

PIP isn't going to make losing income a pleasant experience for anyone, but it can make the impact of temporary unemployment less damaging to the homeowner and the lender.

45

AGENDA

PIP Demonstration Program

- Research background
- Study objectives
- Demonstration plan

46

At the beginning of this presentation I indicated that the PIP demonstration program would be discussed. The topics that will be covered now are shown here.

What gave rise to the demonstration program.

What we are going to test, and

Exactly how we are going to test it.

47

PROBLEMS

- High foreclosure rate
- Large FHA home inventory
- \$9,500 loss per home

48

HUD has recognized for some time the three basic problems shown here and engaged a team of researchers to develop a way of attacking these problems. The PIP program I have described to you is the result of the research study.

One of the key features of the PIP program solution to the problem is the economic leverage available which allows operating in low-cost or perhaps a breakeven mode. This is possible because of the fewer foreclosures which may be expected (statistically) and therefore the fewer \$9,500 losses that will be absorbed. In addition the longer a house stays out of foreclosure the more its resale value appreciates with economic expansion (or inflation if you prefer).

By delaying the turnover date as much as a year it may be that the increase in resale price is greater than the additional investment HUD will have advanced. During a period of 6%/year inflation a \$20,000 house could be expected to increase in price by 6% or \$1,200. This is the same kind of house used in the earlier example where HUD's maximum supplement was less than \$1,500.

Theory _____

_____ Design

Test

The theory behind the PIP program has been developed through a six month research effort by a team of consultants composed of economists, financial experts and behavioral scientists. The design of the PIP program was developed by this team - not in some think tank - but through discussions with dozens of mortgage servicers; homeowners in default in various parts of the country; mortgage lending officials; counselors; and representatives of HUD. In addition the study included statistical analyses of USES data on reemployment rates and default file searches.

The logical next step in the evolution of the PIP program is to gain some operating experience. The plan is now being installed in three cities as part of a scientifically controlled experiment to collect data under real operating conditions.

51

PIP Demonstration Project

SELECTED CITIES

Los Angeles

Atlanta

Philadelphia

52

The three locations shown here are those that will be used for this demonstration project. The demonstration will involve a controlled variety of default cases in each of these cities. The result of the application of the PIP program to certain of the cases will be carefully analyzed to evaluate the program's effectiveness as an industry tool in reducing the incidence of defaults.

PIP Demonstration Project

MAJOR OBJECTIVES

1. To determine the extent to which this system of mortgage forbearance can reduce the incidence of foreclosures—and forced sales;

The major objectives of this demonstration project are shown in all their technical glory in this next series of slides. Without being held to precise semantic interpretations, I'd like to talk about each of them in terms of the practical results we need to know. In this way, you can better visualize how your organizations can contribute to the success of the project.

The first and most important objective is really to find out what percentage of foreclosure or forced-sale cases PIP can prevent. So far, the theory and statistical probabilities all point toward a successful program, now we need to know operationally what it can do.

55

PIP Demonstration Project

MAJOR OBJECTIVES

2. To determine whether the costs of operating or participating in the PIP program are exceeded by the benefits derived;

56

Based on the costs experienced on a large number of foreclosure/forced-sale cases, we can estimate fairly accurately the cost avoidance for each foreclosure that PIP prevents. We will be looking at records of the advances and administrative costs of operating the PIP system. We feel there will be a positive dollar value resulting from many of the cases. We hope it will be possible to offset most of the administrative costs with cost avoidance savings.

PIP Demonstration Project

MAJOR OBJECTIVES

3. To determine the effectiveness of utilizing delinquency and default counseling agencies to administer the program;

The effectiveness of the delinquency/default counselors in administering the PIP program and in counseling other delinquency/default cases who do not receive HUD payment supplements will be assessed and compared with the effectiveness of other methods of administering the program.

59

PIP Demonstration Project

MAJOR OBJECTIVES

4. To identify and analyze the inducements (if any) needed to secure servicer/investor participation in the program;

60

The design of the program does not impose a heavy burden on either the servicer or the lender and provides several substantial advantages to both. We will evaluate the need for additional benefits for the servicer that might be required during full scale operations.

61

PIP Demonstration Project

MAJOR OBJECTIVES

5. To determine secondary failure rates and analyze the variation of these data by various mortgage, and mortgagee characteristics;

62

We want to find out all we can about the PIP cases that are not fully successful to isolate any selection criteria changes necessary.

63

PIP Demonstration Project

MAJOR OBJECTIVES

6. To identify criteria that can be utilized by servicer/mortgagees to select mortgagors for forbearance assistance that have a low probability of experiencing secondary failure;

64

This objective flows directly from the last one. First we study the characteristics of successful and unsuccessful cases—then develop the selective criteria that improve the likelihood of success. This is not to say that only the cases that are almost sure to succeed will be accepted in the ultimate PIP program. However, a clearer understanding of the relative risks involved in applying PIP to different types of cases is a basic concern of the demonstration.

65

PIP Demonstration Project

MAJOR OBJECTIVES

7. To develop the legal and administrative documents needed to implement the PIP program and to identify state statutes that might limit the implementation of certain forms of mortgage forbearance and-

66

Among the various states, laws differ significantly in controlling the home mortgage industry and the loaning and repayment of money. We will identify and work any legal problems likely to be incurred in a national program.

67

PIP Demonstration Project

MAJOR OBJECTIVES

8. To analyze the soundness of the premium charged mortgagors for the advancement of PIP funds, and to analyze the feasibility of implementing a system of either mortgage forbearance or mortgage equity insurance under public, private, or joint auspices as an ongoing program.

68

This last objective is the final analysis of cost/benefit comparisons that will ultimately confirm the rates used in the demonstration as adequate or indicate any needed adjustment in lending rates to be used in the program.

69

Research Structure of the PIP Demonstration Project

70

The demonstration plan that has been developed to accomplish these applied research objectives is direct and straightforward, yet is scientifically controlled to permit precise measurement and statistically sound predictions in a full-scale application.

DEMONSTRATION DESIGN

PIP Payments

		Yes
<i>Delinquency/Default Counseling</i>	Yes	PIP Payments and Counseling

The demonstration plan is designed to compare performance results from four groups at each of the three cities. As you see here, the first group of cases will receive both PIP supplemental payment support and D&D counseling from one of the designated agencies.

DEMONSTRATION DESIGN

PIP Payments

	Yes	
Yes		
<i>Delinquency/Default Counseling</i>		
No		
	PIP Payments but No Counseling	

The second group of cases at each location will receive PIP supplemental payment support without any delinquency/default counseling.

DEMONSTRATION DESIGN

PIP Payments

		Yes	No
<i>Delinquency/Default Counseling</i>	Yes		Counseling but No PIP Payments
	No		

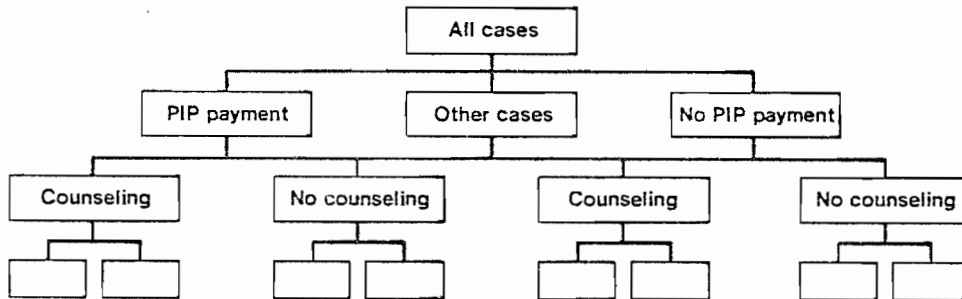
Another group of cases in each city will not receive PIP money but will get D&D counseling on how to get out of a financial bind.--

DEMONSTRATION DESIGN

PIP Payments

		Yes	No
<i>Delinquency/ Default Counseling</i>	Yes		
	No		No PIP Payments No Counseling

—and of course, in each location we will be documenting a group that will not be receiving either counseling or financial support. By carefully analyzing what happens among cases assigned to these cells—each large enough to achieve statistically significant and reliable data—we can evaluate the relative worth of PIP, administered in two different ways; and the attendant costs of each. The presence of this last group at each location is required to form a baseline and to calibrate anomalies that may exist in each city—it makes results from all three cities compatible.



Matrix of Outcome Measures

X ₁	X ₁	X ₁	X ₁	X ₁	X ₁	X ₁	X ₁
X ₂	X ₂	X ₂	X ₂	X ₂	X ₂	X ₂	X ₂
X ₃	X ₃	X ₃	X ₃	X ₃	X ₃	X ₃	X ₃
X ₄	X ₄	X ₄	X ₄	X ₄	X ₄	X ₄	X ₄

- X₁ Mean number of months delinquent
- X₂ Proportion of cases current
- X₃ Proportion of cases in foreclosure
- X₄ Mean dollars delinquent

This chart shows the total pattern of the research study. By filing, measuring, analyzing, and projecting the events that occur in each of these cells we can predict with statistically acceptable accuracy what will happen in a nationwide program of similar design.

81

SUMMARY

The PIP Demonstration Project

- Three cities – Los Angeles
Philadelphia
Atlanta
 - geographic dispersion
 - different local conditions
 - allow interpolation to a national program
- Follow-up to assure a “cure” not just a “delay”

82

The demonstration for the PIP program will determine the relative effectiveness of the different elements of the program and compare them with the existing procedures and methods of avoiding foreclosures. The principal elements of the demonstration are: to develop predictions of what will happen in a national PIP program taking into consideration geographic, economic, and other pertinent factors and to iron out any necessary adjustments to make the program work effectively. The demonstration project will, of course, allow us to monitor subsequent mortgagor actions long enough to assure that PIP provides a cure—not just a delay in foreclosure.

After the break, we will be discussing the specific roles of each of the agencies represented here in the PIP demonstration project. — But before we break up—are there any questions about the PIP program?

Are there any general questions about the demonstration project?

(BREAK)

83

ROLES IN THE PIP DEMONSTRATION

- Lender
- Servicer
- D&D Counselor
- HUD local office

84

During this part of the presentation I will be explaining the roles and responsibilities of the lenders, servicers, counselors, HUD, and the consultant team throughout each phase of the demonstration project and for each of the different treatment modes.

85

SELECTING THE CASES

- Single-family residence of mortgagor
- FHA-insured mortgage under
section 203(b)
section 221(d)2
- In default of payments
- Default related to income curtailment due to
unemployment or underemployment
- Default cause unknown

85

The first event in the PIP demonstration project is the selection and identification of cases to be used. Mortgage servicers are clearly in the best position to identify defaulting homeowners who may qualify for the demonstration project. We will be asking servicers to refer these cases to the program office for further research and action. We would rather have them refer people who might not qualify rather than missing any by not referring people who do qualify.

87

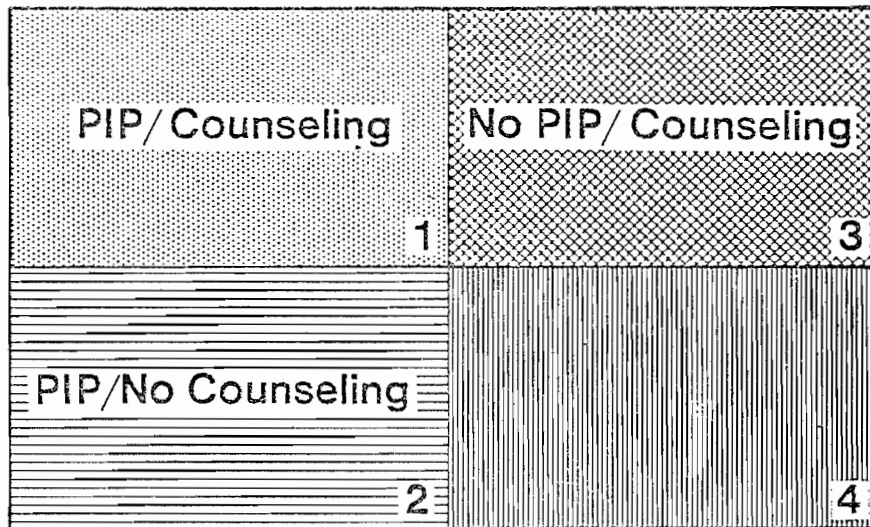
MORTGAGE SERVICER TASKS

- 1. Identifies probable PIP candidates**
- 2. Makes files available for consultant**

88

The consultant will spend the rest of this week meeting individually with mortgage servicers in this area.

These tasks will all be summarized later for each agency and written procedures furnished, but right now we will see the actions in sequence as they occur.



The PIP consultant will assign each selected case to one of these three cells and HUD will notify candidates by letter to contact the program representative to discuss the PIP program. The cells will be filled in order, that is, no one will be assigned to cell 2 until cell 1 is full and so forth—

91

CONSULTANT TEAM TASKS

1. Research qualifications
2. Accept/reject/categorize candidates
3. Notify to contact the PIP representative

(Form letter no. 1)

92

So we can keep track of who's doing what, here's a list of the tasks the consultant team will be doing at this point in the cycle.

FORM LETTER NO. 1

- Identifies PIP
- Indicates HUD sponsorship
- Expect contact

(HUD AREA OFFICE LETTERHEAD)

Dear (Homeowner),

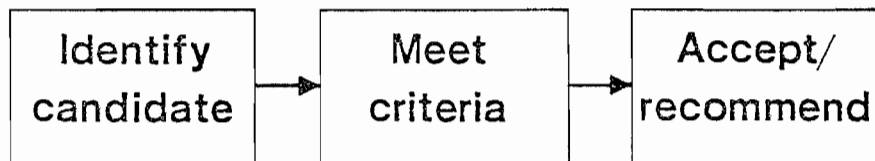
The (Name of mortgage servicer) has informed our office that your mortgage is in default in the amount of \$ _____ covering the balance of _____.

If late default is caused by circumstances beyond your control, you may be eligible for participation in a program which may help you save your home. The program is sponsored by the United States Department of Housing and Urban Development (HUD) in (Name of Housing Act), and is administered by the (Name of HUD office). We will be in contact with you to explain the program, and discuss your participation.

Sincerely,

(HUD OFFICIAL)

You'll each receive copies of all these letters and forms in your packets. This one performs these three functions and opens the way for us to start working directly with the candidates.

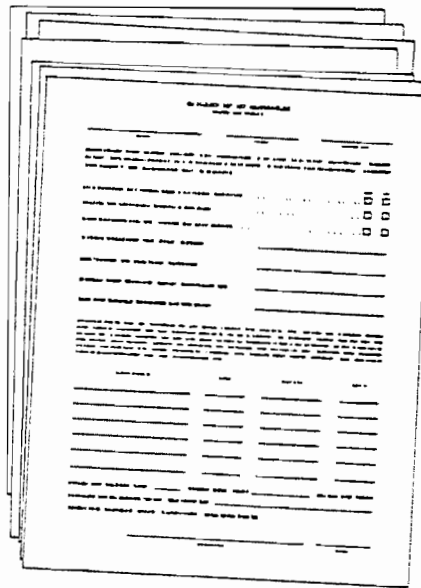


On the basis of information obtained in an interview with the candidate, a representative of the PIP consultants will decide if a case is to be used in the demonstration project.

FORM NO. 1

Questionnaire asking for information on age, race, sex, number of children, liquid assets, amount of income/ income reduction.

(Data used for frequency distribution matching)

An illustration of a stack of several forms. The top form is clearly visible and shows a questionnaire layout. It has a header section, followed by several rows of text with horizontal lines for input. There are also some vertical lines and boxes, possibly for checkboxes or specific data points. The form is tilted slightly to the right.

This is the form and type of questions it contains. This information will be gathered during the interview and used to document the demonstrations results. The anonymity of personal information will be protected in all published reports.

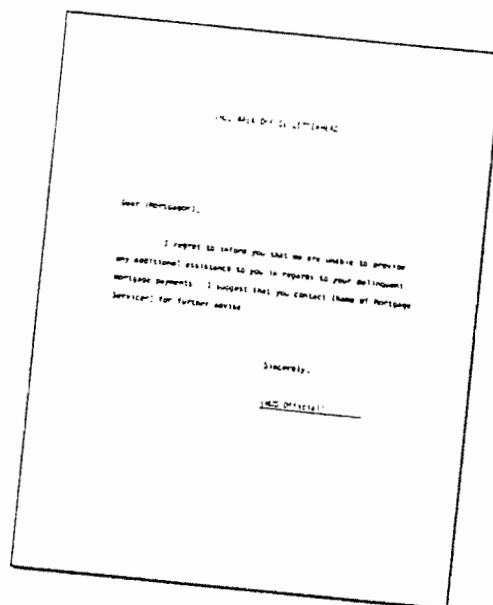
- **Review/recommend action on each case**
- **Select and assign cases to study cells**

The next step is to review and recommend the cases being proposed for PIP payments. Those that are not approved for the program will be so notified by letter No. 2 shown on the next slide —

101

LETTER NO. 2

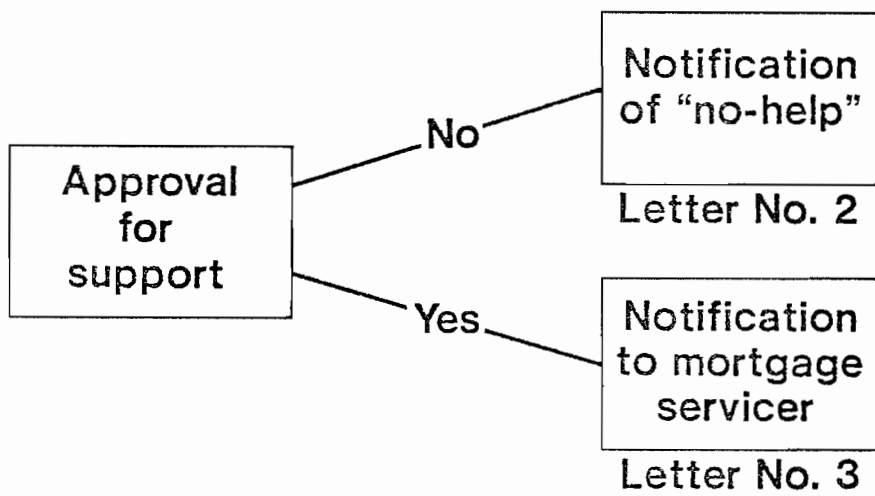
— Informs mortgage/applicant of no financial help.



102

This letter rejects the application for PIP coverage (i.e.,—did not qualify).

103



104

Those cases which are authorized to receive PIP support continue on through the system with the next step being a letter from the consultant to the mortgage servicer.

LETTER NO. 3

Requests mortgage servicer to obtain mortgagee's approval to forbear on the mortgage.

MORTGAGE LETTER#3

TO: _____
Mortgage Servicer
ADDRESS: _____

SUBJECT: Participation in the Protective Insurance
Payments (PIP) Administration Program
Mortgage # _____
File # _____

Dear Sir:

The HUD office has approved the above mortgage for participation in the Protective Insurance Payments (PIP) Administration Program.

It is requested that you secure the approval of the mortgagee for his participation in the subject program under the terms previously discussed with you.

The return of this letter signed by you, with the concurrence of the lender or both authorized agent is required for the commencement of the above mortgage's participation in the PIP program.

Attached is the Mortgage Servicer Data Form which should be completed and returned with this approval letter.

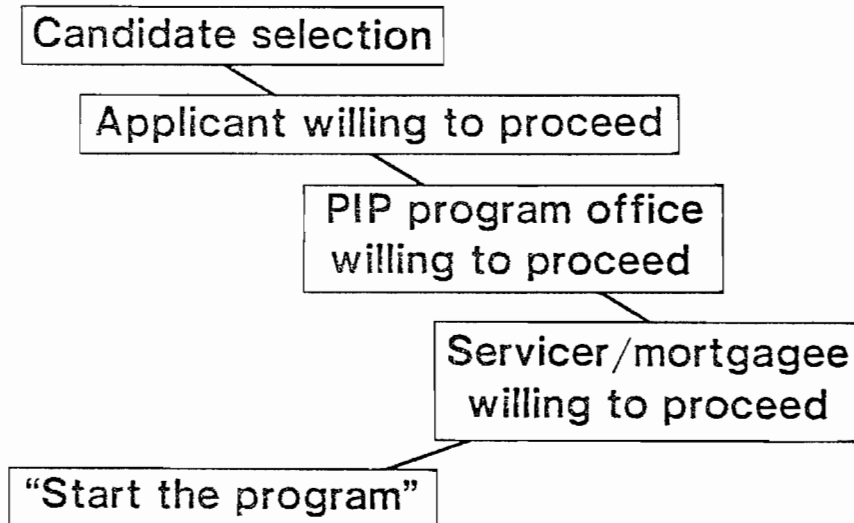
Sincerely,

(Contractor's Representative)

Approved: _____ Date: _____
Servicer
Concurrence: _____ Date: _____
Lender

ATTACHMENT

This letter has been designed to go on from the servicer to the mortgagee (with perhaps a short cover note) and to become the formal documentation of mortgagee authorization for the mortgagor's participation in the PIP program. In normal operation, the servicer will obtain a verbal OK from the lender while the case is still under consideration. The return of the letter with the concurrence signature of the mortgagee or his agent is required for approval to enter the mortgagor in the PIP program.



Summarizing where we have come so far—candidates were identified by the servicers; selected by the PIP consultant; and agreed to by the servicer and lender. We're now ready to implement.

PIP Payments

		Yes	No
<i>Counseling</i>	Yes	Letter # 4	Letter # 6
	No	Letter # 5	No Letter

The type of letters sent to participants in the PIP demonstration depends on which cell of the demonstration grid they are in. Samples of the letters are included in the packet you will receive. They explain specifically what type of assistance they will receive from the program and provide necessary instructions for obtaining that help.

(ENDING LETTERHEAD)

To: (Name of Counseling Agency and Address)
(Address)

SUBJECT: PROTECTIVE INSURANCE PAYMENT (PIP) DEMONSTRATION PROGRAM

Reference: CONTRACT NUMBER _____

Dear Sir:

Attached is a list of mortgages who were granted eligibility to participate in the Protective Insurance Payment (PIP) Demonstration Program.

You are to contact these people as soon as possible to set up appointments with them for counseling.

It will be necessary for you to give these mortgages further instructions on how to fill out their certification forms for submission to their mortgage servicers along with their marital documents. They should be made aware, upon what is required for them to remain eligible for the program.

If you are unable to establish contact with any of these people or experience difficulty in making the counseling session arrangements, please contact me at once.

Sincerely,

(Contractor's Representative)

7. Counseling – plus PIP supplements

(ENDING LETTERHEAD)

To: (Name of Counseling Agency and Address)

SUBJECT: PROTECTIVE INSURANCE PAYMENT (PIP) DEMONSTRATION PROGRAM - COUNSELING ONLY PARTICIPANTS

Reference: CONTRACT NUMBER _____

Dear Sir:

Attached is a list of those mortgages who will receive counseling only as part of the subject demonstration program.

You are to contact these people as soon as possible to set up counseling appointments.

If you are unable to establish contact with any of these people or experience unusual difficulty in making the counseling session arrangements, please contact me at once.

Sincerely,

(Contractor's Representative)

8. Counseling – no PIP support

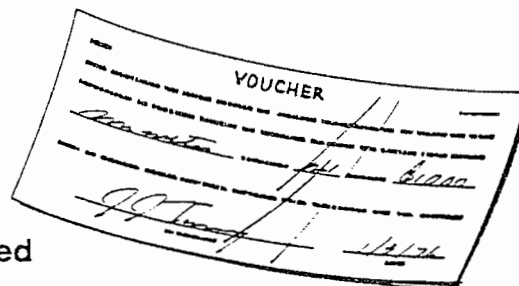
At the same time the participants receive their notifications, the D&D counselors will be notified by letters 7 & 8 to start working with designated participants. The difference between the two letters is that one is sent to mortgagors in PIP/counseling group while the other is for those mortgagors receiving counseling only.

The PIP consultant will work directly with those participants who will get PIP financial support but no D&D counseling.

VOUCHER

- Sets up payment of PIP supplement

- Completed and signed by homeowner
- Sent to servicer
- Forwarded to PIP program office



The process of completing this voucher each month is not at all complicated. The form is self-explanatory and only confirms that the participant is still eligible to receive PIP payment. When complete, the form is delivered to the agency that services the mortgage. The agency in turn sends the completed form to the PIP consultant. Based on this voucher, the PIP consultant will pay the supplement to the servicer and document the payment to HUD with the next monthly report. Each servicer will be furnished with one master voucher for each participant he has in the program. In the event a partial payment does not arrive or anything contrary to the plan occurs, the servicer sends in the master voucher and is paid in full by the consultant for that month and the consultant will correct the problem.

115

RECAST MECHANISM

- Complex program
- Supplied by program office

116

At the close of the requirement for PIP supplements, or at the end of one year, or when the equivalent of nine monthly payments has been advanced, the original mortgage and the newly incurred advances will be recast. The computation of the different principals, and loan periods is a complex calculation requiring careful control to avoid violating state laws in some locations.

The basic arrangement worked out in the recast is to spread the current remaining mortgage balance plus deferred interest on the three missed payments over the remainder of the original mortgage term. In addition, the amount of PIP payments advanced by HUD (plus interest—starting at the recast date) may be spread over any appropriate period from 5 years to the remaining term of the original mortgage. The PIP consultant team will perform the recast and will provide the appropriate amortization tables.

PAY-BACK PERIOD

- Flexible
- Realistic
- Comfortable

Aimed at preventing
secondary failures.

The duration of the payback period for the HUD-advanced funds will be set by the consultant team at the end. The recommendations of the servicers and D&D counselors are welcomed. The guiding principle will be to set it as near as possible to a point where the total cost of shelter represents a comfortable and customary percentage of total family income. Of course, the objective of the recast payback period determination is to have the homeowner in a financial position that does not contribute to a second default because the mortgage payments represent a disproportionately high percentage of family income.

Now I want to cover any specific questions you may have about the demonstration project.

APPENDIX C
COUNSELING AGENCY INSTRUCTIONS

PROTECTIVE INSURANCE PAYMENTS
DEMONSTRATION PROGRAM

INSTRUCTIONS FOR COUNSELING AGENCIES
REGARDING MORTGAGOR'S CERTIFICATES (Form LD-8)

1. You have been given a supply of these Certificates which the Mortgagor must sign and return to the Mortgage Servicer each month if the PIP Payment is to be made by HUD to the lender on behalf of the Mortgagor.
2. Each month, when you give the Certificate to the Mortgagor, you should assist him in completing the following portions of the Certificate in your office:
 - Upper Right Hand Corner - Fill in month for which PIP Payment will be made (should be the month after the month which you are currently in)
 - Mortgagor(s) - Insert name(s)
 - FHA Case no. - Insert this number
 - Servicer Loan No. - Insert this number
 - Address of Property - Insert address of Mortgagor's property
 - Mortgagee - Insert name of Mortgagee
 - Paragraphs (1) and (2) - If either of these statements is not true, explain why not at the end of the Certificate (marked "CHANGES") and tell the Mortgagor he is now disqualified for further participation in the PIP Program. At this time, complete the Certificate and have the Mortgagor sign it and then you deliver or mail it to the Boeing representative at the local HUD office. DO NOT GIVE THE CERTIFICATE TO THE MORTGAGOR. Tell the Mortgagor he will receive correspondence from HUD regarding this matter.
 - Paragraph (3) - Fill in name of those Mortgagors who are still unemployed or underemployed.
 - Paragraph (4) - Fill in current monthly income of the Mortgagor's entire family from all sources. This would include, for example, the monthly base pay of all members of the family, unemployment compensation, union or other supplementary payments, welfare benefits, other earnings of any member of the family, or any other income from whatever source of any member of the family.

- Paragraph (5) - If this is not true (i.e., if he now has more than \$5,000 in liquid assets), indicate this at the end of the Certificate (marked "CHANGES") and tell the Mortgagor he may not continue in the PIP Program. Complete the Certificate and have the Mortgagor sign it and then you deliver or mail it to the Boeing representative. DO NOT GIVE THIS CERTIFICATE TO THE MORTGAGOR. Tell him he will receive correspondence from HUD on this matter.
 - Paragraph (6) - If this is not true (for example, because the Mortgagor has made one of his delinquent three payments), explain why not at the end of the Certificate (marked "CHANGES") and tell the Mortgagor he may not continue in the PIP Program. Complete the Certificate and have the Mortgagor sign it and then you deliver or mail it to the Boeing representative. DO NOT GIVE THIS CERTIFICATE TO THE MORTGAGOR. Tell him he will receive correspondence from HUD on this matter.
 - Paragraph (7) - If this is not true (for example, because he has filed bankruptcy), explain why not at the end of the Certificate (marked "CHANGES") and tell the Mortgagor he may not continue in the PIP Program. Complete the Certificate and have the Mortgagor sign it and then you deliver or mail it to the Boeing representative. DO NOT GIVE THIS CERTIFICATE TO THE MORTGAGOR. Tell him he will receive correspondence from HUD on this matter.
 - Now have the Mortgagor date and sign the Certificate.
3. If the Mortgagor is disqualified from continuing in the PIP Program (because of the answers to Paragraph (1), (2), (5), (6), or (7)), DO NOT GIVE THE MORTGAGOR THE CERTIFICATE. Make one (1) photocopy of the Certificate, deliver or mail the original to the Boeing representative and keep the original for your file.
4. If the Mortgagor is not disqualified from continuing in the PIP Program, make two (2) photocopies of the Certificate, and give the Mortgagor the original and tell him he must mail it to the Servicer (together with his partial payment) before the last day of the current month so the Servicer gets it no later than the first day of the next month. You must inform him of the name and address he is to use for the purpose of these partial payments. (The Boeing Representative will have sent you that name and address with the forwarding letter instructing you that the Mortgagor was to receive counseling.) If the Boeing Representative has also sent you preprinted envelopes with that name and address on it, you should give the Mortgagor one of these envelopes each month with his Certificate. After the Mortgagor has left your office, deliver and mail one copy of the Certificate to the Boeing Representative and keep the other photocopy for your file.

5. After the Mortgagor leaves your office, call the Boeing representative and alert him as to the action taken concerning the Mortgagor and give him the information from paragraph (4) of the completed Certificate.

APPENDIX D
COPIES OF FORM LETTERS

(HUD LETTERHEAD)

Dear

The U.S. Department of Housing and Urban Development (HUD) is considering means of providing assistance to homeowners who have fallen behind in their mortgage payments. You have been selected to be interviewed for possible participation in the program.

Please contact Mr. _____, who is managing this program, as soon as possible to arrange an interview time. Mr. _____ can be reached on _____ in the HUD office at _____.

Sincerely,

Chief,
Loan Management Branch

HUD Contract H-2504
LT-1

(HUD LETTERHEAD)

Dear

We have not yet received an answer from you to our letter requesting you to contact Mr. _____ and arrange for an interview. In case you did not receive the first letter I would like to repeat that the U.S. Department of Housing and Urban Development (HUD) is considering means of providing assistance to homeowners who have fallen behind in their mortgage payments. You have been selected to be interviewed for possible participation in the program.

Please contact Mr. _____, who is managing this program, as soon as possible to arrange an interview time. Mr. _____ can be reached on _____ in the HUD office, _____.

Sincerely,

Chief,
Loan Management Branch

HUD Contract H-2504
LT-1a

(HUD LETTERHEAD)

Dear

I regret to inform you that we are unable to provide any additional assistance to you in regard to your delinquent mortgage payments. I suggest that you contact your mortgage servicer for further advice.

Sincerely,

Chief,
Loan Management Branch

HUD Contract H-2504
LT-2

(HUD LETTERHEAD)

Dear

I am pleased to inform you that you are being considered for participation in the Protective Insurance Payments Demonstration program. Before you can be enrolled, it will be necessary for you to sign certain documents. Enclosed are copies of the Protective Insurance Payments Agreement and the Demonstration Program Guidelines (with attached documents) for you to review.

If you wish to participate in the program, please bring these documents and report to Mr. _____ in the HUD office at _____ on _____ . It will be necessary for the following persons to be present:

If you cannot keep the above appointment, please immediately contact Mr. _____ on extension _____ .

Sincerely,

Chief,
Loan Management Branch

HUD Contract H-2504

LT-3

(BOEING LETTERHEAD)

To:

Subject: Participation in the Protective Insurance Payments (PIP)
Demonstration Program.

Mortgagor(s): _____
File No. _____

Dear Sir:

HUD has approved the above Mortgagor(s) for participation in the Protective Insurance Payments (PIP) Demonstration Program.

Enclosed are (4) copies of the Protective Insurance Payments Agreement signed by the Mortgagor(s) and HUD. Please have these Agreements signed (on page 12) on behalf of the Mortgagee and the Servicer and return two signed copies to the undersigned.

Also enclosed is the Disclosure Statement giving the Truth in Lending disclosures regarding the first mortgage loan, completed on the assumption the loan is recast in accordance with the PIP Program. This Statement has been partially completed. You should review the completed portions and you must also complete the Statement as follows:

1. Paragraph 6 - insert the appropriate disclosures regarding the late payment provisions on your loan (the date on which a payment becomes late and the percentage of the charge).
2. Paragraph 6 - insert (at the end of the paragraph) the attorneys' fees provided for in your loan. For example: "equal to 10% of the amount due."
3. Paragraph 10 - If the property insurance on the home is obtainable from or through you, you must disclose the cost of that insurance in paragraph 10.

Please complete the above portions of the Disclosure Statement and return the Statement to the undersigned with the two signed copies of the PIP Agreement.

Sincerely,

(HUD LETTERHEAD)

Dear

We are pleased to inform you that approval for your participation in the Department of Housing and Urban Development (HUD) sponsored Protective Insurance Payments (PIP) Demonstration Program has been granted.

You are to report to Mr. _____ in the HUD office on _____ at _____ to finalize your arrangements for participating in the Program. At this time you will also receive instruction concerning your continued participation in the Program. If you cannot make the above appointed time, please immediately contact Mr. _____ in the HUD office on extension _____.

Sincerely

Chief,
Loan Management Branch

HUD Contract H-2504
LT-5

(HUD LETTERHEAD)

Dear

We are pleased to inform you that approval for your participation in the Department of Housing and Urban Development (HUD) sponsored Protective Insurance Payment (PIP) Demonstration Program has been granted.

Within the next few days, the _____ will be in touch with you to arrange an appointment for your initial counseling appointment. At that time your counselor will give you PIP payment certification forms and detailed instructions on how to complete the forms for submittal.

It is very important that you understand the steps necessary for you to remain eligible for the program. Your counselor will review the eligibility requirements with you.

If you have further questions, please contact Mr. _____ on extension _____.

We are looking forward to your success in the program.

Sincerely,

Chief,
Loan Management Branch

HUD Contract H-2504

LT-6

D-7

(BOEING LETTERHEAD)

To:

Subject: Protective Insurance Payments (PIP) Program Participants

Dear Sir:

Enclosed are the originals of the PIP Mortgage(s) and PIP Note(s) for the Mortgagor(s) on the attached list. Please record the Mortgage(s) and return all of the originals to the undersigned.

Also enclosed is one (1) Master Certificate for each of the Mortgagors on the attached list. If by the 5th day of any month during which PIP payments are being made on behalf of one of the Mortgagors, you have not received the correct partial payment from a Mortgagor, you are to call the undersigned to report that fact. If the undersigned is not able to arrange for the Mortgagor to make the partial payment, he will arrange for the partial payment to be made to you by Boeing. At that time, the undersigned will call you and tell you to fill in and send to him the Master Certificate for that Mortgagor to support the partial payment from Boeing. At that time, the Master Certificate should be completed as follows:

1. The month and year for which the payment is due must be inserted in the upper right hand corner.
2. In the lower right hand corner on the reverse side of the Master Certificate, you should insert a statement describing the fact that the partial payment has not been made or has not been made in full. For example, "We received no partial payment from the Mortgagor;" or "We received a partial payment of only \$10.00 from the Mortgagor;" and the statement should then be signed on behalf of the Servicer.

Sincerely,

HUD Contract H-2504
LT-7

(BOEING LETTERHEAD)

To:

Subject: Protective Insurance Payments (PIP) Demonstration Program

Reference: Contract Number

Dear Sir:

Attached is a list of mortgagors who were granted eligibility to participate in the Protective Insurance Payments (PIP) Demonstration Program.

You are to contact these people as soon as possible to set up appointments with them for counseling.

It will be necessary for you to give these mortgagors further instructions on how to fill out their certification forms for submittal to their mortgage servicers along with their partial payments. They should be made aware, again, of what is required for them to remain eligible for the program.

If you are unable to establish contact with any of these people or experience difficulty in making the counseling session arrangements, please contact me at once.

Sincerely,

(HUD LETTERHEAD)

Dear

In connection with our earlier conversation, we have arranged for the _____ to contact you to begin scheduling of counseling appointments.

You will be hearing from them within the next few days.

If you have further questions, please contact Mr. _____ on _____.

Sincerely,

Chief,
Loan Management Branch

(HUD LETTERHEAD)

Dear

I regret to inform you that we are unable to provide any additional assistance to you in regard to your delinquent mortgage payments. I have enclosed a Statement of Credit Termination explaining why no further Protective Insurance Payments will be made to your servicer on your behalf.

I suggest you contact your mortgage servicer for further advice.

Sincerely,

Chief,
Loan Management Branch

HUD Contract H-2504
LT-12

(BOEING LETTERHEAD)

To:

Subject: Cancellation of Mortgagors Participation in the Protective Insurance
Payments (PIP) Demonstration Program

Dear Sir:

Because of the reason(s) set forth in the enclosed Statement of Credit Termination form, no further PIP payments will be made by HUD on behalf of the mortgagor named on the form. Therefore, the first mortgage loan will not be recast in accordance with the Protective Insurance Payments Agreement.

I have suggested that the mortgagor contact you for further advice.

Sincerely,

HUD Contract H-2504
LT-13

(BOEING LETTERHEAD)

To:

Subject: Cancellation of Participation - Protective Insurance Payments (PIP)
Demonstration Program.

Dear Sir:

Set forth below is the name of the mortgagor whose participation in the PIP Program has been terminated. Please do not provide further PIP certification forms and/or counseling to that Mortgagor under the terms set forth in contract _____ entered into between your agency and The Boeing Aerospace Company.

Sincerely,

HUD Contract H-2504
LT-14

(BOEING LETTERHEAD)

To:

Subject: Modification of Loans - Protective Insurance Payments ("PIP")
Demonstration Program
Mortgagor(s): _____
Servicer Loan No. _____

Dear Sir:

In connection with the modification (i.e., recast) of the first mortgage loan for the above Mortgagor(s), I have enclosed a Mortgage Modification Data Form which contains the information regarding the first mortgage loan which will be used to modify that loan. Please review this Form to make sure that it is accurate. In connection with your review, I have the following comments about certain of the data on the Form:

Balance on FHA Mortgage - This is supposed to be the unpaid principal balance on the first mortgage loan after the final PIP payment which will be made for the month shown on the Form.

Interest Forborne - This is the amount of interest which will be due on the first mortgage loan after the final PIP payment. Except in unusual circumstances, this should be 3 months of interest on the above balance.

Impounds Advanced & Paid - If there has been a deficiency in the escrow account and if the Mortgagee or Servicer requires that this deficiency be repaid in one lump sum (rather than recovering this deficiency by increasing future escrow payments), the amount inserted here will be the amount that is required to be repaid as a lump sum subject to certain maximums in the PIP Demonstration Program.

Monthly Payments to R.E. Taxes & Hazard Insurance at Modification - This should be the total monthly escrow payment that will be required (excluding MIP) at the time of the first payment after modification.

If you have any questions or comments about this information, please call the undersigned immediately. Otherwise, I would appreciate it if you would insert at the bottom of the Form "Reviewed by _____" and then sign on behalf of the Servicer. The original of this Form should be returned to the undersigned, and you may keep a photocopy for your files.

Sincerely,

APPENDIX E

HANDBOOK OF INSTRUCTIONS FOR CONTRACTOR'S REPRESENTATIVES

NOTE

APPENDIX E

The Handbook of Instructions for Contractors' Representatives contains administrative procedures for conducting the demonstration at the three sites. This document covers field operations from intake to mortgage modifications. Rather than present a separate book of procedures for each site, this document integrates site-specific procedures with those which were common to all sites. The elements of procedure which vary by state are identified on the bottom left of the appropriate pages. For example, notation "(13-California)" will alert the reader that this page deals with preparation of legal documents specific to California. "(13-California)" will be followed by (13-Georgia) and (13-Pennsylvania). On the other hand, a page marked (17) without a state designation lets the reader know that this part of the procedure applies to all three states.

INTERNAL PIP PROCEDURES AFTER COMPLETION
OF MORTGAGOR INTERVIEW-CALIFORNIA

I. DECISION ON ACCEPTANCE OR REJECTION

A. If Mortgagor or the mortgaged property fails to meet any one of the following criteria, Mortgagor is to be rejected. NOTE: the paragraph numbers below correspond to the code number to be inserted in Part E (line 31) of the Interviewer's Comments and the Section numbers correspond to the section where the criterion is found in the Program Guidelines (Form LD-2):

1. The mortgaged property must be located in an area in which the Program is being conducted - 3.2(a). (This means the property must be located in the Los Angeles SMSA area.)

2. The mortgaged property must be owned (in fee simple) by the Mortgagor - 3.2(b).

3. The mortgaged property must be the principal residence of the Mortgagor - 3.2(c).

4. The mortgaged property must be a single-family dwelling - 3.2(d).

5. The Mortgagor's mortgage must be insured under either Section 203(b) (and not Section 223(e)) or Section 221(d)(2) of the National Housing Act - 3.2(e). (This can be determined by looking at the FHA Case No. - it must end 203 or 221, and not 303).

6. The mortgaged property must not be subject to a second mortgage or other lien or encumbrance - 3.2(f).

7. The Mortgagor must be "financially unable" to pay the full monthly installments due under the first mortgage - 3.4(a). (To meet this test, the Mortgagor must meet both of the following tests:

(i) The current total monthly payment under the first mortgage (principal, interest and impounds or escrow payments) and the sum of the other housing costs of the Mortgagor must be 30% or more of the total current monthly income of the Mortgagor and his family (for this purpose, the total of the current monthly payment under the first Mortgage and the other housing expenses

INTERNAL PIP PROCEDURES AFTER COMPLETION
OF MORTGAGOR INTERVIEW-GEORGIA

I. DECISION ON ACCEPTANCE OR REJECTION

A. If Mortgagor or the mortgaged property fails to meet any one of the following criteria, Mortgagor is to be rejected. NOTE: the paragraph numbers below correspond to the code number to be inserted in Part E (line 31) of the Interviewer's Comments and the Section numbers correspond to the section where the criterion is found in the Program Guidelines (Form LD-2):

1. The mortgaged property must be located in an area in which the Program is being conducted - 3.2(a). (This means the property must be located in the Atlanta SMSA area.)

2. The mortgaged property must be owned (in fee simple) by the Mortgagor - 3.2(b).

3. The mortgaged property must be the principal residence of the Mortgagor - 3.2(c).

4. The mortgaged property must be a single-family dwelling - 3.2(d).

5. The Mortgagor's mortgage must be insured under either Section 203(b) (and not Section 223(e)) or Section 221(d)(2) of the National Housing Act -3.2(e). (This can be determined by looking at the FHA Case No. - it must end 203 or 221, and not 303).

6. The mortgaged property must not be subject to a second mortgage or other lien or encumbrance - 3.2(f).

7. The Mortgagor must be "financially unable" to pay the full monthly installments due under the first mortgage - 3.4(a). (To meet this test, the Mortgagor must meet both of the following tests:

(i) The current total monthly payment under the first mortgage (principal, interest and impounds or escrow payments) and the sum of the other housing costs of the Mortgagor must be 30% or more of the total current monthly income of the Mortgagor and his family (for this purpose, the total of the current monthly payment under the first Mortgage and the other housing expenses

INTERNAL PIP PROCEDURES AFTER COMPLETION
OF MORTGAGOR INTERVIEW-PENNSYLVANIA

I. DECISION ON ACCEPTANCE OR REJECTION

A. If Mortgagor or the mortgaged property fails to meet any one of the following criteria, Mortgagor is to be rejected. NOTE: the paragraph numbers below correspond to the code number to be inserted in Part E (line 31) of the Interviewer's Comments and the Section numbers correspond to the section where the criterion is found in the Program Guidelines (Form LD-2):

1. The mortgaged property must be located in an area in which the Program is being conducted - 3.2(a). (This means the property must be located in the Philadelphia SMSA and in Pennsylvania.)

2. The mortgaged property must be owned (in fee simple) by the Mortgagor - 3.2(b).

3. The mortgaged property must be the principal residence of the Mortgagor - 3.2(c).

4. The mortgaged property must be a single-family dwelling - 3.2(d).

5. The Mortgagor's mortgage must be insured under either Section 203(b) (and not Section 223(e)) or Section 221(d)(2) of the National Housing Act -3.2(e). (This can be determined by looking at the FHA Case No. - it must end 203 or 221, and not 303).

6. The mortgaged property must not be subject to a second mortgage or other lien or encumbrance - 3.2(f).

7. The Mortgagor must be "financially unable" to pay the full monthly installments due under the first mortgage - 3.4(a). (To meet this test, the Mortgagor must meet both of the following tests:

(i) The current total monthly payment under the first mortgage (principal, interest and impounds or escrow payments) and the sum of the other housing costs of the Mortgagor must be 30% or more of the total current monthly income of the Mortgagor and his family (for this purpose, the total of the current monthly payment under the first Mortgage and the other housing expenses

is the amount which is inserted on the Mortgagor Application Form in Question 14a as the present TOTAL HOUSING EXPENSES; also, for this purpose, the impounds or escrow payments include only payments which are required under the mortgage and would include, for example, taxes, hazard insurance on the home and MIP, but would not include other insurance payments, e.g., they would not include life insurance payments which are not required under the mortgage but which are purchased voluntarily by the Mortgagor through the Servicer); and

(ii) The Mortgagor's liquid assets must be \$5,000 or less.

8. The reason the Mortgagor is financially unable to pay his mortgage payment must be because of the involuntary unemployment or underemployment of the Mortgagor or a member of his family - 3.4(a). (If the unemployment of the Mortgagor is as a result of medical reasons, and if the Mortgagor meets the other criteria, you will not know whether the Mortgagor meets this criteria until the Mortgagor returns the letter from his doctor.)

9. The gross family income of the Mortgagor must have been reduced (as a result of the unemployment or underemployment) to an amount less than 75% of the gross family income prior to the unemployment or underemployment - 3.4(a).

10. The mortgagor must have owned the mortgaged property for at least one year prior to the unemployment or underemployment - 3.4(c).

11. The Mortgagor (or the member of his family who is unemployed or underemployed) must have been continuously employed or working full-time in his or her regular occupation for at least one year prior to the commencement of the unemployment or underemployment - 3.4(c).

12. The estimated total monthly mortgage payments that will be due after recasting (modification) on both the first mortgage and PIP mortgage must be 35% or less of the gross family income of Mortgagor prior to the unemployment or underemployment - 3.4(d). Your estimate of the total monthly mortgage payment after recasting will be the sum of the following three amounts:

(i) Monthly payment currently due under the first mortgage (principal, interest, and impounds - this includes impound payments for taxes, hazard insurance and MIP but does not include payments for other types of insurance, such as life insurance, which are not required under the mortgage)

(ii) The monthly payment required to repay the interest which will be unpaid on the first mortgage at the time of recasting over the remaining term of the first mortgage. To compute this monthly payment, use your calculator to compute the monthly payment for the following loan:

Principal - Multiply the current unpaid principal on the first mortgage times the interest rate on the first mortgage and divide by 4 (this is an approximation of the interest which will be unpaid on the first mortgage at the time of recast).

Interest Rate - The interest rate on the first mortgage

Term - A term commencing on the day 11 months after the date of the first PIP payment and ending at the end of the term of the first mortgage.

(iii) The monthly payment for the following loan:

Principal - Maximum PIP advances which may be made by HUD.

Interest Rate - The interest rate on the first mortgage plus 1/2 of 1%, but the maximum rate you may use is 10%.

Term - The same term as in (ii) above.

After you have computed the sum of (i), (ii), and (iii), the test is that the sum must be 35% or less of the gross family income prior to reduction.

13. The sum of:

(i) The Mortgagor's existing monthly obligations (not including his mortgage payment, but including payments for life insurance or other types of insurance which are made monthly to the Servicer but which are not required as payments under the Mortgage); and

(i) Monthly payment currently due under the first mortgage (principal, interest, and impounds - this includes impound payments for taxes, hazard insurance and MIP but does not include payments for other types of insurance, such as life insurance, which are not required under the mortgage)

(ii) The monthly payment required to repay the interest which will be unpaid on the first mortgage at the time of recasting over the remaining term of the first mortgage. To compute this monthly payment, use your calculator to compute the monthly payment for the following loan:

Principal - Multiply the current unpaid principal on the first mortgage times the interest rate on the first mortgage and divide by 4 (this is an approximation of the interest which will be unpaid on the first mortgage at the time of recast).

Interest Rate - The interest rate on the first mortgage

Term - A term commencing on the day 11 months after the date of the first PIP payment and ending at the end of the term of the first mortgage.

(iii) The monthly payment for the following loan:

Principal - Maximum PIP advances which may be made by HUD.

Interest Rate - The interest rate on the first mortgage plus 1/2 of 1%, but the maximum rate you may use is 6%.

Term - The same term as in (ii) above.

After you have computed the sum of (i), (ii), and (iii), the test is that the sum must be 35% or less of the gross family income prior to reduction.

13. The sum of:

(i) The Mortgagor's existing monthly obligations (not including his mortgage payment, but including payments for life insurance or other types of insurance which are made monthly to the Servicer but which are not required as payments under the Mortgage); and

(i) Monthly payment currently due under the first mortgage (principal, interest, and impounds - this includes impound payments for taxes, hazard insurance and MIP but does not include payments for other types of insurance, such as life insurance, which are not required under the mortgage)

(ii) The monthly payment required to repay the interest which will be unpaid on the first mortgage at the time of recasting over the remaining term of the first mortgage. To compute this monthly payment, use your calculator to compute the monthly payment for the following loan:

Principal - Multiply the current unpaid principal on the first mortgage times the interest rate on the first mortgage and divide by 4 (this is an approximation of the interest which will be unpaid on the first mortgage at the time of recast).

Interest Rate - The interest rate on the first mortgage

Term - A term commencing on the day 11 months after the date of the first PIP payment and ending at the end of the term of the first mortgage.

(iii) The monthly payment for the following loan:

Principal - Maximum PIP advances which may be made by HUD.

Interest Rate - The interest rate on the first mortgage plus $1/2$ of 1%, but the maximum rate you may use is the current maximum mortgage rate in Pennsylvania.

Term - The same term as in (ii) above.

After you have computed the sum of (i), (ii), and (iii), the test is that the sum must be 35% or less of the gross family income prior to reduction.

13. The sum of:

(i) The Mortgagor's existing monthly obligations (not including his mortgage payment, but including payments for life insurance or other types of insurance which are made monthly to the Servicer but which are not required as payments under the Mortgage); and

(ii) the estimated total monthly mortgage payment that will be due after recasting (as computed in 12 above):

must not exceed the income of Mortgagor after "substantial restoration" - 3.4(e). (The existing monthly obligations of Mortgage are found by taking the Total Housing expenses shown in the "Now" column of Question 14a of the Mortgagor Application Form, subtracting the FHA Mortgage payment shown there and adding the Total Recurring Expenses shown in the "Now" column of Question 15B of that Form. The income of Mortgagor after "substantial restoration" is defined as 75% of the income prior to reduction.

14. A bankruptcy, insolvency, or similar proceeding involving Mortgagor is presently pending - 3.4(f).

15. The Program slots have been filled.

16. An amount greater than the sum of six full monthly installments under the Mortgage is past due and payable.

17. An amount less than the sum of three full monthly installments under the Mortgage is past due and payable.

18. The Servicer has refused to sign the PIP Agreement.

19. The Mortgagee has refused to sign the PIP Agreement.

NOTE: You will not know at this time whether the Servicer and Mortgagee will sign the PIP Agreement--if either the Servicer or Mortgagee refuses to sign the PIP Agreement, it will be necessary to follow the procedures described below in Section II for rejecting a Mortgagor and under those circumstances the code number to be inserted in Part E (line 31) of the Interviewer's Comments will be 18 or 19, as appropriate.

20. The Mortgagor's payment record during the last 24 months does not meet the test set forth in 3.4(f) of the Guidelines. (Although you normally will not even take a Mortgagor's name out of the Servicer's office if he doesn't meet this test, if the Servicer didn't have this information and while waiting for this information from the Servicer you send the Mortgagor letter LT-3 to invite him to come to your office, and then you find out the Mortgagor' doesn't meet this test, you will have to reject the Mortgagor on this basis.)

II. PROCEDURES IF MORTGAGOR IS TO BE REJECTED

A. Fill in on the Interviewer's Comments the code number corresponding to the paragraph number above which identifies the test the Mortgagor has failed to meet.

B. Send Mortgagor Letter LT-2.

C. If Mortgagor was being considered for PIP payments (one of the first two cells to be filled), the above letter must be accompanied by a Statement of Credit Denial (Form LD-0) which is to be completed as follows:

1. Date - fill in date you are mailing letter.
2. Applicant's Name - fill in name of Mortgagor(s).
3. Applicant's address - fill in address of property.
4. Principal Reason for Credit Denial - fill in on the blank lines one of the following paragraphs depending on which test the Mortgagor failed to meet:
 - Mortgaged property not located in an area in which the Program is being conducted.
 - Mortgaged property not owned in fee simple by Applicant.
 - Mortgaged property not the principal residence of Applicant.
 - Mortgaged property not a single-family dwelling.
 - Existing mortgage not insured under either Section 203(b) (and not Section 223(e)) or Section 221(d)(2) of the National Housing Act.
 - Mortgaged property subject to a second mortgage or other lien not permitted under Program Guidelines.
 - Applicant not financially unable (as defined in Program Guidelines) to pay installments due under existing mortgage.
 - Applicant's inability to pay installments on existing mortgage not due to involuntary unemployment or underemployment as defined in Program Guidelines. (This same language is used when the refusal is due to either of the following two reasons: (i) neither the Mortgagor nor any member of his family is able to work, is actively seeking work and is nevertheless unemployed or underemployed, and (ii) the unemployment of the Mortgagor or a member of his family is due to medical reasons and the letter received from the doctor of the unemployed person indicates that he is not expected to return to work prior to the date of the last PIP payment.)

- Applicant's family income has not been substantially reduced as defined in Program Guidelines.
- Applicant did not own mortgaged property for at least one year preceding unemployment or underemployment.
- Applicant (or member of household who is unemployed or underemployed) was not continuously employed for at least one year prior to the beginning of the unemployment or underemployment.
- Amount necessary to repay existing mortgage and proposed loan as a percentage of Applicant's income preceding unemployment or underemployment exceeds Program Guidelines.
- The sum of Applicant's existing monthly obligations and the amount estimated to be necessary to repay the existing mortgage and proposed loan exceeds the expected income of Mortgagor (as defined in Program Guidelines) after the termination of the unemployment or underemployment.
- Existing mortgage invalidated or otherwise affected by a bankruptcy, arrangement or other insolvency proceeding.
- Program participants have already been selected - the Program is full.
- An amount greater than the sum of six full monthly installments under the Applicant's Mortgage is past due and payable.
- An amount less than the sum of three full monthly installments under the Applicant's Mortgage is past due and payable.
- The Mortgage Servicer servicing the Applicant's Mortgage has not agreed to participate in the Program with respect to the Applicant and there is no obligation for such Mortgage Servicer to agree to such participation.
- The Applicant's Mortgagee has not agreed to participate in the Program with respect to the Applicant and there is no obligation for such Mortgagee to agree to such participation.
- The Applicant's payment record on his mortgage does not meet the standards set in the Program Guidelines.

5. Disclosure of Use of Information from Outside Source

a. Put "X" on first line if NO information collected from a third party was used in deciding that the Mortgagor did not meet the test inserted above.

b. Put "X" on second line if such information was obtained from a third party that was not a "consumer reporting agency" (basically a company in the business of supplying such information).

c. Put "X" in the third line if the outside information was obtained from a consumer reporting agency and fill in the name, address and telephone number of that agency.

6. Creditor's Address - fill in address of HUD office you are working from.

7. Creditor's Telephone Number - fill in your telephone number at the HUD office.

Make one photocopy of this Form for your files and mail the original with Letter LT-2, adding the following at the bottom of the letter -- Attachment - Statement of Credit Denial.

III. PROCEDURES IF MORTGAGOR IS TO BE ACCEPTED

A. If Mortgagor Is To Be Receiving PIP Payments and Counseling:

1. Send Mortgagor Letter LT-3 together with one blank copy of the PIP Agreement (Form LD-1) and one copy of the Program Guidelines (Form LD-2), filling in the letter as follows:

a. Date and time for appointment; and

b. Names of persons who must come to your office, who should be:

(i) Mortgagor (if there are two Mortgagors, both Mortgagors)

(ii) The spouse of the Mortgagor (even if he or she is not a Mortgagor)

(iii) If the Mortgagor was the original borrower on the mortgage, all persons who signed the first note as endorsers or guarantors.

c. If the Mortgagor is unemployed for medical reasons, you must also send him two copies of letter LT-3A (the letter which his doctor must sign) and add the following "P.S." to letter LT-3:

Since your unemployment is due to medical reasons, in order for you to qualify for the PIP Program it is necessary that your doctor certify that he expects that you will be able to return to work by the time that we would expect to make the last PIP Payment on your behalf. Therefore, we have enclosed a letter (marked LT-3A) which you must take to your doctor, and have him complete it (including the date when he expects you to be able to return to work) and sign it, and you must then bring one signed copy of the letter with you to the meeting described above.

2. Before Mortgagor comes into office for appointment (Letter LT-3), complete as much of the information as you can on Forms LD-1, LD-3 and LD-4 (see below for instructions). When Mortgagor comes in, if the Mortgagor was unemployed due to medical reasons, you must make sure that you get the signed letter from the Mortgagor's doctor which indicates that the doctor expects the Mortgagor to be able to return to work prior to the date which will be the date of the last PIP Payment (for this purpose, you should calculate the date of the last PIP Payment on the assumption that the Mortgagor makes the partial payment that he will be asked to make). If the Mortgagor does not meet this test, you must follow the procedures described in Section II above (beginning on page 4) to reject the Mortgagor with the reason to be inserted being the following:

- Applicant's inability to pay installments on existing mortgage not due to involuntary unemployment or underemployment as defined in Program Guidelines.

(The code number for this rejection which is to be inserted in Part E (line 31) of the Interviewer's Comments is 8.) If the Mortgagor meets this test, complete Forms LD-1, LD-3 and LD-4 as follows:

NOTE: (On these legal documents and all other legal documents, either type or use ink, and if you use ink, print everything. If you make a mistake, either start over on a new form or cross out and have Mortgagor initial the change. In making calculations, we suggest you use the worksheets we have supplied. All dollar amounts must be written with pennies (for example, \$143.25, not \$143), and all percentages must be written with decimals, including zeroes (for example, nine percent must be written as 9.00% and nine and one-fourth percent must be written as 9.25%).

FORM LD-1 - Protective Insurance Payments Agreement

Complete 1 copy as follows:

Page 1; Art. 1

Mortgagor(s): Name of homeowner(s) - must include all persons who signed note or security deed as Mortgagor or Co-Mortgagor in connection with first mortgage loan; name(s) should appear on Mortgage Servicer Data Form, Question 2

FHA Case No. - Obtain from Question 1 of Mortgage Servicer Data Form

Address of Property - Obtain from Question 2 of Mortgage Servicer Data Form

Mortgagee - Obtain from Question 4 of Mortgage Servicer Data Form ("Grantee" on first security deed) (If this is a GNMA mortgage, fill in name of Servicer)*

Mortgage Servicer and Address of Servicing Office - Obtain from Question 3 of Mortgage Servicer Data Form (If this is a GNMA mortgage, Servicer will appear both as Mortgagee and Servicer.) The address to be inserted here should be the same address that you have obtained from the Servicer as the proper place to send the partial payments and the Boeing payments.

Page 3; paragraph (5)

Have one of the Mortgagors initial the appropriate blank (____) - the first blank if he is to participate in counseling and the second blank if he is not to participate in counseling.

Page 3; Paragraph (6)(a)

Insert amount of partial payment Mortgagor(s) is to make each month - unless otherwise authorized by the Contractor, the partial payment is to be the lesser of the following amounts:

- (i) the total sum of the escrow (impounds) obligations required to be paid monthly under the first mortgage loan -obtain from Question 9 of Mortgage Servicer Data Form

* If Servicer questions whether GNMA needs to consent to this transaction, tell him to look at page 1 (bottom of page) of Guidelines (Form LD-2) and show him the copy of the letter you have from GNMA (it is in your Preliminary Task Report folder).

FORM LD-1 - Protective Insurance Payments Agreement (continued)

(this does not include, however, any payments for life insurance premiums or other types of insurance which are not required to be paid pursuant to the mortgage); or

- (ii) 30% of the Mortgagor's income - obtain from Question 13a., first column, of Mortgagor Application Form.

Page 9; Paragraph (1)(a)

Fill in maximum aggregate amount of PIP Payments - 9 times the total monthly payment (including cents) currently required under the first mortgage loan (including impounds or escrows, but not including any payments for life insurance premiums or other types of insurance which are not required to be paid pursuant to the mortgage) - the sum of the monthly payment (principal and interest) shown in Question 5 of the Mortgage Servicer Data Form and the amount of monthly impounds (escrow) shown on Question 9 of the Mortgage Servicer Data Form equals one month's total monthly payment

Page 13

Insert date immediately above signatures - (i) if Mortgagor is signing the Agreement prior to missing his third payment, use the actual date Mortgagor is signing the Agreement; or (ii) if Mortgagor is signing after missing his third payment, use the last day of the month prior to the date when the third payment was due (the date you insert here will be referred to below as the date of the PIP Agreement) (for example, if the Mortgagor has missed his March and April payments and he is signing the Agreement on April 28, date it April 28; if he has also missed his May payment and he is signing the Agreement on May 5, date it April 30).

Page 13

Insert name of Servicer and name of Mortgagee on the lines below which the words SERVICER and MORTGAGEE are found (same names inserted on page 1 of this Form)

Now, make 3 photocopies of the PIP Agreement and then continue with the following instructions, completing all 4 copies as follows:

Page 13

Have both Mortgagors (one if there is only one) sign all four copies only at the top of page 13 (the Mortgagor will sign and date the receipt at the bottom of page 13 on his next visit to your office)

If there were any endorsers or guarantors on first mortgage loan and if Mortgagor is the same person who took out loan originally, have all such Co-Makers or Endorsers sign all four copies (having signatures of Co-Makers and Endorsers witnessed on the line immediately to the left of each line used for each such Co-Maker or Endorser)

(You will obtain the signature on behalf of HUD after the Mortgagor leaves your office.)

FORM LD-3 - California - Deed of Trust Note

Complete 1 copy as follows (using exact numbers with cents):

- Page 1, Line 1 Insert (after the dollar sign at the left margin) the maximum aggregate PIP payments (the same number which was inserted in paragraph (1)(a) on page 9 of the PIP Agreement (Form LD-1))
- Page 1, Line 1 Insert date at right margin - same date as PIP Agreement
- Page 1, Paragraph 1,
Lines 3, 4 & 5 Insert name and address of Servicer where payments on first mortgage loan are mailed
- Page 1, Paragraph 1,
Lines 6 & 7 Insert in words and also in numbers the same dollar amount that was inserted at the upper left hand corner of the Note
- Page 1, Paragraph 1,
Line 8 Insert in words and also in numbers the interest rate which is to be the sum of: (i) the interest rate in the first mortgage loan (appearing in Question 5 of the Mortgage Servicer Data Form) plus (ii) 1/2 of 1%, but if that sum is larger than 10%, insert 10%.
- Page 1, Paragraph 1,
Last line Insert the month and year which is the date for the last payment under the first mortgage loan (this can be computed by looking at the information in Question 5 of the Mortgage Servicer data Form and taking the due date of the first payment and adding to it the number of months of the entire term of the first mortgage loan (for example, if the due date of the first payment was January 1, 1970 and the term of the loan is 240 months, the date to be inserted here would be December, 1989)
- Page 1, Paragraph 4,
Lines 4, 5, & 6 Insert name of person designated by Servicer to serve as Trustee
- Page 1, Paragraph 4,
Line 7 Insert County in which property is located

FORM LD-3 - Georgia - Security Deed Note

Complete 1 copy as follows (using exact numbers with cents):

- | | |
|-----------------------------|---|
| Line 1 | Insert (after the dollar sign at the left margin) the maximum aggregate PIP payments (the same number which was inserted in paragraph (1)(a) on page 9 of the PIP Agreement (Form LD-1)) |
| Line 1 | Insert date at right margin - same date as PIP Agreement |
| Paragraph 1, Line 4 | Insert in words and also in numbers the same dollar amount that was inserted at the upper left hand corner of the Note |
| Paragraph 1, Line 5 | Insert in words and also in numbers the interest rate which is to be the <u>sum</u> of: (i) the interest rate in the first mortgage loan (appearing in Question 5 of the Mortgage Servicer Data Form) <u>plus</u> (ii) 1/2 of 1%, <u>but if that sum is larger than 6%, insert 6%.</u> |
| Paragraph 1,
Lines 7 & 8 | Insert name and address of Servicer where payments on first mortgage loan are mailed |
| Paragraph 1, last line | Insert the month and year which is the date for the last payment under the first mortgage loan (this can be computed by looking at the information in Question 5 of the Mortgage Servicer Data Form and taking the due date of the first payment and adding to it the number of months of the entire term of the first mortgage loan (for example, if the due date of the first payment was January 1, 1970 and the term of the loan is 240 months, the date to be inserted here would be December, 1989) |

Now, have the Mortgagor (both of them if there are two) sign at the bottom and print their names under their signatures.

FORM LD-3 - Pennsylvania - Note

Complete 1 copy as follows (using exact numbers with cents):

Page 1, Line 1	Insert (after the dollar sign at the left margin) the maximum aggregate PIP payments (the same number which was inserted in paragraph (1) (a) on page 9 of the PIP Agreement (Form LD-1))
Page 1, Line 1	Insert date at right margin - same date as PIP Agreement
Paragraph 1, Lines 1, 2 & 3	Insert names of Mortgagor(s) (called Maker in Pennsylvania)
Page 1, Paragraph 1, Lines 7 & 8	Insert in words and also in numbers the same dollar amount that was inserted at the upper left hand corner of the Note
Page 1, Paragraph 1, Lines 8 & 9	Insert in words and also in numbers the interest rate which is to be the <u>sum</u> of: (i) the interest rate in the first mortgage <u>loan</u> (appearing in Question 5 of the Mortgage Servicer Data Form) <u>plus</u> (ii) 1/2 of 1%, <u>but if that sum is larger than the maximum mortgage rate in effect in Pennsylvania on the date of this Note, insert that maximum rate.</u>
Page 1, Paragraph 1, Lines 10 & 11	Insert name and address of Servicer where payments on first mortgage loan are mailed
Page 1, Paragraph 1, last line	Insert the month and year which is the date for the last payment under the first mortgage loan (this can be computed by looking at the information in Question 5 of the Mortgage Servicer Data Form and taking the due date of the first payment and adding to it the number of months of the entire term of the first mortgage loan (for example, if the due date of the first payment was January 1, 1970 and the term of the loan is 240 months, the date to be inserted here would be December, 1989)
Page 1, Paragraph 3, Line 3	Insert the County in which the Mortgagor's property is located

FORM LD-3 - California - Deed of Trust Note (continued)

Now, have the Mortgagor (both of them if there are two) sign at the bottom of page 2 (as Trustor) and print their names under their signatures.

FORM LD-4 - California - Deed of Trust

Complete 1 copy as follows:

- | | |
|--|--|
| Page 1, Paragraph 1,
Lines 1 & 2 | Insert date - date of PIP Agreement |
| Page 1, Paragraph 1,
Lines 2, 3 & 4 | Insert names of Mortgagor(s) as Trustor and address of Mortgagor(s) |
| Page 1, Paragraph 1,
Lines 5 & 6 | Insert name of Trustee (same as inserted in Note). |
| Page 1, Paragraph 2,
Line 2 | Insert County in which property is located |
| Page 1, Paragraph 2
(large blank space) | Insert legal description from first mortgage (Deed of Trust) or insert words "See attached Exhibit A" and then attach a photocopy of the legal description and mark it Exhibit A. (If you have not been able to obtain the legal description from the Servicer, you should insert the words "See Attached Exhibit A", and tell the Mortgagor that Exhibit A will be attached when he comes back to your office to pick up the signed PIP Agreement and other documents.) |
| Page 1, Paragraph 2,
last three lines | Insert County in which property is located and book and Page number (or document or file number) where such first mortgage (Deed of Trust) is recorded - should be stamped on the first mortgage document. (If you have not been able to obtain this information from the Servicer, you should tell the Mortgagor that it will be completed when he comes back to your office to pick up the signed PIP Agreement and other documents.) |
| Page 1, Paragraph 4,
Line 2 | Insert amount of Note (Form LD-3) in numbers only |

FORM LD-3 - Pennsylvania - Note (continued)

Now, have the Mortgagor (Maker) (both of them if there are two) sign at the bottom of page two and print their names under their signatures.

FORM LD-4 - Pennsylvania - Mortgage

Complete 1 copy as follows:

Page 1, Paragraph 1,	Insert date - date of PIP Agreement
Page 1, Paragraph 1, Lines 2 & 3	Insert names of Mortgagor(s) and on line 4 insert his, her or their, as appropriate
Page 1, Paragraph 2, Lines 1, 2 & 3	Insert amount of Note (form LD-3) both in words and numbers
Page 1, Paragraph 2, Lines 3 & 4	Insert (in words and numbers) the interest rate inserted in the <u>PIP</u> Note (Form LD-3)
Page 1, Paragraph 2, Line 7	Insert date which was inserted in last line of first paragraph of Note (Form LD-3)
Page 1, Paragraph 2, Lines 16 & 17	Insert the City and County in which property is located
Page 1, Paragraph 2 (large blank space)	Insert legal description from first mortgage or insert words "See attached Exhibit A" and then attach a photocopy of the legal description and mark it Exhibit A. (If you have not been able to obtain the legal description from the Servicer, you should insert the words "See Attached Exhibit A", and tell the Mortgagor that Exhibit A will be attached when he comes back to your office to pick up the signed PIP Agreement and other documents.)
Page 1, Paragraph 2, last two lines	Insert Book and Page number (or document or file number) where such first mortgage is recorded - should be stamped on the first mortgage document. (If you have not been able to obtain this information from the Servicer, you should leave it blank and tell the Mortgagor that it will be completed when he comes back to your office to pick up the signed PIP Agreement and other documents.)

FORM LD-4 - California - Deed of Trust (continued)

Now, have the Mortgagor (both of them if there are two) and the Mortgagor's spouse even if he or she is not a Mortgagor, sign on page 6 as Trustor, and have notary public acknowledge signature(s). **DO NOT COMPLETE REQUEST FOR FULL RECONVEYANCE.**

At this time, give Mortgagor one copy (making photocopies of original) of each of Forms LD-1, LD-3 and LD-4.

3. After Mortgagor leaves your office, complete Forms LD-5 and LD-6 as follows:

FORM LD-5 - California - Disclosure Statement (HUD)

Complete 1 copy as follows (these disclosures are estimates of the disclosures describing the PIP loan assuming it is not modified (paragraph 2) and assuming it is modified (paragraph 3), the estimates being based on the assumptions described in the Form):

Borrower(s)	Insert name(s) of Mortgagor(s)
First Paragraph	Insert date of PIP Agreement
Paragraph 1	Insert name of Mortgagee (same as on first page of the PIP Agreement)
Paragraph 2	Insert the date which was inserted at end of the first paragraph of the Deed of Trust Note (Form LD-3)
Paragraph 2.a.	This is one month of interest on the PIP loan. Calculate this amount by multiplying the interest rate shown in the Deed of Trust Note (Form LD-3) (first paragraph) times the amount of the Note (the amount inserted at the upper left hand corner of the Note) and divide that total by 12 (dropping all fractions of a penny). (For example, if the interest rate is 6% and the amount of the Note is \$1,225.25, you would insert \$6.12)
Paragraph 2.b.	Total amount of Deed of Trust Note (Form LD-3) shown in the upper left hand corner of the Note

FORM LD-4 - Georgia - Security Deed (continued)

Now, have the Mortgagor (both of them if there are two) and the Mortgagor's spouse even if he or she is not a Mortgagor, sign on page 5, have one person sign as witness, and have notary public sign, affix his seal and add other appropriate information.

At this time, give Mortgagor one copy (making photocopies of original) of each of Forms LD-1, LD-3 and LD-4.

3. After Mortgagor leaves your office, complete Forms LD-5 and LD-6 as follows:

FORM LD-5 - Georgia - Disclosure Statement (HUD)

Complete 1 copy as follows (these disclosures are estimates of the disclosures describing the PIP loan assuming it is not modified (paragraph 2) and assuming it is modified (paragraph 3), the estimates being based on the assumptions described in the Form):

Borrower(s)	Insert name(s) of Mortgagor(s)
First Paragraph	Insert date of PIP Agreement
Paragraph 1	Insert name of Mortgagee (same as on first page of the PIP Agreement)
Paragraph 2	Insert the date which was inserted at end of the first paragraph of the Security Deed Note (Form LD-3)
Paragraph 2.a.	This is one month of interest on the PIP loan. Calculate this amount by multiplying the interest rate shown in the Security Deed Note (Form LD-3) (first paragraph) times the amount of the Note (the amount inserted at the upper left hand corner of the Note) and divide that total by 12 (dropping all fractions of a penny). (For example, if the interest rate is 6% and the amount of the Note is \$1,225.25, you would insert \$6.12)
Paragraph 2.b.	Total amount of Security Deed Note (Form LD-3) shown in the upper left hand corner of the Note

FORM LD-4 - Pennsylvania - Mortgage (continued)

Now, have the Mortgagor (both of them if there are two) and the Mortgagor's spouse even if he or she is not a Mortgagor, sign on page 4, have one person sign as witness for each Mortgagor (same witness can sign for both Mortgagors), and on page 5 have each signature acknowledged by a notary public.

On bottom of page 5, insert address of HUD area office and you sign your name on signature line.

At this time, give Mortgagor one copy (making photocopies of original) of each of Forms LD-1, LD-3 and LD-4.

3. After Mortgagor leaves your office, complete Forms LD-5 and LD-6 as follows:

FORM LD-5 - Pennsylvania - Disclosure Statement (HUD)

Complete 1 copy as follows (these disclosures are estimates of the disclosures describing the PIP loan assuming it is not modified (paragraph 2) and assuming it is modified (paragraph 3), the estimates being based on the assumptions described in the Form):

Borrower(s)	Insert name(s) of Mortgagor(s)
First Paragraph	Insert date of PIP Agreement
Paragraph 1	Insert name of Mortgagee (same as on first page of the PIP Agreement)
Paragraph 2	Insert the date which was inserted at end of the first paragraph of the Note (Form LD-3)
Paragraph 2.a.	This is one month of interest on the PIP loan. Calculate this amount by multiplying the interest rate shown in the Note (Form LD-3) (first paragraph) times the amount of the Note (the amount inserted at the upper left hand corner of the Note) and divide that total by 12 (dropping all fractions of a penny). (For example, if the interest rate is 6% and the amount of the Note is \$1,225.25, you would insert \$6.12)
Paragraph 2.b.	Total amount of Note (Form LD-3) shown in the upper left hand corner of the Note

FORM LD-5 - California - Disclosure Statement (HUD) (Continued)

- Paragraph 2.c. The sum of 2.a. and 2.b.
- Paragraph 2.d. The interest rate shown in the Deed of Trust Note (Form LD-3), written with decimals (for example, 5.75%)
- Paragraph 3.a. The amount to be inserted here is the total interest over the term of the PIP loan assuming it is recast. Calculate it as follows:

(1) By using calculator, compute monthly payment on a loan with the following facts:

Principal - 2.b. above

Interest Rate - 2.d. above

Term - the number of months from the first PIP Payment to the month which is inserted in the body of paragraph 2 above, minus 12 (this is the term of the PIP loan after it is recast assuming 12 PIP payments are made; for example, if the first PIP payment is to be made on June 1, 1977 and the date inserted in the second paragraph of this Disclosure Statement is December 1, 1990, the number of months is 151). (If more than 3 monthly installments were delinquent on the first mortgage at the beginning of the PIP Program, the number 12 which is to be subtracted above will have to be reduced by the number of months greater than 3 which the Mortgagor is delinquent at the time of the commencement of the PIP Program. For example, if the Mortgagor is 6 months delinquent immediately prior to the first PIP payment, the number 12 above in these instructions should be replaced with the number 9 since under those circumstances, it would be our rough estimate that only 9 PIP payments could be made rather than 12.)

FORM LD-5 - Georgia - Disclosure Statement (HUD) (Continued)

Paragraph 2.c. The sum of 2.a. and 2.b.

Paragraph 2.d. The interest rate shown in the Security Deed Note (Form LD-3), written with decimals (for example, 5.75%)

Paragraph 3.a. The amount to be inserted here is the total interest over the term of the PIP loan assuming it is recast. Calculate it as follows:

(1) By using calculator, compute monthly payment on a loan with the following facts:

Principal - 2.b. above

Interest Rate - 2.d. above

Term - the number of months from the first PIP Payment to the month which is inserted in the body of paragraph 2 above, minus 12 (this is the term of the PIP loan after it is recast assuming 12 PIP payments are made; for example, if the first PIP payment is to be made on June 1, 1977 and the date inserted in the second paragraph of this Disclosure Statement is December 1, 1990, the number of months is 151). (If more than 3 monthly installments were delinquent on the first mortgage at the beginning of the PIP Program, the number 12 which is to be subtracted above will have to be reduced by the number of months greater than 3 which the Mortgagor is delinquent at the time of the commencement of the PIP Program. For example, if the Mortgagor is 6 months delinquent immediately prior to the first PIP payment, the number 12 above in these instructions should be replaced with the number 9 since under those circumstances, it would be our rough estimate that only 9 PIP payments could be made rather than 12.)

FORM LD-5 - Pennsylvania - Disclosure Statement (HUD) (Continued)

- Paragraph 2.c. The sum of 2.a. and 2.b.
- Paragraph 2.d. The interest rate shown in the Note (Form LD-3), written with decimals (for example, 5.75%)
- Paragraph 3.a. The amount to be inserted here is the total interest over the term of the PIP loan assuming it is recast. Calculate it as follows:

(1) By using calculator, compute monthly payment on a loan with the following facts:

Principal - 2.b. above

Interest Rate - 2.d. above

Term - the number of months from the first PIP Payment to the month which is inserted in the body of paragraph 2 above, minus 12 (this is the term of the PIP loan after it is recast assuming 12 PIP payments are made; for example, if the first PIP payment is to be made on June 1, 1977 and the date inserted in the second paragraph of this Disclosure Statement is December 1, 1990, the number of months is 151). (If more than 3 monthly installments were delinquent on the first mortgage at the beginning of the PIP Program, the number 12 which is to be subtracted above will have to be reduced by the number of months greater than 3 which the Mortgagor is delinquent at the time of the commencement of the PIP Program. For example, if the Mortgagor is 6 months delinquent immediately prior to the first PIP payment, the number 12 above in these Instructions should be replaced with the number 9 since under those circumstances, it would be our rough estimate that only 9 PIP payments could be made rather than 12.)

FORM LD-5 - California - Disclosure Statement (HUD) (continued)

- Paragraph 3.a
(continued)
- (2) Multiply the monthly payment so computed by the Term (of the loan) computed above
- (3) Subtract the Principal (above) from the result and the answer is to be inserted in paragraph 3.a. as the FINANCE CHARGE
- Paragraph 3.b. Same as 2.b. above
- Paragraph 3.c. Insert (as number of installments) the Term computed in 3.a. above and insert (as monthly payment) the monthly payment computed in 3.a. above
- Paragraph 3.d. The sum of the amounts shown in paragraphs 3.a. and 3.b.
- Paragraph 3.e. Same as 2.d. above
- Paragraph 3.g. Insert address of property

Now stop and go on to Form LD-6 - DO NOT DATE THIS FORM AT THIS TIME.

FORM LD-6 - Disclosure Statement (Mortgagee)

Complete 1 copy as follows (these disclosures are estimates of the disclosures describing the first mortgage loan assuming it is modified, the estimates being based on the assumptions described in the Form):

- Lender Insert name of Mortgagee (from first page of PIP Agreement) and address of Mortgagee
- Borrower(s) Insert name(s) of Mortgagor(s)
- First Paragraph Insert date of PIP Agreement
- Paragraph 2.a.
(Paragraph 1
will be completed
later) This is the unpaid balance on the first mortgage loan after 12 PIP payments - to find this amount go to the amortization table for the first mortgage loan and find the unpaid principal balance which shows as being due after the

FORM LD-5 - Georgia - Disclosure Statement (HUD) (continued)

- Paragraph 3.a
(continued)
- (2) Multiply the monthly payment so computed by the Term (of the loan) computed above
- (3) Subtract the Principal (above) from the result and the answer is to be inserted in paragraph 3.a. as the FINANCE CHARGE
- Paragraph 3.b. Same as 2.b. above
- Paragraph 3.c. Insert (as number of installments) the Term computed in 3.a. above and insert (as monthly payment) the monthly payment computed in 3.a. above
- Paragraph 3.d. The sum of the amounts shown in paragraphs 3.a. and 3.b.
- Paragraph 3.e. Same as 2.d. above
- Paragraph 3.g. Insert address of property

Now stop and go on to Form LD-6 - DO NOT DATE THIS FORM AT THIS TIME.

FORM LD-6 - Disclosure Statement (Mortgagee)

Complete 1 copy as follows (these disclosures are estimates of the disclosures describing the first mortgage loan assuming it is modified, the estimates being based on the assumptions described in the Form):

- Lender Insert name of Mortgagee (from first page of PIP Agreement) and address of Mortgagee
- Borrower(s) Insert name(s) of Mortgagor(s)
- First Paragraph Insert date of PIP Agreement
- Paragraph 2.a.
(Paragraph 1
will be completed
later) This is the unpaid balance on the first mortgage loan after 12 PIP payments - to find this amount go to the amortization table for the first mortgage loan and find the unpaid principal balance which shows as being due after the

FORM LD-5 - Pennsylvania - Disclosure Statement (HUD) (continued)

- Paragraph 3.a
(continued)
- (2) Multiply the monthly payment so computed by the Term (of the loan) computed above
- (3) Subtract the Principal (above) from the result and the answer is to be inserted in paragraph 3.a. as the FINANCE CHARGE
- Paragraph 3.b. Same as 2.b. above
- Paragraph 3.c. Insert (as number of installments) the Term computed in 3.a. above and insert (as monthly payment) the monthly payment computed in 3.a. above
- Paragraph 3.d. The sum of the amounts shown in paragraphs 3.a. and 3.b.
- Paragraph 3.e. Same as 2.d. above
- Paragraph 3.g. Insert address of property

Now stop and go on to Form LD-6 - DO NOT DATE THIS FORM AT THIS TIME.

FORM LD-6 - Disclosure Statement (Mortgagee)

Complete 1 copy as follows (these disclosures are estimates of the disclosures describing the first mortgage loan assuming it is modified, the estimates being based on the assumptions described in the Form):

- Lender Insert name of Mortgagee (from first page of PIP Agreement) and address of Mortgagee
- Borrower(s) Insert name(s) of Mortgagor(s)
- First Paragraph Insert date of PIP Agreement
- Paragraph 2.a.
(Paragraph 1
will be completed
later) This is the unpaid balance on the first mortgage loan after 12 PIP payments - to find this amount go to the amortization table for the first mortgage loan and find the unpaid principal balance which shows as being due after the

FORM LD-6 - Disclosure Statement (Mortgagee) (continued)

Paragraph 2.a.
(continued)

payment for the month which is the 8th month following the month in which the first PIP payment will be made (e.g., if the first PIP payment will be made on June 1, 1977, the amount to be inserted here is the unpaid principal balance on the existing loan after payment of the monthly payment due February 1, 1978) (If more than 3 monthly installments were delinquent on the first mortgage at the beginning of the PIP Program, the amount which is to be inserted here is the unpaid balance on the first mortgage loan not after 12 PIP payments, but after the number of PIP payments which could possibly be made, taking into account that the first PIP payment will be increased to bring the mortgage back to three months delinquent. Therefore, instead of using 12 PIP payments for this calculation, you will use the same reduced number that you used in filling out paragraph 3.a. of Form LD-5. If, for example, you use 9 PIP payments rather than 12 PIP payments (because the mortgage was six months delinquent rather than three months delinquent), instead of using the unpaid principal balance on the first mortgage after the payment for the month which is the 8th month following the month in which the first PIP payment will be made, you must use the unpaid principal which shows as being due after the payment for the month which is the 5th month following the month in which the first PIP payment will be made.)

Paragraph 2.b.

This amount is the 3 months of interest which will be unpaid on the first mortgage at the time of recast. To compute it, multiply the unpaid principal balance inserted in paragraph 2.a. of this Form by the interest rate on the first mortgage and divide the result by 4.

Paragraph 2.c.

Sum of 2.a. and 2.b.

FORM LD-6 - Disclosure Statement (Mortgagee) (continued)

Paragraph 4
(Paragraph 3 will
be completed later)

The number of installments to be inserted here is the term of the recast loan and will be the same number of payments inserted in paragraph 3.c. of Form LD-5. The dollar amount of each installment to be inserted in this paragraph should be computed with your calculator as the monthly installment for a loan with the following facts:

Principal - amount from 2.c. above

Interest Rate - interest rate on first mortgage

Term - number of installments inserted in this paragraph 4

The last two blanks in paragraph 4 are the monthly MIP premium which will be due with the first payment under the recast loan and the last payment under the recast loan. Even though the loan is recast, these will be the same premiums which would have been due with the first mortgage loan if it was not recast. The premium for the first recast payment is the premium on the amortization schedule for the first Mortgage loan for the payment which is the 12th payment after the first PIP payment (if the first PIP payment is due May 1, 1977, this payment is the one due May 1, 1978). (if more than 3 monthly installments were delinquent on the first mortgage at the beginning of the PIP Program, the MIP premiums to be paid with the first payment after recast will not be the premium which would have been paid under the first mortgage loan before recasting with the payment which is the 12th payment after the first PIP payment, but will be the premium to have been made with the payment which is the 11th, 10th or 9th payment after the first PIP payment depending upon whether the first

FORM LD-6 - Disclosure Statement (Mortgagee) (continued)

Paragraph 4 (continued)

mortgage was 4, 5 or 6 months delinquent immediately prior to the first PIP payment - for example, if the mortgage was 6 months delinquent immediately prior to the first PIP payment, you would use the MIP premium which was to have been made with the payment on the first mortgage loan which is the 9th payment after the first PIP payment because, under these circumstances, you would reasonably expect only 9 rather than 12 PIP payments to be made.) The premium for the last recast payment is the premium due with the last payment under the loan and you should have copied this amount off the amortization schedule when you were in the Servicer's office (it will be a small number of about 50 cents.)

Paragraph 1.a.

This is the total interest over the term of the recast loan. To compute it, multiply the number of installments inserted in paragraph 4 of this Form by the amount of each installment inserted in paragraph 4 of this Form, and subtract from that total the amount which is inserted in paragraph 2.c. of this Form - the result is to be inserted in this paragraph 1.a.

Paragraph 1.b.

The total FHA mortgage insurance premiums over the term of the modified loan is the same amount as the total interest over the term of a loan with the following facts and you should use your calculator to compute that interest. First, compute the monthly payment for the following loan:

Principal - amount inserted in paragraph 2.a.
of this Form

Interest Rate - 1/2 of 1%

Term - same term inserted in paragraph 4 of
this Form

After computing the monthly payment, multiply it by the Term of months

FORM LD-6 - Disclosure Statement (Mortgagee) (continued)

- Paragraph 1.b. (continued) shown above, and subtract from that total the amount which is inserted in paragraph 2.a. of this Form - the result is to be inserted in this paragraph 1.b.
- Paragraph 1.c. Insert the sum of the amounts inserted in 1.a. and 1.b.
- Paragraph 3 Sum of 1.c. and 2.c.
- Paragraph 5 This is the interest rate on the first mortgage loan (which is found in Question 5 of the Mortgage Servicer Data Form) plus 1/2 of 1% (the reason the 1/2 of 1% is added is that for Truth In Lending disclosure purposes, the MIP premium is considered part of the Finance Charge).
- Paragraph 6 This paragraph is to be completed by the Servicer - leave it blank now.
- Paragraph 7 Insert address of property
- Paragraph 10 This paragraph should also be left blank - the Servicer will complete it (if necessary).

4. Now submit four signed copies of the PIP Agreement (Form LD-1) to Helen Kressman for signature (on behalf of HUD). When presenting these documents to her for signature, also give her one copy of the letter which is Form LD-1A, first completing the letter as follows:

DATE - Fill in the date on which you are presenting documents.

TO - Fill in her name.

SUBJECT - Fill in "LD-1" and fill in Mortgagor's FHA Case No.

Each letter must then be signed by you on behalf of Boeing.

5. Now, you should transmit all 4 signed copies of the PIP Agreement to the Servicer and request that he obtain the signature of the Servicer and the Mortgagee and return 2 fully executed copies to you as soon as possible. Also, make 1 photocopy of Form LD-6 for

FORM LD-6 - Disclosure Statement (Mortgagee) (Continued)

- Paragraph 1.b. (continued) shown above, and subtract from that total the amount which is inserted in paragraph 2.a. of this Form - the result is to be inserted in this paragraph 1.b.
- Paragraph 1.c. Insert the sum of the amounts inserted in 1.a. and 1.b.
- Paragraph 3 Sum of 1.c. and 2.c.
- Paragraph 5 This is the interest rate on the first mortgage loan (which is found in Question 5 of the Mortgage Servicer Data Form) plus 1/2 of 1% (the reason the 1/2 of 1% is added is that for Truth In Lending disclosure purposes, the MIP premium is considered part of the Finance Charge).
- Paragraph 6 This paragraph is to be completed by the Servicer - leave it blank now.
- Paragraph 7 Insert address of property
- Paragraph 10 This paragraph should also be left blank - the Servicer will complete it (if necessary).

4. Now submit four signed copies of the PIP Agreement (Form LD-1) and the Disclosure Statement (HUD) (Form LD-5) to Macie Helton for signature (on behalf of HUD). When presenting these documents to her for signature, also give her two copies of the letter which is Form LD-1A (one copy for Form LD-1 and one copy for Form LD-5), first completing each letter as follows:

DATE - Fill in the date on which you are presenting documents.

TO - Fill in her name.

SUBJECT - Fill in "LD-1" or "LD-5", as appropriate, and fill in Mortgagee's FHA Case No.

Each letter must then be signed by you on behalf of Boeing.

5. Now, you should transmit all 4 signed copies of the PIP Agreement to the Servicer and request that he obtain the signature of the Servicer and the Mortgagee and return 2 fully executed copies to you as soon as possible. Also, make 1 photocopy of Form LD-6 for

FORM LD-6 - Disclosure Statement (Mortgagee) (Continued)

- Paragraph 1.b. (continued) shown above, and subtract from that total the amount which is inserted in paragraph 2.a. of this Form - the result is to be inserted in this paragraph 1.b.
- Paragraph 1.c. Insert the sum of the amounts inserted in 1.a. and 1.b.
- Paragraph 3 Sum of 1.c. and 2.c.
- Paragraph 5 This is the interest rate on the first mortgage loan (which is found in Question 5 of the Mortgage Servicer Data Form) plus 1/2 of 1% (the reason the 1/2 of 1% is added is that for Truth In Lending disclosure purposes, the MIP premium is considered part of the Finance Charge).
- Paragraph 6 This paragraph is to be completed by the Servicer - leave it blank now.
- Paragraph 7 Insert address of property
- Paragraph 10 This paragraph should also be left blank - the Servicer will complete it (if necessary).

4. Now submit four signed copies of the PIP Agreement (Form LD-1) to Frank Poshywak for signature (on behalf of HUD). When presenting these documents to him for signature, also give him one copy of the letter which is Form LD-1A, first completing the letter as follows:

DATE - Fill in the date on which you are presenting documents.

TO - Fill in his name.

SUBJECT - Fill in "LD-1" and fill in Mortgagor's FHA Case No.

Each letter must then be signed by you on behalf of Boeing.

5. Now, you should transmit all 4 signed copies of the PIP Agreement to the Servicer and request that he obtain the signature of the Servicer and the Mortgagee and return 2 fully executed copies to you as soon as possible. Also, make 1 photocopy of Form LD-6 for

FORM LD-6 - Disclosure Statement (Mortgagee) (continued)

your files and send the original to the Servicer with instructions to complete missing information and return it to you with PIP Agreements. All of this is accomplished by using forwarding letter LT-4. If you need the legal description of the property and/or the recording information regarding the first mortgage, you should add the following as a "P.S." to letter LT-4:

"When returning the Disclosure Statement and the signed copies of the PIP Agreement to me, you must also send me the following information:

1. The legal description of the property.
 2. The Book and Page number (or document or file number) where the first Deed of Trust is recorded."
6. If either the Servicer or the Mortgagee refuses to sign the PIP Agreement, you must immediately contact Bill Boyd for instructions as to how to proceed. If no one is able to convince the Servicer or the Mortgagee to change his mind and it becomes necessary to reject the Mortgagor for this reason, you must then follow the procedures for rejection of a Mortgagor set forth in Section II of these instructions (beginning on page 4) with the language to be filled in for the "Principle Reason for Credit Denial" being one of the last two reasons given in that part of the instructions depending upon whether the rejection was by the Servicer or Mortgagee.
7. After you receive 2 fully signed PIP Agreements and the completed Form LD-6, send letter LT-5 to the Mortgagor (filling in an appointment date), and when the Mortgagor comes to your office (you need only one of the Mortgagors) proceed as follows:
- a. Form LD-1 - Have at least one of Mortgagors sign and date both copies of the PIP Agreement (on bottom of page 13) and give him 1 copy, keeping last copy for your files.
 - b. Forms LD-3-California and LD-4-California - Give him 1 photocopy of each of these documents, keeping original for your file.

FORM LD-6 - Disclosure Statement (Mortgagee) (Continued)

your files and send the original to the Servicer with instructions to complete missing information and return it to you with PIP Agreements. All of this is accomplished by using forwarding letter LT-4. If you need the legal description of the property and/or the recording information regarding the first mortgage, you should add the following as a "P.S." to letter LT-4:

"When returning the Disclosure Statement and the signed copies of the PIP Agreement to me, you must also send me the following information:

1. The legal description of the property.
 2. The Book and Page number (or document or file number) where the first Security Deed is recorded."
6. If either the Servicer or the Mortgagee refuses to sign the PIP Agreement, you must immediately contact Bill Boyd for instructions as to how to proceed. If no one is able to convince the Servicer or the Mortgagee to change his mind and it becomes necessary to reject the Mortgagor for this reason, you must then follow the procedures for rejection of a Mortgagor set forth in Section II of these Instructions (beginning on page 4) with the language to be filled in for the "Principle Reason for Credit Denial" being one of the last two reasons given in that part of the Instructions depending upon whether the rejection was by the Servicer or Mortgagee.
7. After you receive 2 fully signed PIP Agreements and the completed Form LD-6, send letter LT-5 to the Mortgagor (filling in an appointment date), and when the Mortgagor comes to your office (you need only one of the Mortgagors) proceed as follows:
- a. Form LD-1 - Have at least one of Mortgagors sign and date both copies of the PIP Agreement (on bottom of page 13) and give him 1 copy, keeping last copy for your files.
 - b. Forms LD-3-Georgia and LD-4-Georgia - Give him 1 photocopy of each of these documents, keeping originals for your file.

FORM LD-6 - Disclosure Statement (Mortgagee) (continued)

your files and send the original to the Servicer with instructions to complete missing information and return it to you with PIP Agreements. All of this is accomplished by using forwarding letter LT-4. If you need the legal description of the property and/or the recording information regarding the first mortgage, you should add the following as a "P.S." to letter LT-4:

"When returning the Disclosure Statement and the signed copies of the PIP Agreement to me, you must also send me the following information:

1. The legal description of the property.
 2. The Book and Page number (or document or file number) where the first Mortgage is recorded."
6. If either the Servicer or the Mortgagee refuses to sign the PIP Agreement, you must immediately contact Bill Boyd for instructions as to how to proceed. If no one is able to convince the Servicer or the Mortgagee to change his mind and it becomes necessary to reject the Mortgagor for this reason, you must then follow the procedures for rejection of a Mortgagor set forth in Section II of these Instructions (beginning on page 4) with the language to be filled in for the "Principle Reason for Credit Denial" being one of the last two reasons given in that part of the Instructions depending upon whether the rejection was by the Servicer or Mortgagee.
7. After you receive 2 fully signed PIP Agreements and the completed Form LD-6, send letter LT-5 to the Mortgagor (filling in an appointment date), and when the Mortgagor comes to your office (you need only one of the Mortgages) proceed as follows:
- a. Form LD-1 - Have at least one of Mortgagors sign and date both copies of the PIP Agreement (on bottom of page 13) and give him 1 copy, keeping last copy for your files.
 - b. Forms LD-3-Pennsylvania and LD-4-Pennsylvania - Give him 1 photocopy of each of these documents, keeping originals for your file.

- c. Forms LD-5-California - Have at least one Mortgagor sign at the bottom to acknowledge receipt and insert current date on line opposite his signature, and insert same date on line at lower left hand corner marked "Dated". Make 1 photocopy and give it to him, keeping original for your files.
- d. Form LD-6 - Have at least one Mortgagor sign at the bottom to acknowledge receipt and insert current date on line opposite his signature and insert same date on line at lower left hand corner marked "Dated". Make 1 photocopy and give it to him, keeping original for your file.
- e. Form LD-7-Rescission Notice (HUD) - Complete 3 copies of this Form as follows:
- (i) In the heading, insert date of the PIP Agreement (Form LD-1) (the date appearing at the top of the page above all the signatures).
 - (ii) Insert name(s) of Mortgagor(s) as Borrower.
 - (iii) In first line of the first paragraph, insert the current date (the same date you insert on Forms LD-5-California and LD-6).
 - (iv) On four blank lines in the middle, insert address of HUD area office in which you are located and insert your name after word "Attention".
 - (v) In first line after your address, insert the date which is three business days after the date inserted above - in computing the three days, do not count Saturdays, Sundays or holidays.
 - (vi) Give Mortgagor 2 copies of this Form (telling him he must sign one copy and mail it to you within the 3-day period if he wants to cancel the PIP loan transaction), and have him date and sign the third copy at the bottom to acknowledge receipt of the Form and keep this receipted copy in your files.

NOTE: Under the Truth in Lending law, this rescission notice has to be mailed within the 3-day period. Therefore, you should not make any PIP payments until 2 days after the end of the 3-day period.

- c. Forms LD-5-Georgia - Have at least one Mortgagor sign at the bottom to acknowledge receipt and insert current date on line opposite his signature, and insert same date on line at lower left hand corner marked "Dated". (Form should have already been signed on behalf of HUD.) Make 1 photocopy and give it to him, keeping original for your files.
- d. Form LD-6 - Have at least one Mortgagor sign at the bottom to acknowledge receipt and insert current date on line opposite his signature and insert same date on line at lower left hand corner marked "Dated". (Form should have already been signed on behalf of HUD.) Make 1 photocopy and give it to him, keeping original for your file.
- e. Form LD-7-Rescission Notice (HUD) - Complete 3 copies of this Form as follows:
- (i) In the heading, insert date of the PIP Agreement (Form LD-1) (the date appearing at the top of the page above all the signatures).
 - (ii) Insert name(s) of Mortgagor(s) as Borrower.
 - (iii) In first line of the first paragraph, insert the current date (the same date you insert on Forms LD-5-Georgia and LD-6).
 - (iv) On four blank lines in the middle, insert address of HUD area office in which you are located and insert your name after word "Attention".
 - (v) In first line after your address, insert the date which is three business days after the date inserted above - in computing the three days, do not count Saturdays, Sundays or holidays.
 - (vi) Give Mortgagor 2 copies of this Form (telling him he must sign one copy and mail it to you within the 3-day period if he wants to cancel the PIP loan transaction), and have him date and sign the third copy at the bottom to acknowledge receipt of the Form and keep this receipted copy in your files.

NOTE: Under the Truth in Lending law, this rescission notice has to be mailed within the 3-day period. Therefore, you should not make any PIP payments until 2 days after the end of the 3-day period.

c. Forms LD-5-Pennsylvania - Have at least one Mortgagor sign at the bottom to acknowledge receipt and insert current date on line opposite his signature, and insert same date on line at lower left hand corner marked "Dated". Make 1 photocopy and give it to him, keeping original for your files.

d. Form LD-6 - Have at least one Mortgagor sign at the bottom to acknowledge receipt and insert current date on line opposite his signature and insert same date on line at lower left hand corner marked "Dated". Make 1 photocopy and give it to him, keeping original for your file.

e. Form LD-7-Rescission Notice (HUD) - Complete 3 copies of this Form as follows:

(i) In the heading, insert date of the PIP Agreement (Form LD-1) (the date appearing at the top of the page above all the signatures).

(ii) Insert name(s) of Mortgagor(s) as Borrower.

(iii) In first line of the first paragraph, insert the current date (the same date you insert on Forms LD-5-Pennsylvania and LD-6).

(iv) On four blank lines in the middle, insert address of HUD area office in which you are located and insert your name after word "Attention".

(v) In first line after your address, insert the date which is three business days after the date inserted above - in computing the three days, do not count Saturdays, Sundays or holidays.

(vi) Give Mortgagor 2 copies of this Form (telling him he must sign one copy and mail it to you within the 3-day period if he wants to cancel the PIP loan transaction), and have him date and sign the third copy at the bottom to acknowledge receipt of the Form and keep this receipted copy in your files.

NOTE: Under the Truth in Lending law, this rescission notice has to be mailed within the 3-day period. Therefore, you should not make any PIP payments until 2 days after the end of the 3-day period.

f. Form LD-8-Protective Insurance Payments Mortgagor's Certificate - Give the Mortgagor 1 of these forms explaining to him what he must do with these to make sure HUD makes the PIP Payments. Assist him in completing this Form as follows:

- Upper right hand corner - fill in month for which first PIP Payment will be made (will probably be the month after the month which you are currently in)
- Mortgagor(s) - insert name(s)
- FHA Case No. - insert this number
- Servicer Loan Property - insert address of Mortgagor's property
- Mortgagee -- insert name of Mortgagee
- Paragraphs (1) and (2) - If either of these statements is not true, explain why not at the end of the Certificate (marked "CHANGES") and tell the Mortgagor he is now disqualified for further participation in the PIP Program. At this time, complete the Certificate and have the Mortgagor sign it and then you keep it. Tell the Mortgagor he will receive correspondence from you regarding this matter. After he leaves, fill out a Statement of Credit Termination and follow the procedures below in paragraph V on page 29 of these instructions.
- Paragraph (3) - fill in name of those Mortgagors who are still unemployed or underemployed.
- Paragraph (4) - fill in current monthly income of family (will probably be the same as shown on the Mortgagor's Questionnaire since that was only a couple of weeks ago). If this income is equal to or greater than 75% of the family income prior to the unemployment or underemployment (Question 13a of Mortgagor's Questionnaire in the "Previous" column), then the Mortgagor's income has been "substantially restored" and the first mortgage loan and PIP loan will be recast. The Certificate should be completed and the Mortgagor should be told to send it in with his partial payment. Also tell him that next month's PIP Payment will be his last PIP Payment and then follow the procedures below in paragraph VI on page 31 of these instructions to begin the process of recasting. (If the monthly income has increased since the PIP Payments began, but has not been "substantially

restored", after the Mortgagor leaves you must test to see whether the Mortgagor still meets the test described in paragraph I, A, 7(i) (on page 1 above) and if he does not meet the test, you should immediately follow the procedures set forth in paragraph V below -on page 29 - because no more PIP Payments will be made.)

- Paragraph (5) - If this is not true (i.e., if he now has more than \$5,000 in liquid assets), he may not continue in the PIP Program. Complete the Certificate and have the Mortgagor sign it and then you keep it. Tell him he will receive correspondence from you on this matter. After he leaves, fill out a Statement of Credit Termination and follow the procedures below in paragraph V on page 29 of these instructions.

- Paragraph (6) - If this is not true (for example, because the Mortgagor has made one of his delinquent three payments), he may not continue in the PIP Program. Complete the Certificate and have the Mortgagor sign it and then you keep it. Tell him he will receive correspondence from you on this matter. After he leaves, fill out a Statement of Credit Termination and follow the procedures below in paragraph V on page 29 of these instructions.

- Paragraph (7) - If this is not true (for example, because he has filed bankruptcy), he may not continue in the PIP Program. Complete the Certificate and have the Mortgagor sign it and then you keep it. Tell him he will receive correspondence from you on this matter. After he leaves, fill out a Statement of Credit Termination and follow the procedures below in paragraph V on page 29 of these instructions.

Have the Mortgagor date and sign the Certificate, and assuming he is to continue in the Program, make 1 copy of the Certificate for your files, give the Mortgagor the original Certificate and tell him he must send it to his Servicer with his partial payment prior to the end of the month.

By this time, you should have found out from each Servicer the person and address to whom the partial payments are to be made. Therefore, you should alert the Mortgagor of that name and address. If possible, the Servicer should have given you pre-printed envelopes to be given to the Mortgagor and if the Servicer has done this you should also give the Mortgagor one of those envelopes.

g. Letter LT-6 - Fill in 2 copies of this letter and give one to the Mortgagor explaining his responsibilities to see his counselor.

h. Pursuant to the PIP Mortgage which the Mortgagor has signed, he must have the hazard insurance policy on his home endorsed to show HUD as an additional insured party. This is the same procedure he followed when he had the Mortgagee on the first Mortgage named as an additional insured. You must request that the Mortgagor contact his insurance agent and make sure that HUD is named as an additional insured and that evidence of that (usually in the form of a Certificate of Insurance) is forwarded to you. The correct name and address to be used for HUD in the endorsement is as follows:

Secretary of Housing and Urban Development
c/o Boeing Aerospace Company
Post Office Box 3999
Seattle, Washington 98124

Attention: William E. Boyd
Mail Stop 87-13

You must follow up with the Mortgagor to make sure that the endorsement is made and you receive evidence of the endorsement. Perhaps the easiest way would be to have the Mortgagor call his insurance agent while he is in your office and that way you will be able to explain the situation to the insurance agent if there is any difficulty.

8. After completing the above and the Mortgagor leaves, immediately forward originals of Security Deed (Form LD-4-Georgia) and Security Deed Note (Form LD-3-Georgia) to Servicer for recording, making a photocopy of each to keep in your files. You should also include in this package one Master Certificate for each Mortgagor which the Servicer can use to obtain a partial payment from Boeing if the Mortgagor fails to make a partial payment. That Master Certificate must be filled in by you with the name and address of the Mortgagor, the FHA Case No., the Servicer Loan No., and the name of the Mortgagee. All of these documents are then forwarded to the Servicer by using Letter LT-7. The original recorded documents should be returned to you after recording.

9. Letter LT-8 - Send this letter to the appropriate counseling agency alerting them to contact the Mortgagor for counseling. When submitting this letter to the counseling agencies, you must supply them with at least the following information: (i) the name of the Mortgagor; (ii) the address of the Mortgagor; (iii) the telephone number of the Mortgagor (if you know it); (iv) the FHA Case No.; (v) the Servicer Loan No.; (vi) the name of the Mortgagee; and (vii) the amount of the partial payment. You must also supply the counseling agency with the name and address where the Mortgagor is to send his partial payment and, if you have obtained pre-printed envelopes from the Servicer, send the counseling agency enough envelopes so that they can give the Mortgagor an envelope each month when he fills out his Certificate.

10. As soon as the Mortgagor leaves your office, it will be necessary for you to arrange for the first PIP payment to be made to the Servicer by Boeing so that the payment is received on or prior to the first day of the next month. The amount of that first PIP Payment will be:

- (a) the total monthly payment due under the first mortgage (including escrows or impounds and including the MIP Payment), minus
- (b) the partial payment to be made by the Mortgagor, plus
- (c) the amount of late charges due to the Servicer, plus
- (d) the additional amount which will be necessary to cause the Mortgagor to be exactly three months delinquent after the first PIP Payment (if, for

8. After completing the above and the Mortgagor leaves, immediately forward originals of Mortgage (Form LD-4-Pennsylvania) and Note (Form LD-3-Pennsylvania) to Servicer for recording, making a photocopy of each to keep in your files. You should also include in this package one Master Certificate for each Mortgagor which the Servicer can use to obtain a partial payment from Boeing if the Mortgagor fails to make a partial payment. That Master Certificate must be filled in by you with the name and address of the Mortgagor, the FHA Case No., the Servicer Loan No., and the name of the Mortgagee. All of these documents are then forwarded to the Servicer by using Letter LT-7. The original recorded documents should be returned to you after recording.

9. Letter LT-8 - Send this letter to the appropriate counseling agency alerting them to contact the Mortgagor for counseling. When submitting this letter to the counseling agencies, you must supply them with at least the following information: (i) the name of the Mortgagor; (ii) the address of the Mortgagor; (iii) the telephone number of the Mortgagor (if you know it); (iv) the FHA Case No.; (v) the Service Loan No.; (vi) the name of the Mortgagee; and (vii) the amount of the partial payment. You must also supply the counseling agency with the name and address where the Mortgage is to send his partial payment and, if you have obtained pre-printed envelopes from the Servicer, send the counseling agency enough envelopes so that they can give the Mortgagor an envelope each month when he fills out his Certificate.

10. As soon as the Mortgagor leaves your office, it will be necessary for you to arrange for the first PIP payment to be made to the Servicer by Boeing so that the payment is received on or prior to the first day of the next month. The amount of that first PIP Payment will be:

- (a) the total monthly payment due under the first mortgage (including escrows or impounds and including the MIP Payment), minus
- (b) the partial payment to be made by the Mortgagor, plus
- (c) the amount of late charges due to the Servicer, plus
- (d) the additional amount which will be necessary to cause the Mortgagor to be exactly three months delinquent after the first PIP Payment (if, for

8. After completing the above and the Mortgagor leaves, immediately forward originals of Deed of Trust (Form LD-4-California) and Deed of Trust Note (Form LD-3-California) to Servicer for recording, making a photocopy of each to keep in your files. You should also include in this package one Master Certificate for each Mortgagor which the Servicer can use to obtain a partial payment from Boeing if the Mortgagor fails to make a partial payment. That Master Certificate must be filled in by you with the name and address of the Mortgagor, the FHA Case No., the Servicer Loan No., and the name of the Mortgagee. All of these documents are then forwarded to the Servicer by using Letter LT-7. The original recorded documents should be returned to you after recording.

9. Letter LT-8 - Send this letter to the appropriate counseling agency alerting them to contact the Mortgagor for counseling. When submitting this letter to the counseling agencies, you must supply them with at least the following information: (i) the name of the Mortgagor; (ii) the address of the Mortgagor; (iii) the telephone number of the Mortgagor (if you know it); (iv) the FHA Case No.; (v) the Service Loan No.; (vi) the name of the Mortgagee; and (vii) the amount of the partial payment. You must also supply the counseling agency with the name and address where the Mortgagor is to send his partial payment and, if you have obtained pre-printed envelopes from the Servicer, send the counseling agency enough envelopes so that they can give the Mortgagor an envelope each month when he fills out his Certificate.

10. As soon as the Mortgagor leaves your office, it will be necessary for you to arrange for the first PIP payment to be made to the Servicer by Boeing so that the payment is received on or prior to the first day of the next month. The amount of that first PIP Payment will be:

- (a) the total monthly payment due under the first mortgage (including escrows or impounds and including the MIP Payment), minus
- (b) the partial payment to be made by the Mortgagor, plus
- (c) the amount of late charges due to the Servicer, plus
- (d) the additional amount which will be necessary to cause the Mortgagor to be exactly three months delinquent after the first PIP Payment (if, for

example, the Mortgagor was six months delinquent immediately prior to the first PIP Payment, this last portion of the first PIP Payment will be equal to three monthly installments under the first mortgage so that you will bring the delinquency down from six months to three months).

The amount of the late charges should be the amount that you filled in as "Late charges accrued" in question 14 on the Mortgage Servicer Data Form plus one additional late charge for the third missed payment. (If you were in the Servicer's office after the third payment was missed, it may be that the amount on the Mortgage Servicer Data Form already includes this additional late charge.) After you have computed the total amount of late charges due, you should confirm this number by calling the Servicer.

B. If Mortgagor Is To Get PIP Payments Only (No Counseling): The preceding pages (starting at page 7) dealt with Mortgagors receiving PIP Payments and counseling. For the Mortgagors receiving PIP payments only (and no counseling) follow exactly the same procedures (Paragraphs A, 1 through A, 10) with the following exceptions:

1. Do not give the Mortgagor Letter LT-6 (paragraph A, 7, g on page 25 above).
2. Do not send Letter LT-8 (paragraph A, 9 on page 26 above).

C. If Mortgagor Is To Get Only Counseling (No PIP Payments): Do only the following:

1. Send the Mortgagor Letter LT-9.
2. Send the Counseling Agency Letter LT-10 including this Mortgagor's name.
3. Send the Servicer Letter LT-11 including this Mortgagor's name.

IV. PROCEDURES REGARDING PIP PAYMENTS.

A. If Mortgagor is not receiving counseling, you must arrange to see him every month to give him his Certificate for the following months' PIP Payment. Each month when you give him his Certificate you must also remind him of the name and address where he is to send his partial payment and, if you have them, give him a pre-printed envelope with that name and address on it.

B. If the Mortgagor is receiving counseling, he will get his Certificate each month from the counseling agency.

C. You will have instructed each Servicer to contact you by phone by the fifth of the month if the Servicer has not received the partial payment from the Mortgagor. At that time, you must determine the reason for the failure of the Mortgagor to make the payment and decide (before the 10th of the month) whether Boeing will make the partial payment. If Boeing is to make the partial payment, by the 10th of the month you must make the necessary arrangements so that the check will be received by the Servicer by the 15th of the month. At that time, you must also call the Servicer and tell him to complete and send you the Master Certificate for that Mortgagor. (You should note that the partial payment required from the Mortgagor does not, under any circumstances, include payments for insurance premiums, such as life insurance, which are not required to be paid under the mortgage and Boeing will not, under any circumstances, reimburse the Servicer for any of such insurance premiums which the Mortgagor fails to make.)

D. The PIP Payments will continue until:

1. They are to be terminated because of one of the occurrences described above in paragraph A, 7, f (on pages 23 and 24). At that time, if the loans are to be recast (because of "substantial restoration" of income), follow the procedures in paragraph VI below (page 31). Otherwise, follow the procedures in paragraph V below (on page 29).

NOTE - If the Mortgagor is receiving counseling, he will be getting his monthly Certificates from the Counseling Agency and therefore the only way that you will find out that one of the matters described in the Certificate causes the termination of the PIP payments is when you receive a copy of the Certificate from the Counseling Agency. The instructions to the Counseling Agencies indicate that if any of the facts they find out in completing such a Certificate cause termination of the PIP payments, they are not to give the Certificate to the Mortgagor but to complete it and send it to you. At that time, you would have to follow the procedures in paragraph V below (on page 29) to terminate PIP payments. When you receive a Certificate from the Counseling Agency, you must carefully check the current amount of income shown in paragraph (4). If the income has been "substantially restored" you must then follow the procedures for recasting in paragraph VI below (page 31). If the income has increased but has not been "substantially restored", you must test to see whether the Mortgagor still meets the test described in paragraph I, A, 7(i) above (page 1), and if he does not meet that test, you should immediately follow the procedures set forth in paragraph V below (on this page 29) because no more PIP Payments will be made.

2. The aggregate amount of PIP Payments which may be made will be exceeded if the next PIP Payment is made under these conditions you follow the procedures in paragraph V below (on this page 29).

V. TERMINATION OF PIP PAYMENTS

A. If the PIP Payments are commenced and then terminated for any reason (except because Mortgagor's income has been restored and the loans are going to be recast), a Statement of Credit Termination (Form LD-8A) must be completed and sent to the Mortgagor.

B. Completion of Statement of Credit Termination (Form LD-8A):

1. Date - fill in date of mailing of Statement
2. Mortgagor's Name and Address - complete
3. Principal Reasons for Action - you must copy (exactly) one of the reasons set forth below, whichever is the reason for termination:
 - It has been determined that the information originally supplied to the Lender by the Mortgagor was not correct when given and thus one of the Program Guidelines for participation was not in fact met - the Guideline not satisfied was the following: (You must insert here one of the 19 criteria listed in paragraph II, C, 4 above beginning on page 5).
 - The mortgaged property is no longer owned in fee simple by the Mortgagor.
 - The mortgage property has been abandoned or vacated.
 - The mortgaged property has become subject to a third mortgage or other lien not permitted under the Program Guidelines.
 - Under Program Guidelines, the Mortgagor is no longer "financially unable" to pay the installments due under the first mortgage. (This will be the reason you should insert if either (i) as a result of an increase in Mortgagor's income, he no longer meets the 30% test set forth in paragraph I, A, 7(i) above (on page 1), or (ii) the Mortgagor now has more than \$5,000 in available liquid assets. For the purposes of applying the 30% test, since we will not be getting information on changed housing expenses other than the amount of the monthly installment on the first Mortgage, in applying this test each month the total amount of housing expenses to be used will be the housing expenses shown on the Mortgagor Application Form with the only modification being to take account of any change in the monthly installment on the first mortgage.)
 - The Mortgagor has made payments on his first mortgage in such an amount that three (3) full monthly payments are no longer due and unpaid.

- A bankruptcy, arrangement or other insolvency proceeding has been instituted by or against Mortgagor or Mortgagor has made an assignment for the benefit of his creditors.
- Mortgagor has failed to make a partial payment when due in the amount due or a required monthly Certificate was not furnished by Mortgagor when due.
- The Mortgagor has stated in writing that he has no reasonable prospect of fulfilling, or he has no intention of fulfilling, his obligations under the PIP Agreement, his first mortgage loan, or his PIP mortgage loan from the Lender.
- No further loan advance can be made by the Lender without exceeding the maximum amount which the Lender is committed to loan to the Mortgagor.

4. Disclosure of Use of Information from Outside Source

a. Put "X" on first line if NO information collected from a third party was used in deciding that the Mortgagor did not meet the test inserted above.

b. Put "X" on second line if such information was obtained from a third party that was not a "consumer reporting agency" (basically a company in the business of supplying such information).

c. Put "X" in the third line if the outside information was obtained from a consumer reporting agency and fill in the name, address and telephone number of that agency.

5. Creditor's Address - fill in address of HUD office you are working from.

6. Creditor's Telephone Number - fill in your telephone number at the HUD office.

C. Then make 1 photocopy of the Statement (Form LD-8A), keeping it in your files, and mail the original with Letter LT-12 to the Mortgagor.

D. Mail Letter LT-13 to the Servicer.

E. Mail Letter LT-14 to the counseling agency.

VI. RECASTING

A. For those Mortgagors who are receiving PIP Payments, once you determine that the income of the Mortgagor's family has been "substantially restored", you must begin the process of recasting or modifying the first mortgage loan and the PIP loan. The Mortgagor's family income is

"substantially restored" when it reaches a level at least as great as 75% of the family income of the Mortgagor immediately prior to the commencement of the unemployment or underemployment. (The income of Mortgagor's family prior to the unemployment or underemployment will be found on the Mortgagor Application Form on the last line of the "PREVIOUS" column of question 13a.) Each month you will find out the current income of the Mortgagor's family when the Mortgagor completes paragraph 4 on the Monthly Certificate (Form LD-8) - the Mortgagor will either complete it in your office or you will receive it from the Counseling Agency.

B. As soon as you determine that the Mortgagor's family income has been "substantially restored", you must fill out the Mortgage Modification Data Form. This Form is to be filled out as follows:

- Boeing Control Number - Copy from Mortgagor Application Form.
- Mortgage Amount at Inception - Copy from Mortgage Servicer Data Form.
- Interest Rate - Copy from Mortgage Servicer Data Form (this is the interest rate on the first Mortgage).
- Term (No. of Months) - copy from Mortgage Servicer Data Form (this is the term of the first Mortgage).
- Monthly Payment, P & I - Copy from Mortgage Servicer Data Form (this is the monthly payment of principal and interest for the first Mortgage).
- Due Date - 1st Payment - Copy from Mortgage Servicer Data Form.
- Date of Final PIP Payment - This will be the 1st day of the month following the month in which you find out the Mortgagor's family income has been restored (for example, if you find out on October 20, 1977 that the income has been restored and the November 1 PIP Payment will be the last PIP Payment, this date will be "11-01-77").
- Balance on FHA Mortgage - This is the unpaid principal balance on the first Mortgage after the last PIP Payment is made. To determine this amount, you should contact the Servicer and ask him what the unpaid principal balance will be on the first mortgage after the next PIP Payment. After you obtain this amount from the Servicer, you should check it by using the \$10,000 amortization schedule provided to you by Dennis Eisen. The \$10,000 amortization schedule will not be exactly accurate since it only provides for loans up to \$10,000 and you will be multiplying the payment obtained from the Schedule by the factor necessary to convert to the correct payment - however, the amount you obtain from the Servicer should be within a few dollars of the amount you obtain from your \$10,000 amortization schedule. If the amounts are not within a few dollars, you must determine why before you use the figure obtained from the Servicer.

- Interest Forborne - This is the "balance on FHA Mortgage" filled in above times the interest rate on the first Mortgage divided by 4 (this is the 3 months of interest which have not been paid). (Although this may never happen it is possible that at the time the PIP Payments began, there was additional interest which had been foreborne in the past and which remained unpaid at the time of the first PIP Payment and which will continue to be unpaid at the time of recasting. Under those circumstances the amount of such foreborne interest must be added to the three month of interest computed above with the total inserted in this Form as "Interest Forborne".
- Impounds Advanced & Paid - This is the amount advanced by the Mortgagee to cover deficiencies in the escrow account if, and only if, the monthly escrow payment has not been increased to recover this advance in the future. For example, assume that prior to this time it has been necessary for the Servicer to pay taxes or insurance and there were insufficient funds in the escrow account to pay this and the Mortgagee had advanced the necessary funds. If the future escrow payments were increased at that time so that ultimately the deficiency will be recovered, the amount to be filled in in this blank is 0. On the other hand, if the escrows were not increased and the Servicer requires that the deficiency be collected in a lump sum from the Mortgagor, the amount of that deficiency remaining unpaid (less that portion of it, if any, to be paid with the final PIP Payment--see paragraph C below on page 34), shall be inserted here (this amount will be determined by calling the Servicer and obtaining this information).
- Other Amounts Accrued - This should always be 0. (It is possible that there may be some late charges which still remain due at the time of recasting and if so the amount of such late charges should be inserted in this blank. However, under the Program Guidelines, any late charges which were due at the time of the first PIP Payment should have been paid with the First PIP Payment and therefore there should be no late charges due. Once the PIP Payments start, no additional late charges will accrue since the lender has agreed by signing the PIP Agreement not to accrue any more late charges.)
- PIP Advances - This is the total of all PIP Payments, including the last PIP Payment to be made. In that connection, remember that the last PIP Payment may include a portion of the escrow deficiency created by the three missed payments--if it does, that amount is to be included in the amount of the total PIP Advances but is not to be included in the amount above entitled "Impounds Advanced & Paid".
- Total Mtgr. Obligation - This is the sum of the above 5 amounts, from "Balance on FHA Mortgage" through "PIP Advances".
- Date of Mortgage Modification - This is the same date as was filled in above for "Date of Final PIP Payment".
- Due Date of 1st Payment Under Modification - The date one month after the "Date of Mortgage Modification".

- Legal Interest Rate Permitted - 2nd Mortgages -

Georgia - 6.000%

Pennsylvania - Fill in the maximum interest rate permitted in Pennsylvania during the month in which the PIP Agreement is dated (that is the date at the top of page 13 of the PIP Agreement and also the date which is the date of the PIP Note). This maximum interest rate will be found in the appropriate News Release which you have obtained from the Pennsylvania Department of Banking - the News Release giving the maximum (or "ceiling") rate for the month described above.

California - 10.000%

- Monthly Gross Family Income at Modification - The amount of income inserted in paragraph 4 of the last Monthly Certificate.
- Monthly Payments to R.E. Taxes & Hazard Insurance at Modification - The current amount of the monthly impounds on the first Mortgage, excluding the MIP Payment, and also excluding any payments for insurance (such as life insurance) which are not required payments under the mortgage but are only additional policies of insurance which were voluntarily purchased by the Mortgagor through the Servicer.
- Date This Form Prepared - Current date.
- Prepared by - Insert your name.

C. After you fill out the Mortgage Modification Data Form, you must make a copy of the Form and send it to the Servicer for his review. This is accomplished by using letter LT-15 which requests the Servicer to review the Form and if it is accurate, to indicate that on the Form by marking it "Reviewed by (Name of Servicer)", signing on behalf of the Servicer and then returning the Form to you. Once you obtain the signed Form from the Servicer, the original Form should then be forwarded to Dennis Eisen (at Dennis Eisen and Associates, 1612 Auburn Avenue, Rockville, Maryland 20850), so that he can send you the information you will need to recast the mortgages.

D. Even though you are beginning the recasting procedure, the next mortgage payment is to be made by means of a partial payment from the Mortgagor and the balance from Boeing (the final PIP Payment). The final PIP Payment may be larger than the previous PIP Payments if the Mortgagee has advanced funds due to an escrow deficiency and the Servicer requires the advance to be repaid in a lump sum rather than by increasing future escrow payments. Under those circumstances, the last PIP Payment must be increased by the amount of the lump sum due, but not to exceed the amount of escrow payments included in the three missed payments. However, since Boeing will never advance more than the maximum amount inserted in the PIP Note (Form LD-3), if the additional PIP Payment relating to the escrow deficiencies causes that maximum to be exceeded this addition to the last PIP Payment is to be reduced so that the aggregate PIP Payments, including this additional payment, equal that maximum.

As an example, assume the following facts:

(i) During the time PIP Payments were being made, it became necessary for the Servicer to pay real estate taxes in the amount of \$800 and since there was only \$600 in the Mortgagor's escrow account, the Mortgagee advanced the \$200 himself creating a deficiency of \$200 in the Mortgagor's escrow account.

(ii) The Servicer requires the Mortgagor to repay the \$200 in a lump sum and does not increase future escrow payments to recover that amount.

(iii) At the time of the last PIP Payment, the Mortgagor has not repaid any of the \$200.

(iv) The escrow portion of the three missed payments was \$50 per payment or a total of \$150.

(v) The aggregate amount of PIP Payments that Boeing is committed to make is \$1,800 and immediately prior to the last PIP Payment, Boeing has paid a total of \$1,450 in PIP Payments.

(vi) The normal amount of the last PIP Payment would be \$200.

Under these circumstances, the last PIP Payment will be increased by \$150 for a total final PIP Payment of \$350. This is because the Mortgagor is indebted to the Mortgagee for \$200 for the amount advanced by the Mortgagee to fund the escrow deficiency but the largest amount that will be included in the final PIP Payment to repay this advance is \$150 because that is the aggregate of the escrow amounts included in the three missed payments. If in the above case the aggregate PIP Payments made by Boeing prior to the late PIP Payment had been \$1,500 instead of \$1,450, the maximum amount of the final PIP Payment could only be \$300 (since that would cause the aggregate of the PIP Payments to reach the \$1,800 maximum) and therefore only \$100 would be added to the last PIP Payment.

(Based upon our conversations with the Servicers, we do not think any of them require such a lump sum payment and

therefore there should be no such additional payment to be added to the final PIP Payment.)

We have supplied you with a Work Sheet for the purposes of computing the Final PIP Payment and this Work Sheet should be filled out and kept in your file as the explanation of the amount of the Final PIP Payment.

E. After you receive the amortization tables for the recast loans, send the Mortgagor Letter LT-16 to get him to come to your office to sign the Modification documents. The names to be inserted in the letter (for the persons who must come to your office) are all of the persons who signed the PIP Agreement, including any Co-Makers or Endorsers. Before the Mortgagor comes to your office, complete the following documents:

AMORTIZATION TABLES

You should receive five (5) amortization tables from Dennis Eisen - one to be delivered to the Mortgagor, one to be delivered to the Servicer, one to be delivered to the Mortgagee, one to be mailed to William Boyd, and one for your files. However, before, these tables can be delivered, the blanks on the bottom of the first page (e.g. Name and Address of Mortgagor(s)) must be added so that each of the parties will be able to identify the tables.

FORM LD-9 - California - Modification of Deed of Trust

Complete 1 copy as follows (this is the modification of the first mortgage loan):

- | | |
|---|---|
| Page 1
blanks at top | Mortgagor(s), FHA Case No., and Address of Property, and Mortgagee - copy all of this from the first several lines of PIP Agreement. |
| Page 1
second WHEREAS clause
Lines 3, 4 and 5 | Fill in County in which property is located and fill in the recording information regarding information regarding the first mortgage (Deed of Trust) - all of this information is included on the first page of the <u>PIP</u> Deed of Trust (Form LD-4-California) |
| Page 1
third WHEREAS clause
Lines 3 and 4 | Insert in the three blanks (i) the principal amount unpaid under the first mortgage loan (the sum of the amounts inserted in the Mortgage Modification Data Form as "Balance of FHA Mortgage" and "Impounds Advanced and Paid"), (ii) the advances, |

there should be no such additional payment to be added to the final PIP Payment.)

We have supplied you with a Work Sheet for the purposes of computing the Final PIP Payment and this Work Sheet should be filled out and kept in your file as the explanation of the amount of the Final PIP Payment.

AMORTIZATION TABLES

You should receive five (5) amortization tables from Dennis Eisen - one to be delivered to the Mortgagor, one to be delivered to the Servicer, one to be delivered to the Mortgagee, one to be mailed to William Boyd, and one for your files. However, before, these tables can be delivered, the blanks on the bottom of the first page (e.g. Name and Address of Mortgagor(s)) must be added so that each of the parties will be able to identify the tables.

FORM LD-9 - Georgia - Modification of Security Deed

Complete 1 copy as follows (this is the modification of the first mortgage loan):

- | | |
|--|--|
| Page 1
blanks at top | Mortgagor(s), FHA Case No., and Address of Property, and Mortgagee - copy all of this from the first several lines of PIP Agreement. |
| Page 1
second WHEREAS clause
Lines 3 and 4 | Fill in County in which property is located and fill in the recording information regarding first mortgage (Security Deed) - all of this information is included on the first page of the <u>PIP</u> Security Deed (Form LD-4-Georgia) |
| Page 1
third WHEREAS clause
Lines 3 and 4 | Insert in the three blanks (i) the principal amount unpaid under the first mortgage loan (the sum of the amounts inserted in the Mortgage Modification Data Form as "Balance of FHA Mortgage" and "Impounds |

there should be no such additional payment to be added to the final PIP Payment.)

We have supplied you with a Work Sheet for the purposes of computing the Final PIP Payment and this Work Sheet should be filled out and kept in your file as the explanation of the amount of the Final PIP Payment.

E. After you receive the amortization tables for the recast loans, send the Mortgagor Letter LT-16 to get him to come to your office to sign the Modification documents. The names to be inserted in the letter (for the persons who must come to your office) are all of the persons who signed the PIP Agreement, including any Co-Makers or Endorsers. Before the Mortgagor comes to your office, complete the following documents:

AMORTIZATION TABLES

You should receive five (5) amortization tables from Dennis Eisen - one to be delivered to the Mortgagor, one to be delivered to the Servicer, one to be delivered to the Mortgagee, one to be mailed to William Boyd, and one for your files. However, before these tables can be delivered, the blanks on the bottom of the first page (e.g. Name and Address of Mortgagor(s)) must be added so that each of the parties will be able to identify the tables.

FORM LD-9 - Pennsylvania - Modification of Mortgage

Complete 1 copy as follows (this is the modification of the first mortgage loan):

Page 1 Blanks at top	Mortgagor(s), FHA Case No., and Address of Property, and Mortgagee - copy all of this from the first several lines of PIP Agreement
Page 1 Second WHEREAS Clause Lines 3, 4 and 5	Fill in County in which property is located and fill in the recording information regarding the first mortgage - all of this information is included on the first page of the <u>PIP Mortgage</u> (Form LD-4-Pennsylvania)
Page 1 Third WHEREAS Clause Lines 3 and 4	Insert in the three blanks (i) the principal amount unpaid under the first mortgage loan (the sum of the amounts inserted in the Mortgage Modification Data Form as "Balance of FHA Mortgage" and "Impounds Advance and Paid"), (ii) the advances,

FORM LD-9 - California - Modification of Deed of Trust (continued)

- Page 1
Third WHEREAS Clause
Lines 3 and 4 (cont'd)
- if any, made by the Mortgagee (Beneficiary) during the continuation of the PIP payments and required to be paid as a lump sum (the amount inserted in the Mortgage Modification Data Form as "Impounds Advanced & Paid"), and (iii) the unpaid and accrued interest on the first mortgage loan (the amount inserted in the Mortgage Modification Data Form as "Interest Forborne"). (These amounts, and the other amounts below, will also be found on the amortization tables regarding recasting of the loans.)
- Page 1
Third WHEREAS Clause
Line 5
- Insert the sum of the principal and interest amounts described above (including the advances)
- Page 1
Fourth WHEREAS Clause
Line 3
- Insert the date of the PIP Agreement
- Page 1
Paragraph (I), Line 1
- Insert the same amount that is inserted as the total sum in Line 5 of the third WHEREAS clause above
- Page 1
Paragraph (I)
Lines 3 and 4
- Insert the new monthly installment of principal and interest on the modified first mortgage loan. If the last payment is slightly different, insert that different amount in the blank in Line 4 - if not, put a line through the words "with a final installment of \$_____".
- Page 1
Paragraph (I), Line 7
- Insert the date of the first payment under the modified first mortgage loan.
- Page 2, Line 4
- Insert the date when the last payment on the first mortgage loan is due - this is the date which appears in the last line of the first paragraph of the Deed of Trust Note (Form LD-3-California)

Now, make 2 photocopies of the document so that you will have 3 copies to complete when the Mortgagee comes to your office.

FORM LD-9 - Georgia - Modification of Security Deed (continued)

Page 1 Third WHEREAS Clause Lines 3 and 4 (cont'd)	Advanced and Paid"), (ii) the advances, if any, made by the Mortgagee (Grantee) during the continuation of the PIP payments and required to be paid as a lump sum (the amount inserted in the Mortgage Modification Data Form as "Impounds Advanced & Paid"), and (iii) the unpaid and accrued interest on the first mortgage loan (the amount inserted in the Mortgage Modification Data Form as "Interest Forborne"). (These amounts, and the other amounts below, will also be found on the amortization tables regarding recasting of the loans.)
Page 1 Third WHEREAS Clause Line 5	Insert the sum of the principal and interest amounts described above (including the advances)
Page 1 Fourth WHEREAS Clause Line 3	Insert the date of the PIP Agreement
Page 1 Paragraph (1), Line 1	Insert the same amount that is inserted as the total sum in Line 5 of the third WHEREAS clause above
Page 1 Paragraph (1) Lines 3 and 4	Insert the new monthly installment of principal and interest on the modified first mortgage loan. If the last payment is slightly different, insert that different amount in the blank in Line 4 - if not, put a line through the words "with a final installment of \$_____".
Page 1 Paragraph (1), Line 7	Insert the date of the first payment under the modified first mortgage loan.
Page 2, Line 3	Insert the date when the last payment on the first mortgage loan is due - this is the date which appears in the last line of the first paragraph of the Note (Form LD-3-Georgia)

Now, make 2 photocopies of the document so that you will have 3 copies to complete when the Mortgagor comes to your office.

FORM LD-9 - Pennsylvania - Modification of Mortgage (continued)

Page 1 Third WHEREAS Clause Lines 3 and 4 (cont'd)	if any, made by the Mortgagee during the continuation of the PIP payments and required to be paid as a lump sum (the amount inserted in the Mortgage Modification Data Form as "Impounds Advanced & Paid"), and (iii) the unpaid and accrued interest on the first mortgage loan (the amount inserted in the Mortgage Modification Data Form as "Interest Forborne"). (These amounts, and the other amounts below, will also be found on the amortization tables regarding recasting of the loans.)
Page 1 Third WHEREAS Clause Line 5	Insert the sum of the principal and interest amounts described above (including the advances)
Page 1 Fourth WHEREAS Clause Line 3	Insert the date of the PIP Agreement
Page 1 Paragraph (1), Line 1	Insert the same amount that is inserted as the total sum in Line 5 of the third WHEREAS clause above
Page 1 Paragraph (1) Lines 3 and 4	Insert the new monthly installment of principal and interest on the modified first mortgage loan. If the last payment is slightly different, insert that different amount in the blank in Line 4 - if not, put a line through the words "with a final installment of \$_____".
Page 2 Line 1	Insert the date of the first payment under the modified first mortgage loan.
Page 2, Line 4	Insert the date when the last payment on the first mortgage loan is due - this is the date which appears in the last line of the first paragraph of the Note (Form LD-3-Pennsylvania)

Now, make 2 photocopies of the document so that you will have 3 copies to complete when the Mortgagor comes to your office.

FORM LD-10 - California - Modification of PIP Deed of Trust

Complete 1 copy of this document as follows (this is the modification of the PIP loan):

- | | |
|---|---|
| Page 1
Blanks at top | Mortgagor(s), FHA Case No., and Address of Property - Copy from Modification of Deed of Trust (Form LD-9 - California) |
| Page 1
First WHEREAS Clause
Lines 3 & 4 | Fill in the date of the PIP Agreement |
| Page 1
First WHEREAS Clause
Line 5 | Fill in the total amount of PIP Payments advanced by the Secretary (the amount inserted in the Mortgage Modification Data Form as "PIP Advances" - this amount and the other amounts below will also be found on the amortization tables with the information regarding modification of the loans). |
| Page 1
Second WHEREAS Clause
Lines 3, 4 and 5 | Fill in the County in which property is located and the recording information for the PIP Deed of Trust which will appear on the original, recorded PIP Deed of Trust (Form LD-4-California). |
| Page 1
Paragraph (2), Line 3 | Fill in same dollar amount which was filled in in Line 5 of the first WHEREAS clause. |
| Page 1
Paragraph (2)
Lines 8 and 9 | Fill in monthly payment of principal and interest that will be due on the modified PIP loan. If final payment is different, put that in blank on Line 9 - otherwise delete words "with a final installment of \$_____". |
| Page 1
Paragraph (2), Line 10 | Fill in the date for the first payment under the modified PIP loan. |
| Page 2, Line 3 | Fill in the date for the last payment under the modified PIP loan. |

Now, make 2 photocopies of this document so that you will have 3 copies to complete when the Mortgagor comes to your office.

FORM LD-10 - Georgia - Modification of PIP Security Deed

Complete 1 copy of this document as follows (this is the modification of the PIP loan):

- | | |
|---|---|
| Page 1
Blanks at top | Mortgagor(s), FHA Case No., and Address of Property - Copy from Modification of Security Deed (Form LD-9 - Georgia) |
| Page 1
First WHEREAS Clause
Lines 3 & 4 | Fill in the date of the PIP Agreement |
| Page 1
First WHEREAS Clause
Line 5 | Fill in the total amount of PIP Payments advanced by the Secretary (the amount inserted in the Mortgage Modification Data Form as "PIP Advances" - this amount and the other amounts below will also be found on the amortization tables with the information regarding modification of the loans). |
| Page 1
Second WHEREAS Clause
Lines 3, 4 | Fill in the County in which property is located and the recording information for the PIP Security Deed which will appear on the original, recorded PIP Security Deed (Form LD-4-Georgia). |
| Page 1
Paragraph (2), Line 3 | Fill in same dollar amount which was filled in in Line 5 of the first WHEREAS clause. |
| Page 1
Paragraph (2)
Lines 8 and 9 | Fill in monthly payment of principal and interest that will be due on the modified PIP loan. If final payment is different, put that in blank on Line 9 - otherwise delete words "with a final installment of \$ _____". |
| Page 1
Paragraph (2), Line 10 | Fill in the date for the first payment under the modified PIP loan. |
| Page 2, Top Line | Fill in the date for the last payment under the modified PIP loan. |

Now, make 2 photocopies of this document so that you will have 3 copies to complete when the Mortgagor comes to your office.

FORM LD-10 - Pennsylvania - Modification of PIP Mortgage

Complete 1 copy of this document as follows (this is the modification of the PIP loan):

- | | |
|--|---|
| Page 1
Blanks at top | Mortgagor(s), FHA Case No., and Address of Property - Copy from Modification of Mortgage (Form LD-9-Pennsylvania) |
| Page 1
First WHEREAS Clause
Lines 3 & 4 | Fill in the date of the PIP Agreement |
| Page 1
First WHEREAS Clause
Line 5 | Fill in the total amount of PIP Payments advanced by the Secretary (the amount inserted in the Mortgage Modification Data Form as "PIP Advances" - this amount and the other amounts below will also be found on the amortization tables with the information regarding modification of the loans). |
| Page 1
Second WHEREAS Clause
Lines 3 and 4 | Fill in the County in which property is located and the recording information for the PIP Mortgagee which will appear on the original, recorded PIP Mortgage (Form LD-4-Pennsylvania). |
| Page 1
Paragraph (2), Line 3 | Fill in same dollar amount which was filled in in Line 5 of the first WHEREAS clause. |
| Page 1
Paragraph (2)
Line 8 | Fill in monthly payment of principal and interest that will be due on the modified PIP loan. If final payment is different, put that in second blank on Line 8 - otherwise delete words "with a final installment of \$_____". |
| Page 1
Paragraph (2), Line 10 | Fill in the date for the first payment under the modified PIP loan. |
| Page 1, Last line | Fill in the date for the last payment under the modified PIP loan. |

Now, make 2 photocopies of this document so that you will have 3 copies to complete when the Mortgagor comes to your office.

E. When the Mortgagor comes to your office, you must complete the following:

FORM LD-9-California - Modification of Deed of Trust

Complete all 3 copies of this document as follows:

Page 2,
Above signatures
Page 2, Signatures

Insert date on which Mortgagor(s) is signing.

- Have each of Mortgagors (Trustors) who signed the PIP Agreement sign this document and have their signature witnessed by one person and acknowledged by a Notary Public.

- Fill in name of Mortgagee (Beneficiary) on second blank line above designation "Beneficiary"

- Have each person who signed first Note as Co-maker or Endorser sign and have their signatures witnessed.

Now, make 2 photocopies, give one to the Mortgagor and keep one for your files. As soon as certain other documents are completed (described below), the 3 signed copies will be submitted to the Servicer for signature by the Mortgagee (Beneficiary).

FORM LD-10-California - Modification of PIP Deed of Trust

Complete all 3 copies of this document as follows:

Page 2, Above signatures

Insert current date - same as date inserted in Form LD-9-California

Page 2, Signatures

- Have each of the Mortgagors (Trustors) who signed the PIP Note and Deed of Trust sign this document and have their signatures acknowledged by a Notary Public.

- It is not necessary to have any Co-Makers or Endorsers sign this document

Give one copy to Mortgagor and retain the other two copies for your files.

E. When the Mortgagor comes to your office, you must complete the following:

FORM LD-9-Georgia - Modification of Security Deed

Complete all 3 copies of this document as follows:

Last Paragraph

Insert date on which Mortgagor(s) is signing.

Page 2, Signatures

- Have each of Mortgagors (Grantors) who signed the PIP Agreement sign this document and have their signature witnessed by one person and acknowledged by a Notary Public.

- Fill in name of Mortgagee (Grantee) on second line from the bottom on the right

Page 3

- Have each person who signed first Note as Co-maker or Endorser sign and have their signatures witnessed.

Now, make 2 photocopies, give one to the Mortgagor and keep one for your files. As soon as certain other documents are completed (described below), the 3 signed copies will be submitted to the Servicer for signature by the Mortgagee (Grantee).

FORM LD-10-Georgia - Modification of PIP Security Deed

Complete all 3 copies of this document as follows:

Page 2, Last Paragraph

Insert current date - same as date inserted in Form LD-9-Georgia

Page 2, Signatures

- Have each of the Mortgagors (Grantors) who signed the PIP Note and Security Deed sign this document and have their signatures witnessed by one person and acknowledged by a Notary Public.

Give one copy to Mortgagor and retain the other two copies for your files.

E. When the Mortgagor comes to your office, you must complete the following:

FORM LD-9-Pennsylvania - Modification of Mortgage

Complete all 3 copies of this document as follows:

- | | |
|--------------------|---|
| Last Paragraph | Insert date on which Mortgagor(s) is signing. |
| Page 2, Signatures | - Have each of Mortgagors who signed the PIP Agreement sign this document and have their signatures witnessed by one person and <u>acknowledged by a Notary Public.</u> |
| | - Fill in name of Mortgagee on second line from the bottom on the right |
| Page 3, Top | - Have each person who signed first Note as Co-maker or Endorser sign and have their signatures witnessed. |

Now, make 2 photocopies, give one to the Mortgagor and keep one for your files. As soon as certain other documents are completed (described below), the 3 signed copies will be submitted to the Servicer for signature by the Mortgagee.

FORM LD-10-Pennsylvania - Modification of PIP Mortgage

Complete all 3 copies of this document as follows:

- | | |
|------------------------|---|
| Page 2, Last Paragraph | Insert current date - same as date inserted in Form LD-9-Pennsylvania |
| Page 2, Signatures | - Have each of the Mortgagors who signed the PIP Note and Mortgage sign this document and have their signatures witnessed by one person and <u>acknowledged by a Notary Public.</u> |

Give one copy to Mortgagor and retain the other two copies for your files.

You are now done with the Mortgagor. Tell him that as soon as you have obtained the necessary signatures by HUD and by the Mortgagee, you will call him back to your office to complete the modification process.

F. After the Mortgagor leaves your office, complete the following forms:

FORM LD-11 - California - Disclosure Statement (HUD)

Complete 1 copy of this document as follows (these disclosures are actual figures describing the PIP loan as modified and the necessary amounts will be found on the amortization tables with the information regarding the modified loans):

Borrower(s)	Insert name(s) of Mortgagor(s) which appear on first page of Modification of PIP Deed of Trust
First Paragraph Line 4	Fill in date of PIP Agreement
First Paragraph, Line 5	Fill in date of modification documents (forms LD-9 and LD-10)
Paragraph 1	Fill in total Finance Charge (interest) over term of modified PIP Loan
Paragraph 2	Fill in total amount of PIP Payments made by HUD (Boeing)
Paragraph 3	Fill in number of payments scheduled to repay PIP loan and amount of each payment and the date for the first payment. If the last payment is different than the other payments, insert the amount of the last payment in the appropriate blank and if the last payment is not different, draw a line through the words "with a final payment of \$ _____".
Paragraph 4	Insert the sum of the amounts inserted in paragraph 1 and paragraph 2
Paragraph 5	Insert the interest rate shown in the PIP Deed of Trust Note (Form LD-3-California)
Paragraph 7	Insert the address of the property

You are now done with the Mortgagor. Tell him that as soon as you have obtained the necessary signatures by HUD and by the Mortgagee, you will call him back to your office to complete the modification process.

F. After the Mortgagor leaves your office, complete the following forms:

FORM LD-11 - Georgia - Disclosure Statement (HUD)

Complete 1 copy of this document as follows (these disclosures are actual figures describing the PIP loan as modified and the necessary amounts will be found on the amortization tables with the information regarding the modified loans):

Borrower(s)	Insert name(s) of Mortgagor(s) which appear on first page of Modification of PIP Security Deed
First Paragraph Line 4	Fill in date of PIP Agreement
First Paragraph, Line 5	Fill in date of modification documents (forms LD-9 and LD-10)
Paragraph 1	Fill in total Finance Charge (interest) over term of modified PIP Loan
Paragraph 2	Fill in total amount of PIP Payments made by HUD (Boeing)
Paragraph 3	Fill in number of payments scheduled to repay PIP loan and amount of each payment and the date for the first payment. If the last payment is different than the other payments, insert the amount of the last payment in the appropriate blank and if the last payment is not different, draw a line through the words "with a final payment of \$_____".
Paragraph 4	Insert the sum of the amounts inserted in paragraph 1 and paragraph 2
Paragraph 5	Insert the interest rate shown in the PIP Security Deed Note (Form LD-3-Georgia) (this will almost always be 6%)
Paragraph 7	Insert the address of the property

You are now done with the Mortgagor. Tell him that as soon as you have obtained the necessary signatures by HUD and by the Mortgagee, you will call him back to your office to complete the modification process.

F. After the Mortgagor leaves your office, complete the following forms:

FORM LD-11 - Pennsylvania - Disclosure Statement (HUD)

Complete 1 copy of this document as follows (these disclosures are actual figures describing the PIP loan as modified and the necessary amounts will be found on the amortization tables with the information regarding the modified loans):

Borrower(s)	Insert name(s) of Mortgagor(s) which appear on first page of Modification of PIP Mortgage
First Paragraph Line 4	Fill in date of PIP Agreement
First Paragraph, Line 5	Fill in date of modification documents (forms LD-9 and LD-10)
Paragraph 1	Fill in total Finance Charge (interest) over term of modified PIP Loan
Paragraph 2	Fill in total amount of PIP Payments made by HUD (Boeing)
Paragraph 3	Fill in number of payments scheduled to repay PIP loan and amount of each payment and the date for the first payment. If the last payment is different than the other payments, insert the amount of the last payment in the appropriate blank and if the last payment is not different, draw a line through the words "with a final payment of \$ _____".
Paragraph 4	Insert the sum of the amounts inserted in paragraph 1 and paragraph 2
Paragraph 5	Insert the interest rate shown in the PIP Note (Form LD-3-Pennsylvania)
Paragraph 7	Insert the address of the property

FORM LD-11 - California - Disclosure Statement (HUD) (Continued)

Bottom of Page

Leave this part blank at this time.

FORM LD-12 - Disclosure Statement (Mortgagee)

Complete 1 copy of this document as follows (these disclosures are actual figures describing the first mortgage loan as modified and the necessary amounts will be found on the amortization tables with the information regarding the modified loans):

Lender and Borrower(s)	Fill in name of Mortgagee (Beneficiary) and fill in the name of both Mortgagors (Trustors) (or one if there is only one) from first page of Modification of Deed of Trust (Form LD-9-California)
First Paragraph Line 4	Fill in date of PIP Agreement
First Paragraph Line 5	Fill in date of Modification of Deed of Trust (Form LD-9-California)
Paragraph 1.a.	Fill in total interest over the term of the modified first mortgage loan
Paragraph 1.b.	Fill in total FHA mortgage insurance premiums over the term of the modified first mortgage loan
Paragraph 1.c.	Fill in the sum of the amounts inserted in Lines 1.a. and 1.b.
Paragraph 2.a.	For the blank which is included in the text of 2.a., fill in the amount, if any, of the advances made by the first Mortgagee (Beneficiary) during the time PIP payments were being made which are required to be repaid as a lump sum (the amount inserted in the Mortgage Modification Data Form as "Impounds Advanced & Paid"). For the number in the right hand column, fill in the first mortgage loan at the time of modification (which includes any such "Impounds Advanced & Paid").

FORM LD-11 - Georgia - Disclosure Statement (HUD) (Continued)

Bottom of Page

Leave this part blank at this time.

FORM LD-12 - Disclosure Statement (Mortgagee)

Complete 1 copy of this document as follows (these disclosures are actual figures describing the first mortgage loan as modified and the necessary amounts will be found on the amortization tables with the information regarding the modified loans):

Lender and Borrower(s)	Fill in name of Mortgagee (Grantee) and fill in the name of both Mortgagors (Grantors) (or one if there is only one) from first page of Modification of Security Deed (Form LD-9-Georgia)
First Paragraph Line 4	Fill in date of PIP Agreement
First Paragraph Line 5	Fill in date of Modification of Security Deed (Form LD-9-Georgia)
Paragraph 1.a.	Fill in total interest over the term of the modified first mortgage loan
Paragraph 1.b.	Fill in total FHA mortgage insurance premiums over the term of the modified first mortgage loan
Paragraph 1.c.	Fill in the sum of the amounts inserted in Lines 1.a. and 1.b.
Paragraph 2.a.	For the blank which is included in the text of 2.a., fill in the amount, if any, of the advances made by the first Mortgagee (Grantee) during the time PIP payments were being made which are required to be repaid as a lump sum (the amount inserted in the Mortgage Modification Data Form as "Impounds Advanced & Paid"). For the number in the right hand column, fill in the first mortgage loan at the time of modification (which includes any such "Impounds Advanced & Paid").

FORM LD-11 - Pennsylvania - Disclosure Statement (HUD) (Continued)

Bottom of Page

Leave this part blank at this time.

FORM LD-12 - Disclosure Statement (Mortgagee)

Complete 1 copy of this document as follows (these disclosures are actual figures describing the first mortgage loan as modified and the necessary amounts will be found on the amortization tables with the information regarding the modified loans):

Lender and Borrower(s)	Fill in name of Mortgagee and fill in the name of both Mortgagors (or one if there is only one) from first page of Modification of Mortgage (Form LD-9-Pennsylvania)
First Paragraph Line 4	Fill in date of PIP Agreement
First Paragraph Line 5	Fill in date of Modification of Mortgage (Form LD-9-Pennsylvania)
Paragraph 1.a.	Fill in total interest over the term of the modified first mortgage loan
Paragraph 1.b.	Fill in total FHA mortgage insurance premiums over the term of the modified first mortgage loan
Paragraph 1.c.	Fill in the sum of the amounts inserted in Lines 1.a. and 1.b.
Paragraph 2.a.	For the blank which is included in the text of 2.a., fill in the amount, if any, of the advances made by the first Mortgagee during the time PIP payments were being made which are required to be repaid as a lump sum (the amount inserted in the Mortgage Modification Data Form as "Impounds Advanced & Paid"). For the number in the right hand column, fill in the first mortgage loan at the time of modification (which includes any such "Impounds Advanced & Paid").

FORM LD-12 - Disclosure Statement (Mortgagee) - (continued)

- Paragraph 2.b. Fill in the amount of unpaid interest on the first mortgage loan at the time of modification (the amount on the Mortgage Modification Data Form designated "Interest Forborne")
- Paragraph 2.c. Fill in the sum of the amounts in 2.a. and 2.b.
- Paragraph 3 Fill in the sum of the amounts in 1.c. and 2.c.
- Paragraph 4 Fill in the number of payments and the amount of each payment to repay the modified first mortgage loan. If the last payment is different than the other payments, fill in that amount and if there is no such different last payment put a line through the words "with a final payment of \$ _____." Also fill in the date for the first payment. At the end of Paragraph 4, fill in the first and last monthly premium for FHA Mortgage Insurance Premiums (MIP) during the term of the modified first mortgage loan.
- Paragraph 5 Fill in the interest rate on the first mortgage loan plus 1/2 of 1% (same as Paragraph 5 of Form LD-6).
- Paragraph 6 Fill in same disclosures which were inserted in paragraph 6 of Form LD-6.
- Paragraph 10 Fill in the same disclosures, if any, which were inserted in paragraph 10 of Form LD-6.
- Bottom of Page Leave this part blank until the Mortgagor returns to pick up the documents.

FORM LD-14 - Letter to Mortgagor from Servicer

Complete 1 copy of this Form as follows:

Top Left	Address letter with name and address of Mortgagor(s) and fill in correct salutation after "Dear"
Lines 3 and 4	Fill in name of Mortgagee
Lines 6 and 7	Fill in due date of first payment under modified loans
First \$ amount	Fill in the aggregate total monthly payment on both the first mortgage loan and the PIP loan <u>after</u> modification (this aggregate amount is computed as set forth below and is the same amount as in Paragraph 3 below)
Paragraph 1.a.	Fill in total of new monthly principal and interest payment on modified <u>first mortgage loan</u>
Paragraph 1.b.	Fill in the monthly FHA Mortgage Insurance Premium (MIP) due with the first monthly payment after modification
Paragraph 1.c.	In the center column, fill in the various required monthly escrow (impound) payments due with the first monthly payment after modification, and in the right hand column fill in sum of escrow (impound) payments - do not include any payments due for insurance which are not required under the mortgage but which represent payments for insurance which was voluntarily purchased by the Mortgagor through the Servicer.
Paragraph 2.a.	Fill in monthly payment (principal and interest) due on <u>PIP loan</u> after modification
Paragraph 3	Sum of 1.a., 1.b., 1.c. and 2.a.
Signature	Fill in name of Servicer

FORM LD-14 - Letter to Mortgagor from Servicer - (continued)

First Footnote (*)

Fill in date when FHA Mortgage Insurance Premium will change, the amount of the reduced premium and the reduced total payment due thereafter (this reduced total payment will be the amount in Paragraph 3 less the reduction in the MIP).

G. Now, you should deliver the following documents to the Servicer:

1. The 3 signed copies of the Modification of Deed of Trust, (Form LD-9-California), requesting that they have 2 copies signed by the Mortgagee (Beneficiary) and returned to you. (You have already made a photocopy of this Form to keep in your files until you get the signed copies back.)

2. One photocopy of Form LD-12 (keeping the original for your files) indicating that this will be dated and delivered to the Mortgagor on behalf of the Mortgagee (Beneficiary).

3. Make 1 photocopy of Form LD-14, and send the original to the Servicer advising him to check it, and then sign it and return it to you for delivery to the Mortgagor.

4. Two of the Amortization Tables covering the modified loans. Make sure you send the Servicer two of the tables which include the servicing fee breakdown.

All of this is accomplished by using forwarding letter LT-17. This letter also instructs the Servicer that when he returns these documents to you, he should supply you with the address to which the Mortgagor should now begin making his monthly payments and, if possible, a supply of pre-printed envelopes for the Mortgagor to use to send his payment, and if the Servicer desires, new payment coupons for you to give to the Mortgagor.

FORM LD-14 - Letter to Mortgagor from Servicer - (continued)

First Footnote (*)

Fill in date when FHA Mortgage Insurance Premium will change, the amount of the reduced premium and the reduced total payment due thereafter (this reduced total payment will be the amount in Paragraph 3 less the reduction in the MIP).

G. Now, you should deliver the following documents to the Servicer:

1. The 3 signed copies of the Modification of Security Deed, (Form LD-9-Georgia), requesting that they have 2 copies signed by the Mortgagee (Grantee) and returned to you. (You have already made a photocopy of this Form to keep in your files until you get the signed copies back.)

2. One photocopy of Form LD-12 (keeping the original for your files) indicating that this will be dated and delivered to the Mortgagor on behalf of the Mortgagee (Grantee).

3. Make 1 photocopy of Form LD-14, and send the original to the Servicer advising him to check it, and then sign it and return it to you for delivery to the Mortgagor.

4. Two of the Amortization Tables covering the modified loans. Make sure you send the Servicer two of the tables which include the servicing fee breakdown.

All of this is accomplished by using forwarding letter LT-17. This letter also instructs the Servicer that when he returns these documents to you, he should supply you with the address to which the Mortgagor should now begin making his monthly payments and, if possible, a supply of pre-printed envelopes for the Mortgagor to use to send his payment, and if the Servicer desires, new payment coupons for you to give to the Mortgagor.

FORM LD-14 - Letter to Mortgagor from Servicer - (continued)

First Footnote (*)

Fill in date when FHA Mortgage Insurance Premium will change, the amount of the reduced premium and the reduced total payment due thereafter (this reduced total payment will be the amount in Paragraph 3 less the reduction in the MIP).

G. Now, you should deliver the following documents to the Servicer:

1. The 3 signed copies of the Modification of Mortgage (Form LD-9-Pennsylvania), requesting that they have 2 copies signed by the Mortgagee and returned to you. (You have already made a photocopy of this Form to keep in your files until you get the signed copies back.)

2. One photocopy of Form LD-12 (keeping the original for your files) indicating that this will be dated and delivered to the Mortgagor on behalf of the Mortgagee.

3. Make 1 photocopy of Form LD-14, and send the original to the Servicer advising him to check it, and then sign it and return it to you for delivery to the Mortgagor.

4. Two of the Amortization Tables covering the modified loans. Make sure you send the Servicer two of the tables which include the servicing fee breakdown.

All of this is accomplished by using forwarding letter LT-17. This letter also instructs the Servicer that when he returns these documents to you, he should supply you with the address to which the Mortgagor should now begin making his monthly payments and, if possible, a supply of pre-printed envelopes for the Mortgagor to use to send his payment, and if the Servicer desires, new payment coupons for you to give to the Mortgagor.

H. Now submit the two signed copies of the Modification of PIP Deed of Trust (Form LD-10-California) to Loan Management Office for signature on behalf of HUD. When presenting these documents for signature, also present one copy of the letter which is Form LD-1A, first completing the letter as follows:

Date - Fill in the date on which you are presenting the documents.

TO - Fill in the name of the HUD employee who will sign the documents.

SUBJECT - Fill in "LD-10-California", and fill in the Mortgagor's FHA Case No.

The letter must then be signed by you on behalf of Boeing.

I. If the Mortgagee refuses to sign the Modification of Deed of Trust, you must immediately contact Jeffrey Pass, Harvey Harris, or John Walbran for instructions as to how to proceed.

J. After you receive two fully signed copies of the Modification of Deed of Trust (form LD-9-California) from the Servicer, send letter LT-18 to the Mortgagor (filling in an appointment date), and when the Mortgagor comes to your office (you need only one of the Mortgagors), proceed as follows:

1. Form LD-9-California - Give the Mortgagor one fully executed copy of the Modification of Deed of Trust, keeping the other original for your files.

2. Form LD-10-California - Give the Mortgagor one fully signed copy of the Modification of PIP Deed of Trust, keeping the other original for your files.

3. Form LD-11-California - Have at least one Mortgagor sign at the bottom to acknowledge receipt and insert the current date on the line opposite his signature. Also insert the same current date on the line marked "Dated" at the lower left hand corner of the Form. Make one photocopy of the Form for your files and give the original to the Mortgagor.

4. Form LD-12 - Have at least one Mortgagor sign at the bottom to acknowledge receipt and insert the current date on the line opposite his signature. Insert the same current date on the line marked "Dated" at the lower left hand corner of the Form. Make one photocopy of the Form for your files and give the original to the Mortgagor.

H. Now submit the two signed copies of the Modification of PIP Security Deed (Form LD-10-Georgia) to Macie Helton for signature on behalf of HUD. When presenting these documents for signature, also present one copy of the letter which is Form LD-1A, first completing the letter as follows:

Date - Fill in the date on which you are presenting the documents.

TO - Fill in her name.

SUBJECT - Fill in "LD-10-Georgia", and fill in the Mortgagor's FHA Case No.

The letter must then be signed by you on behalf of Boeing.

I. If the Mortgagee refuses to sign the Modification of Security Deed, you must immediately contact Jeffrey Pass, Harvey Harris, or John Walbran for instructions as to how to proceed.

J. After you receive two fully signed copies of the Modification of Security Deed (form LD-9-Georgia) from the Servicer, send letter LT-18 to the Mortgagor (filling in an appointment date), and when the Mortgagor comes to your office (you need only one of the Mortgagors), proceed as follows:

1. Form LD-9-Georgia - Give the Mortgagor one fully executed copy of the Modification of Security Deed, keeping the other original for your files.

2. Form LD-10-Georgia - Give the Mortgagor one fully signed copy of the Modification of PIP Security Deed, keeping the other original for your files.

3. Form LD-11-Georgia - Have at least one Mortgagor sign at the bottom to acknowledge receipt and insert the current date on the line opposite his signature. Also insert the same current date on the line marked "Dated" at the lower left hand corner of the Form. Make one photocopy of the Form for your files and give the original to the Mortgagor.

4. Form LD-12 - Have at least one Mortgagor sign at the bottom to acknowledge receipt and insert the current date on the line opposite his signature. Insert the same current date on the line marked "Dated" at the lower left hand corner of the Form. Make one photocopy of the Form for your files and give the original to the Mortgagor.

H. Now submit the two signed copies of the Modification of PIP Mortgage (Form LD-10-Pennsylvania) to Frank Poshywak for signature on behalf of HUD. When presenting these documents for signature, also present one copy of the letter which is Form LD-1A, first completing the letter as follows:

Date - Fill in the date on which you are presenting the documents.

TO - Fill in his name.

SUBJECT - Fill in "LD-10-Pennsylvania", and fill in the Mortgagor's FHA Case No.

The letter must then be signed by you on behalf of Boeing.

I. If the Mortgagee refuses to sign the Modification of Mortgage, you must immediately contact Jeffrey Pass, Harvey Harris, or John Walbran for instructions as to how to proceed.

J. After you receive two fully signed copies of the Modification of Mortgage (form LD-9-Pennsylvania) from the Servicer, send letter LT-18 to the Mortgagor (filling in an appointment date), and when the Mortgagor comes to your office (you need only one of the Mortgagors), proceed as follows:

1. Form LD-9-Pennsylvania - Give the Mortgagor one fully executed copy of the Modification of Mortgage, keeping the other original for your files.

2. Form LD-10-Pennsylvania - Give the Mortgagor one fully signed copy of the Modification of PIP Mortgage, keeping the other original for your files.

3. Form LD-11-Pennsylvania - Have at least one Mortgagor sign at the bottom to acknowledge receipt and insert the current date on the line opposite his signature. Also insert the same current date on the line marked "Dated" at the lower left hand corner of the Form. Make one photocopy of the Form for your files and give the original to the Mortgagor.

4. Form LD-12 - Have at least one Mortgagor sign at the bottom to acknowledge receipt and insert the current date on the line opposite his signature. Insert the same current date on the line marked "Dated" at the lower left hand corner of the Form. Make one photocopy of the Form for your files and give the original to the Mortgagor.

5. Form LD-13 - Rescission Notice (Mortgagee) - complete 3 copies of this Form as follows:

a. In the heading, insert the date of the Modification of Deed of Trust (Form LD-9-California) - this is the date appearing in the middle of the second page of the Modification of Deed of Trust immediately above the signatures.

b. Insert the name(s) of the Mortgagor(s) as Borrower.

c. Insert the name of the Mortgagee as Lender.

d. In the first line of the first paragraph, insert the current date (the same date you insert on Forms LD-11-California and LD-12).

e. On the four blank lines in the middle, insert the following: (i) On the first line, insert the name of the Mortgagee; (ii) on the second line, insert "c/o" and the name of the Servicer; (iii) on the third and fourth lines, insert the address of the Servicer as it is shown in the PIP Agreement.

f. In the first line after the address of the Servicer that you have just completed, insert the date which is three business days after the date inserted above - in computing the three days, do not count Saturdays, Sundays, or holidays.

g. Give the Mortgagor two copies of this Form (telling him he must sign one copy and mail it to the Servicer within the 3-day period if he wants to cancel the modification transaction), and have him date and sign the third copy at the bottom to acknowledge receipt of the Form and keep this receipted copy in your files.

6. Form LD-14 - Make one photocopy of this signed letter, and give the original to the Mortgagor explaining to him that this shows him the new monthly payment he must make starting with the first day of the next month and explain to him that he is now to make that payment directly to the Servicer. The Servicer should have given you a new address to be used by the Mortgagor and/or pre-printed envelopes to be used by the Mortgagor, and you must alert the Mortgagor about this new address and/or give him those envelopes. If the Servicer has given you new payment coupons to be used by the Mortgagor, also give these to the Mortgagor.

5. Form LD-13 - Rescission Notice (Mortgagee) - complete 3 copies of this Form as follows:

a. In the heading, insert the date of the Modification of Security Deed (Form LD-9-Georgia) - this is the date appearing in the middle of the second page of the Modification of Security Deed immediately above the signatures.

b. Insert the name(s) of the Mortgagor(s) as Borrower.

c. Insert the name of the Mortgagee as Lender.

d. In the first line of the first paragraph, insert the current date (the same date you insert on Forms LD-11-Georgia and LD-12).

e. On the four blank lines in the middle, insert the following: (i) On the first line, insert the name of the Mortgagee; (ii) on the second line, insert "c/o" and the name of the Servicer; (iii) on the third and fourth lines, insert the address of the Servicer as it is shown in the PIP Agreement.

f. In the first line after the address of the Servicer that you have just completed, insert the date which is three business days after the date inserted above - in computing the three days, do not count Saturdays, Sundays, or holidays.

g. Give the Mortgagor two copies of this Form (telling him he must sign one copy and mail it to the Servicer within the 3-day period if he wants to cancel the modification transaction), and have him date and sign the third copy at the bottom to acknowledge receipt of the Form and keep this receipted copy in your files.

6. Form LD-14 - Make one photocopy of this signed letter, and give the original to the Mortgagor explaining to him that this shows him the new monthly payment he must make starting with the first day of the next month and explain to him that he is now to make that payment directly to the Servicer. The Servicer should have given you a new address to be used by the Mortgagor and/or pre-printed envelopes to be used by the Mortgagor, and you must alert the Mortgagor about this new address and/or give him those envelopes. If the Servicer has given you new payment coupons to be used by the Mortgagor, also give these to the Mortgagor.

5. Form LD-13 - Rescission Notice (Mortgagee) - complete 3 copies of this Form as follows:

a. In the heading, insert the date of the Modification of Mortgage (Form LD-9-Pennsylvania) - this is the date appearing in the middle of the second page of the Modification of Mortgage immediately above the signatures.

b. Insert the name(s) of the Mortgagor(s) as Borrower.

c. Insert the name of the Mortgagee as Lender.

d. In the first line of the first paragraph, insert the current date (the same date you insert on Forms LD-11-Pennsylvania and LD-12).

e. On the four blank lines in the middle, insert the following: (i) On the first line, insert the name of the Mortgagee; (ii) on the second line, insert "c/o" and the name of the Servicer; (iii) on the third and fourth lines, insert the address of the Servicer as it is shown in the PIP Agreement.

f. In the first line after the address of the Servicer that you have just completed, insert the date which is three business days after the date inserted above - in computing the three days, do not count Saturdays, Sundays, or holidays.

g. Give the Mortgagor two copies of this Form (telling him he must sign one copy and mail it to the Servicer within the 3-day period if he wants to cancel the modification transaction), and have him date and sign the third copy at the bottom to acknowledge receipt of the Form and keep this receipted copy in your files.

6. Form LD-14 - Make one photocopy of this signed letter, and give the original to the Mortgagor explaining to him that this shows him the new monthly payment he must make starting with the first day of the next month and explain to him that he is now to make that payment directly to the Servicer. The Servicer should have given you a new address to be used by the Mortgagor and/or pre-printed envelopes to be used by the Mortgagor, and you must alert the Mortgagor about this new address and/or give him those envelopes. If the Servicer has given you new payment coupons to be used by the Mortgagor, also give these to the Mortgagor.

7. Amortization Tables for Modified Loans - Give the Mortgagor his copy of the Amortization Table, explaining to him what it is.

K. After completing the above and the Mortgagor leaves your office, immediately forward the originals of the Modification of Security Deed (Form LD-9-Georgia) and Modification of PIP Security Deed (Form LD-10-Georgia) to the Servicer for recording, making a photocopy of each to keep in your files. These documents are forwarded to the Servicer by using letter LT-19. The original recorded documents should be returned to you after recording. This letter LT-19 also alerts the Servicer that the modifications have now been completed and commencing with the first day of the next month the modified mortgage payment (to repay both the first mortgage and the PIP mortgage) should be paid directly to the Servicer and that the Servicer's servicing of the two loans should now begin.

L. If the Mortgagor has been receiving counseling, you should now send letter LT-20 to the counseling agency to instruct them to terminate counseling for this Mortgagor.

7. Amortization Tables for Modified Loans - Give the Mortgagor his copy of the Amortization Table, explaining to him what it is.

K. After completing the above and the Mortgagor leaves your office, immediately forward the originals of the Modification of Deed of Trust (Form LD-9-California) and Modification of PIP Deed of Trust (Form LD-10-California) to the Servicer for recording, making a photocopy of each to keep in your files. These documents are forwarded to the Servicer by using letter LT-19. The original recorded documents should be returned to you after recording. This letter LT-19 also alerts the Servicer that the modifications have now been completed and commencing with the first day of the next month the modified mortgage payment (to repay both the first mortgage and the PIP mortgage) should be paid directly to the Servicer and that the Servicer's servicing of the two loans should now begin.

L. If the Mortgagor has been receiving counseling, you should now send letter LT-20 to the counseling agency to instruct them to terminate counseling for this Mortgagor.

7. Amortization Tables for Modified Loans - Give the Mortgagor his copy of the Amortization Table, explaining to him what it is.

k. After completing the above and the Mortgagor leaves your office, immediately forward the originals of the Modification of Mortgage (Form LD-9-Pennsylvania) and Modification of PIP Mortgage (Form LD-10-Pennsylvania) to the Servicer for recording, making a photocopy of each to keep in your files. These documents are forwarded to the Servicer by using letter LT-19. The original recorded documents should be returned to you after recording. This letter LT-19 also alerts the Servicer that the modifications have now been completed and commencing with the first day of the next month the modified mortgage payment (to repay both the first mortgage and the PIP mortgage) should be paid directly to the Servicer and that the Servicer's servicing of the two loans should now begin.

L. If the Mortgagor has been receiving counseling, you should now send letter LT-20 to the counseling agency to instruct them to terminate counseling for this Mortgagor.

APPENDIX F
COPIES OF LEGAL DOCUMENTS

LEGAL DOCUMENTS FOR THE
PROTECTIVE INSURANCE PAYMENTS
DEMONSTRATION PROGRAM

<u>Form No.</u>	<u>Title of Form</u>
LD-0	Statement of Credit Denial
LD-1	Protective Insurance Payments Agreement
LD-1A	Letter to HUD Employee (regarding documents submitted for signature)
LD-2	Protective Insurance Payments Demonstration Program Guidelines
LD-3 - California	Deed of Trust Note (PIP Loan)
LD-3 - Georgia	Security Deed Note (PIP Loan)
LD-3 - Pennsylvania	Note (PIP Loan)
LD-4 - California	Deed of Trust (PIP Loan)
LD-4 - Georgia	Security Deed (PIP Loan)
LD-4 - Pennsylvania	Mortgage (PIP Loan)
LD-5 - California and Pennsylvania	Disclosure Statement (HUD) (PIP Loan)
LD-5 - Georgia	Disclosure Statement (HUD) (PIP Loan)
LD-6	Disclosure Statement (Mortgagee) (First Mortgage Loan)
LD-7	Rescission Notice (HUD)
LD-8	Protective Insurance Payments Mortgagor's Certificate

LD-8A	Statement of Credit Termination
LD-9 - California	Modification of Deed of Trust (First Mortgage Loan)
LD-9 - Georgia	Modification of Security Deed (First Mortgage Loan)
LD-9 - Pennsylvania	Modification of Mortgage (First Mortgage Loan)
LD-10 - California	Modification of PIP Deed of Trust (PIP Loan)
LD-10 - Georgia	Modification of PIP Security Deed (PIP Loan)
LD-10 - Pennsylvania	Modification of PIP Mortgage (PIP Loan)
LD-11 - California and Pennsylvania	Disclosure Statement (HUD) (PIP Loan)
LD-11 - Georgia	Disclosure Statement (HUD) (PIP Loan)
LD-12	Disclosure Statement (Mortgagee) (First Mortgage Loan)
LD-13	Rescission Notice (Mortgagee) (First Mortgage Loan)
LD-14	Letter to Mortgagor from Servicer (regarding new monthly payments after Modifica- tion of Mortgage and PIP Mortgage)

STATEMENT OF CREDIT DENIAL

DATE - _____

APPLICANT'S NAME - _____

APPLICANT'S ADDRESS - _____

DESCRIPTION OF REQUESTED CREDIT - Loan pursuant to the Protective Insurance
Payments Demonstration Program ("Program")

DESCRIPTION OF ADVERSE ACTION TAKEN - Request for loan denied

PRINCIPAL REASON FOR ADVERSE ACTION - Applicant or his mortgaged
property does not satisfy Program Guidelines because:

DISCLOSURE OF USE OF INFORMATION OBTAINED FROM AN OUTSIDE SOURCE -

_____ Disclosure inapplicable (information not obtained from outside source)
_____ Information obtained from an outside source other than a consumer
reporting agency. Under the Fair Credit Reporting Act, you have the
right to make a written request within 60 days of receipt of this notice
for disclosure of the nature of the adverse information.

_____ Information obtained in a report from a consumer reporting agency:

Name: _____

Address: _____

Telephone Number: _____

CRÉDITOR'S NAME - Secretary of Housing and Urban Development, United
States Department of Housing and Urban Development

CRÉDITOR'S ADDRESS - _____

CRÉDITOR'S TELEPHONE NO. - _____

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Washington, D.C.

PROTECTIVE INSURANCE PAYMENTS AGREEMENT

ARTICLE I - PARTIES

Mortgagor(s): _____ FHA Case No.: _____

(herein called "Mortgagor")

Address of Property: _____

Mortgagee: _____

(herein called "Servicer")

Address of Servicing Office: _____

Secretary of Housing and Urban Development

ARTICLE II - PREAMBLES

WHEREAS, the Mortgagor is indebted to the Mortgagee, said indebtedness being evidenced by a note (or bond) and secured by a real property mortgage (or trust or security deed) (said note or bond and real property mortgage or trust or security deed being herein collectively called the "Mortgage"); and

WHEREAS, the Mortgagor has been unable to pay an amount equal to or greater than the sum of two monthly installments due under the Mortgage, which amount, together with late charges payable under the Mortgage, presently is due and payable; and

WHEREAS, the Mortgagor presently would be unable to pay all or such part of the monthly installment next to become due and payable under the Mortgage as would cause an amount equal to or greater than the sum of three full monthly installments, in addition to late charges payable under the mortgage, to be past due and payable; and

WHEREAS, the Mortgage loan has been endorsed for insurance under the National Housing Act and Regulations promulgated thereunder by the Secretary of Housing and Urban Development, U.S. Department of Housing and Urban Development (herein called the "Secretary" and "HUD," respectively); and

WHEREAS, the Secretary has determined to cause a demonstration (under Contract H-2504) of the Protective Insurance Payments Program (herein called the "Program") to be conducted pursuant to Sections 501 and 502 of the Housing and Urban Development Act of 1970 and the Secretary has determined that the Mortgagor is eligible for a loan by the Secretary, for application to installments payable under the Mortgage, subject to and in accordance with the provisions of this Agreement and the provisions of the Demonstration Program Guidelines provided for in Article VII hereof (herein collectively called the "Guidelines"); and

WHEREAS, the Mortgagor has requested:

(i) Forbearance by the Mortgagee in accordance with this Agreement and the Guidelines with respect to an amount equal to the sum of the three full monthly installments past due and payable under the Mortgage on the Effective Date of this Agreement (as provided for in Article VII hereof); and

(ii) A loan by the Secretary, for payment in behalf of the Mortgagor to the Mortgagee by the Secretary of Protective Insurance Payments, up to and including the amount set forth in paragraph (1) (a) of Article VI hereof, for application to installments past due and payable and to become due and payable under the Mortgage, all in accordance with this Agreement and the Guidelines.

NOW, THEREFORE, in consideration of the premises and the representations, mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE III - MORTGAGOR

For the purpose of inducing the Mortgagee and the Secretary to grant Mortgagor's request and enter into this Agreement, the Mortgagor represents and agrees as follows:

(1) The Mortgagor now is the owner and holder of the real property encumbered by the Mortgage.

(2) The Mortgagor does not own other real property subject to a mortgage insured under the National Housing Act.

(3) The Mortgagor's default was caused by circumstances beyond the control of the Mortgagor, principally a substantial reduction in the income of the Mortgagor as a result of presently continuing involuntary unemployment or underemployment of the Mortgagor (or a member of Mortgagor's immediate household) and the Mortgagor's financial inability otherwise to make full payment of the monthly installments due under the Mortgage.

(4) The information provided to the Secretary by the Mortgagor for the purpose of determination of Mortgagor's eligibility for the Program then was and now is true, correct and complete, to the best of the Mortgagor's knowledge, information and belief.

(5) If this paragraph is initialed here by the Mortgagor (_____), the Mortgagor will attend a monthly conference with a housing counselor designated by the Secretary, or if this paragraph is initialed here by the Mortgagor (_____), the Mortgagor will meet monthly with an alternative designee of the Secretary, if and for so long as Protective Insurance Payments are made in behalf of the Mortgagor.

(6) If and for so long as Protective Insurance Payments are made in behalf of the Mortgagor, then commencing with the Effective Date:

(a) The Mortgagor will pay to the Mortgagee monthly at the time and place required under the Mortgage (that is, through the Servicer), for application to the monthly installments due and payable and to become due and payable under the Mortgage in accordance with the Guidelines, a partial monthly payment of \$ _____, or such greater or lesser partial payment as may be determined by the Secretary in accordance with the Guidelines (not, in the case of any such increase, to exceed any increase in the Mortgagor's income); and

(b) The Mortgagor will submit to the Servicer monthly, with such partial payment, a Certificate with respect to the Mortgagor's continued eligibility for the Program, and, if such Certificate reflects changes in the information theretofore provided by the Mortgagor to the Secretary for the purpose of determining the Mortgagor's eligibility for the Program, the Mortgagor will fully disclose such additional information as shall be required in the Certificate or requested by the Secretary for the purpose of determining Mortgagor's continued eligibility in accordance with the Guidelines.

(7) The Mortgagor agrees to repay the aggregate amount of the Protective Insurance Payments made hereunder, in accordance with the terms and conditions of the note (or bond) and the real property mortgage (or trust or security deed) encumbering the aforesaid real property evidencing and securing such indebtedness (said note or bond and real property mortgage or trust or security deed being herein collectively called the "PIP Mortgage"), executed and delivered simultaneously with this Agreement, and to perform and observe each and every other covenant, agreement and condition contained therein.

(8) In the event substantial restoration of the Mortgagor's income (as defined in the Guidelines) occurs prior to payment of the last Protective Insurance Payment in behalf of the Mortgagor and the payment of Protective Insurance Payments terminates as a result of such restoration of Mortgagor's income, the Mortgagor agrees timely to make, execute, and acknowledge the execution of, appropriate instruments and documents, satisfactory to the Secretary and the Mortgagee in the case of the Mortgage, and to the Secretary in the case of the PIP Mortgage, to effect:

(a) a modification of the monthly installment payable under the Mortgage, to provide for payment to the Mortgagee of the then unpaid principal balance of the Mortgage (including advances made by Mortgagee thereunder) together with the past due interest on the Mortgage actually foreborne (after application of the Protective Insurance Payments made in

accordance with the Guidelines), with interest at the rate per annum provided in the Mortgage on the total unpaid balance of the sum thereof from time to time outstanding, in level monthly payments, commencing on the first day of the next succeeding month, over the remaining term of the Mortgage; and

(b) a modification of the terms for repayment of the PIP Mortgage, to provide for repayment of the sum of the Protective Insurance Payments made, with interest at the rate per annum provided in the Mortgage plus one-half of one percent (1/2 of 1%) per annum on the unpaid balance thereof from time to time outstanding (such additional interest charge to provide a provisional insurance factor for losses in respect of loans made by the Secretary under the Program), but not to exceed in the aggregate the maximum interest permitted under applicable law, computed from and after the date of the last Protective Insurance Payment, payable in level monthly installments commencing on the first day of the next succeeding month, over a term, determined by the Secretary in accordance with the Guidelines, of from five years (or the remaining term of the Mortgage, if less) to the remaining term of the Mortgage (if greater than five years).

(9) The Mortgagor understands and agrees that, except as is expressly otherwise provided in this Agreement:

(a) All the rights and remedies, covenants, agreements, and conditions contained in the Mortgage and in the PIP Mortgage relating to defaults in the making of payments under such Mortgages also shall apply to every default in the making of the partial payments required under paragraph (6) (a) above.

(b) All covenants, agreements, and conditions contained in the Mortgage and in the PIP Mortgage shall be and remain in full force and effect; none of the Mortgagor's obligations or liabilities under said mortgages shall be diminished or released by any of the provisions hereof; this Agreement shall not in any way impair, diminish, or affect any of the rights or remedies of the Mortgagee under the Mortgage or of the Secretary under the PIP Mortgage, whether such rights or remedies arise thereunder or by operation of law, and all rights of recourse to which the Mortgagee is presently entitled under the Mortgage or by operation of law against any property or any other persons in any way obligated for or liable on the Mortgage, and all such rights of recourse to which the Secretary may become entitled under the PIP Mortgage or by operation of law, expressly are reserved by the Mortgagee and the Secretary respectively.

(10) The Mortgagor understands and agrees that, upon the termination of payment of Protective Insurance Payments under circumstances not resulting in a modification of the terms of payment of the Mortgage and of the PIP Mortgage as provided in paragraph (8) above, paragraph (4) of Article IV and paragraph (2) of Article VI, then all amounts past due under the Mortgage and the sum of the Protective Insurance Payments made for the benefit of the Mortgagor, with interest at the rate per annum provided in the PIP Mortgage from the date of such termination, shall be or become immediately due and payable as of the date of the last Protective Insurance Payment, and the Mortgagor shall be obligated timely to pay all installments thereafter becoming due under the Mortgage.

ARTICLE IV - MORTGAGEE

The Mortgagee represents and agrees as follows:

(1) The Mortgagee now is the owner and holder of the Mortgage.

(2) If and for so long as the payments herein agreed to be paid to the Mortgagee, by the Mortgagor and the Secretary are so paid, the obligation of the Mortgagor to pay an amount equal to the sum of the three full monthly installments past due and payable under the Mortgage on the Effective Date of this Agreement shall be suspended; provided that such suspension shall not be for a period of more than 12 months following the Effective Date.

(3) Such suspension of the Mortgagor's obligation to pay said amount shall be subject to the performance and observance by the Mortgagor of each and every covenant, agreement, and condition contained in the Mortgage, except Mortgagor's said obligation, and no late charges shall accrue under the Mortgage, from and after the Effective Date, if and for so long as said payments are made to the Mortgagee.

(4) The Mortgagee agrees to make, execute, and acknowledge the execution of, appropriate instruments and documents, satisfactory to the Secretary, to effect a modification of the monthly installments payable under the Mortgage, as and in the event provided for in paragraph 8 (a) of Article III.

(5) The Servicer (if not the Mortgagee) shall be entitled to compensation, in accordance with its servicing agreement with the Mortgagee with respect to the Mortgage, on account of the Protective Insurance Payments collected by the Servicer for the Mortgagee, pursuant to which the Mortgagee shall continue to service the mortgage subject only to the express provisions of this Agreement. (The Mortgagee, if the issuer of "mortgage backed" securities guaranteed by the Government National Mortgage Association backed in part by the Mortgage, is entitled to retain such part of such payments made in behalf of the Mortgagor as it would be entitled to retain under the agreements applicable thereto in the case of any other payments under the Mortgage by or in behalf of the Mortgagor.)

(6) If the Mortgagee effects a transfer of the servicing of the Mortgage, and if the Mortgagee is notified in such event by the Servicer that it then is subject to this Agreement, the Mortgagee will cause the Servicer to which the servicing of the Mortgage is transferred to assume the obligations of the Servicer hereunder effective as of the date of such transfer, subject, in the case of the PIP Mortgage, to delivery to the transferee of the complete credit and collection file with respect thereto and an accounting to the transferee in respect thereof, as if the servicing of the PIP Mortgage then was being transferred to the Secretary in accordance with the Guidelines; provided that, neither the Mortgagee nor any such successor servicer shall have any obligation to the Secretary in respect of such accounting or the prior servicing of the PIP Mortgage.

(7) The Servicer is authorized to service this Mortgage in accordance with this Agreement and the Guidelines.

ARTICLE V - SERVICER

The Servicer agrees as follows:

(1) Except as is expressly otherwise provided in this Agreement, this Agreement does not amend, modify, or otherwise affect its servicing agreement with the Mortgagee with respect to the Mortgage.

(2) Subject to paragraph (6) of Article IV and except as otherwise provided herein, the Servicer shall perform the services and duties that are incident to servicing the Mortgage and the PIP Mortgage in accordance with this Agreement and the Guidelines, for the compensation (including reimbursements) provided for in this Agreement.

(3) Commencing with the Effective Date and until the month following the month in which the last Protective Insurance Payment is made, the Servicer shall, on the 15th day of each calendar month, furnish to the Secretary the Mortgagor's monthly Certificate provided for in paragraph (6) (b) of Article III or, upon failure of receipt of same or of the partial payment due for such month from the Mortgagor, notify the Secretary of such failure in accordance with the Guidelines; and the Servicer shall notify the Secretary of any increase in the monthly installment payable under the Mortgage on or before the 15th day of the month preceding the first month for which such increased installment is payable. In addition to the foregoing, such servicing specifically shall extend to and include performance of servicing functions in connection with the modifications of the terms of payment of the Mortgage and of the PIP Mortgage as provided for in this Agreement, with the assistance of the Secretary provided for herein, in accordance with the Guidelines.

(4) Except for the Servicer's obligation to duly record the PIP Mortgage, the Servicer shall not be responsible for the validity or enforceability thereof.

(5) Except as otherwise provided in this Agreement or in the Guidelines, Servicer agrees to service the PIP Mortgage in accordance with the Regulations applicable from time to time to it as an approved mortgagee and to the administration of the Mortgage.

(6) The Servicer shall not be obligated (i) to institute any legal proceedings to enforce the PIP Mortgage or to take any action to acquire the real property encumbered thereby; (ii) to continue to service the PIP Mortgage if the terms of payment thereof are not modified as contemplated in paragraph (8) (b) of Article III and paragraph (2) of Article VII; or (iii) to continue to service the PIP Mortgage in the event of a continuing delinquency for a period of six months (notwithstanding the servicing thereof in accordance with the Guidelines, unless a formal repayment plan in respect thereof is in effect at the end of such period and the Mortgagor cures such delinquency thereunder) or after the Mortgage is assigned to the Secretary, the real property encumbered by the Mortgage is transferred to the Secretary, or said property is sold or otherwise disposed of by the Mortgagor.

(7) The Servicer shall not be obligated to take any action in its servicing of the PIP Mortgage which would diminish or release any of Mortgagor's obligations or liabilities under the Mortgage or impair, diminish, or affect any of the Mortgagee's rights or remedies under the Mortgage, whether such rights or remedies arise

thereunder or by operation of law, or any right of recourse to which the Mortgagee is entitled against any property or any other person in any way obligated for or liable on the Mortgage, or insurance of the Mortgage loan under the National Housing Act; provided, however, that the Servicer will notify the owner and holder of the PIP Mortgage not less than 15 days nor more than 30 days prior to the institution of foreclosure proceedings with respect to the Mortgage.

(8) Except as otherwise provided in this Agreement or in the Guidelines, the Servicer's obligations under this Agreement shall not be subject to termination except by the Secretary, provided that the Secretary may terminate this Agreement with respect to the continued servicing of the PIP Mortgage by the Servicer, at the Secretary's option, either upon thirty days notice or, without any waiting period, if the Servicer shall have failed in any material respect to perform or comply with any of its obligations or undertakings pursuant to this Agreement or if the financial condition or corporate status of the Servicer shall have become such that, in the opinion of the Secretary, the ability of the Servicer to continue to perform or comply with the same shall have been adversely affected. Except as provided in paragraph (6) of Article IV, this Agreement may be assigned or otherwise transferred by the Servicer only with a concurrent transfer of servicing of the Mortgage, and then only where the assignee or transferee expressly assumes the obligations of the Servicer hereunder. The Servicer's responsibility for its accounting at the time of, and in respect of its prior servicing of the PIP Mortgage, shall not be affected either by any such assignment or transfer or by an assumption of the Servicer's obligations and a transfer of the servicing of the PIP Mortgage pursuant to paragraph (6) of Article IV.

(9) At such time as the Servicer's obligation hereunder to continue to service the PIP Mortgage terminates, the Servicer shall deliver the complete credit and collection file with respect to the PIP Mortgage to the Secretary and render an accounting to the Secretary in respect of its servicing thereof in accordance with the Guidelines.

ARTICLE VI - THE SECRETARY/HUD

By submission of this Agreement to the Servicer and the Mortgagee, the Secretary certifies that the Secretary has determined, on the basis of the information provided by the Mortgagor (as hereinabove confirmed), that if an amount (exclusive of late charges payable under the Mortgage) equal to or greater than the sum of the three full monthly installments past due and payable under the Mortgage remains past due and payable on the Effective Date, the Mortgagor then will be eligible for participation in the Program; and the Secretary agrees that:

(1) Subject to the continued eligibility of the Mortgagor for participation in the Program, the Secretary will pay to the Mortgagee, at the time and place required under the Mortgage, commencing on or about the Effective Date and on or about the first day of each succeeding month, a Protective Insurance Payment in behalf of Mortgagor, for application to the monthly installments due and payable and to become due and payable under the Mortgage in accordance with the Guidelines, equal to the difference between the monthly installment due under the Mortgage on each such date and the amount which the Mortgagor has agreed so to pay on each such date pursuant to paragraph (6) (a) of Article III through the month succeeding the month in which substantial restoration of the Mortgagor's income occurs; provided, however, that:

(a) The aggregate amount of the Protective Insurance Payments which the Secretary shall be obligated to make hereunder shall be \$ _____, the maximum period for which the Secretary shall be obligated to make such payment shall be 12 months, and the Secretary shall not be required to make any such payment which together with the partial payment which the Mortgagor is obligated to make shall not equal the full monthly installment due under the Mortgage on the date such payment otherwise would be payable.

(b) At the time of the first such payment the Secretary also shall pay, as a further Protective Insurance Payment (which shall, to the extent thereof, be in discharge of the Secretary's maximum obligation to make Protective Insurance Payments for the benefit of the Mortgagor), the excess, if any, of the sum of (i) the monthly installments past due and payable under the Mortgage and (ii) the late charges then payable under the Mortgage, over the sum of the three full monthly installments then past due and payable.

(c) In the event that the terms of payment of the Mortgage and PIP Mortgage are modified as provided in paragraph (8) of Article III hereof, concurrently with the payment of the last Protective Insurance Payment the Secretary also shall pay, as a further Protective Insurance Payment (which shall, to the extent thereof, be in discharge of the Secretary's maximum obligation to make Protective Insurance Payments for the benefit of the Mortgagor), an amount equal to that portion of the deficit in Mortgagor's escrow account (as of the date of such last Protective Insurance Payment) which represents unpaid amounts due from the Mortgagor under the Mortgage for taxes and insurance premiums (excluding such amounts previously due and advanced by the Mortgagee to or on behalf of the Mortgagor and thereby added to the unpaid principal balance of the Mortgage). The maximum amount which the Secretary shall be obligated to pay with respect to said escrow deficit shall be the amount of such deficit as of the date of the first Protective Insurance Payment hereunder.

(d) Subject to the Secretary's maximum obligation to make Protective Insurance Payments for the benefit of Mortgagor, in the event the Mortgagor should fail to make the partial payment which the Mortgagor is obligated to make for any month for which a Protective Insurance Payment is made, the Secretary shall pay upon timely receipt from the Servicer of notice of such failure in accordance with the Guidelines, as a further Protective Insurance Payment (which shall, to the extent thereof, be in discharge of the Secretary's maximum obligation to make Protective Insurance Payments for the benefit of the Mortgagee), all or such part of such payment for such month as the Mortgagor shall so fail to pay. The Mortgagor's failure timely to make such a payment, or the failure by the Mortgagor timely to furnish the monthly Certificate required under this Agreement, shall in each case constitute a default by the Mortgagor, upon which the Secretary's obligation to make further Protective Insurance Payments pursuant to this Agreement shall terminate, unless, in such event, (i) the Secretary determines that the Mortgagor is eligible for continued participation in the Program and notifies the Servicer on or before the first day of the next succeeding months of the Mortgagor's continued eligibility for the Program and of the amount(s) of the payments thereafter to be made by the Mortgagor, and (ii) the partial payment thereafter to be made by the Mortgagor and the Protective

Insurance Payment thereafter to be made by the Secretary are made by the 15th day of such next succeeding month.

(e) The Secretary shall notify the Servicer and the Mortgagor of each increase or decrease, if any, in the partial payment which the Mortgagor is obligated to make pursuant to paragraph (6) (a) of Article III before the first day of the month for which such increased or decreased partial payment is to be made by the Mortgagor.

(f) The Secretary shall notify the Servicer and the Mortgagor on or before the first day of the month succeeding the month in which the Secretary determines the Mortgage is not eligible for participation or continued participation in the Program, whether by reason of Mortgagor's default hereunder or otherwise, and no further Protective Insurance Payments shall be made.

(2) The Secretary agrees (i) to make, execute and acknowledge the execution of appropriate instruments and documents, satisfactory to the Secretary, to effect a modification of the terms for repayment of the PIP Mortgage and to provide for repayment of the Protective Insurance Payments as and in the event provided for in paragraph (8) (b) of Article III, and (ii) to provide to the Servicer such assistance as it may require in servicing the modifications of the terms of payment of the Mortgage and of the PIP Mortgage required hereunder in such event, including provision of the requisite repayment terms.

(3) The Secretary agrees to reimburse the Servicer for actual amounts charged by state or local governments or government officials for recording fees and recording taxes or similar charges required to be paid by the Servicer incident to the modification of the terms of payment of the Mortgage and the servicing of the PIP Mortgage.

(4) The Secretary agrees that the Servicer shall be entitled to receive compensation for its servicing of the PIP Mortgage in an amount, payable from the interest portion of each installment collected, equal to three-eighths of one percent ($\frac{3}{8}$ ths of 1%) per annum computed on the same principal amount and for the same period as the interest portion of said installments.

(5) In the event that upon termination of Protective Insurance Payments hereunder the terms of payment of the Mortgage and of the PIP Mortgage are not to be modified as provided herein or are not then so modified, other than due to the fault of the Mortgagee or the Servicer, this forbearance agreement by the Mortgagee shall be treated as a "special forbearance" agreement for the Purposes of HUD Regulations 203.340, 203.402a (formerly 203.341), and 203.614.

(6) The participation by the Mortgagee in the Program in respect of the Mortgage in accordance with this Agreement and the Guidelines shall not adversely affect the endorsement of the Mortgage loan for insurance under the National Housing Act and the Regulations promulgated thereunder applicable to the Mortgage loan.

(7) The Mortgagee shall be entitled to rely on the determination of the Mortgagor's eligibility for participation in the Program by the Secretary. The Mortgagee shall not be obligated to repay all or any part of any Protective Insurance Payment paid so long as the same is applied to an amount due and payable under the Mortgage in accordance with this Agreement and the Guidelines.

ARTICLE VII - GENERAL

(1) The "Effective Date" of this Agreement shall be the first day of the second month beginning after the date as of which this Agreement is executed, provided that on such date an amount, exclusive of late charges payable under the Mortgage, equal to or greater than the sum of three full monthly installments is past due and payable under the Mortgage. This Agreement shall be null and void if it does not become effective on said date.

(2) In the event of any default by the Mortgagor in the performance or observance of any of the covenants, agreements, or conditions of this Agreement, the Mortgage or the PIP Mortgage, the Secretary, at his option, subject to the provisions of paragraph (1) (c) of Article VI, may terminate the making of Protective Insurance Payments for the benefit of the Mortgagor. In the event the Secretary exercises any such right, all prospective obligations of each of the Mortgagee, the Servicer, and the Secretary hereunder, except with respect to the servicing and the termination of the servicing of the PIP Mortgage, shall terminate.

(3) The obligation of the Secretary to make Protective Insurance Payments for the benefit of the Mortgagor shall terminate in the event of the sale or other disposition by the Mortgagor of the real property encumbered by the Mortgage and the PIP Mortgage, in the event any bankruptcy or other insolvency proceeding shall be instituted against the Mortgagor under any Federal or State law now or hereafter enacted (unless such proceedings shall be dismissed within thirty days from the date of institution thereof), the Mortgagor shall file a voluntary petition in bankruptcy or institute proceedings pursuant to any such law for any composition or other arrangement with Mortgagor's creditors, or the Mortgagor shall make an assignment for the benefit of Mortgagor's creditors, or in the event the Secretary determines that the Mortgagor is not eligible for participation or continued participation in the Program under the Guidelines. Any such event shall constitute a default by Mortgagor hereunder.

(4) Except with respect to the servicing of the PIP Mortgage (or subsequent termination thereof), and except as to the rights of the parties hereto accruing prior to such termination, this Agreement shall terminate upon the modification of the terms of payment of the Mortgage and of the PIP Mortgage as herein provided.

(5) The Mortgagee, the Servicer, and the Mortgagor each hereby acknowledges receipt of the Demonstration Program Guidelines.

(6) Notice, demand or request in any case arising under this Agreement or required by the provisions hereof or of the Guidelines or pursuant to any requirements of law shall, except as otherwise may be required under applicable laws or regulations, be in writing and may be served in person or by mail by depositing the same in any post office, substation or letter box, enclosed in an envelope, postage prepaid, addressed to the party to whom such notice, demand or request is directed, at the last known address of such party, provided that, in the case of the Mortgagee, any such notice, demand or request by the Mortgagor or by the Secretary may be so served on or mailed to the Servicer.

(7) This Agreement may not be assigned or transferred by the Mortgagor.

(8) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

(9) The consummation of this Agreement is subject to satisfaction of the following conditions: (a) execution of the Agreement by all parties hereto; (b) delivery to Mortgagor of appropriate notices and disclosure statements pursuant to the requirements of the Truth In Lending Act and Regulations and applicable State laws.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the

_____ day of _____, 19 _____.

MORTGAGOR

SECRETARY OF HOUSING AND URBAN
DEVELOPMENT

MORTGAGOR

By: _____
(Signature)

(Title)

SERVICER

MORTGAGEE

By: _____
(Signature)

By: _____
(Signature)

(Title)

(Title)

The undersigned, being obligated for the payment of the above-described Mortgage indebtedness, hereby consents to the execution of the foregoing Agreement between the Mortgagor and the Mortgagee, and further consents to the forbearance by the Mortgagee and modification of the Mortgage by the Mortgagee under said Agreement.

Witnessed By:

Co-Makers or Endorsers

The undersigned acknowledges receipt of a completely executed copy of the foregoing Agreement and the other documents described in paragraph (9) of ARTICLE VII of said Agreement.

Date of Receipt

Signature of Mortgagor

(BOEING LETTERHEAD)

DATE: _____

TO: _____

SUBJECT: - Protective Insurance Payments (PIP) Demonstration Program
- Demonstration Program Document No. _____
- FHA Case No. _____

REFERENCE: - HUD Contract H-2504 with Boeing Aerospace Company, Contractor
- Memorandum of March 4, 1977 from Dennis A. Manning, Government Technical Representative (GTR)

The attached document identified above is in the form approved by our GTR and previously transmitted to you with his Memorandum dated March 4, 1977.

We have completed and reviewed the attached document for conformance with the program requirements and procedures for implementation in accordance with the referenced contract and the demonstration program being conducted pursuant thereto.

It is recommended that you execute the document on behalf of the Department and return same to the undersigned.

BOEING AEROSPACE COMPANY
Field Representative

PROTECTIVE INSURANCE PAYMENTS
DEMONSTRATION PROGRAM GUIDELINES

1.1 Purpose.

These Guidelines supplement the Protective Insurance Payments Agreements which the Boeing Aerospace Company ("Contractor") has been authorized to enter into, in behalf of the Secretary of Housing and Urban Development ("Secretary"), for the purpose of conducting a demonstration of the Protective Insurance Payments Program for the United States Department of Housing and Urban Development ("HUD").

The Protective Insurance Payments Program was designed to provide assistance to homeowners temporarily unable to make their mortgage payments because of a substantial reduction in income due to unemployment or underemployment.

The Protective Insurance Payments Program, as designed and as it is to be demonstrated under such Protective Insurance Payments Agreements, provides for two forms of assistance for eligible homeowners:

- (i) Suspension of their obligation to pay the three full monthly installments due under their mortgages at the time the Agreements became effective; and
- (ii) Loans by the Secretary to such homeowners, for direct payment to the holders of their mortgages.

The Protective Insurance Payments Demonstration Program (the "Program") is to be conducted in the Atlanta, Los Angeles and Philadelphia (Pennsylvania portion only) Standard Metropolitan Statistical Areas.

Assistance under the Program will be made available to a limited number of homeowners in each such area who are eligible for such assistance under these Guidelines. Assistance under the Program will be offered to such homeowners until it has been extended to the maximum number of homeowners in each such area to whom it is to be made available or, if sooner, until the period during which such assistance may be offered under the Program terminates.

The maximum loan by the Secretary for Protective Insurance Payments in behalf of an eligible homeowner will be an amount equal to nine times the amount of the monthly installment payable under a homeowner's mortgage at the time the homeowner becomes eligible for assistance under the Program. Such loan may be disbursed over a maximum period of 12 months, enabling a homeowner, by making partial payments, to participate in the Program for such period.

The Government National Mortgage Association has, for the purpose of enabling the Protective Insurance Payments Demonstration Program, approved forbearance and modification of the terms of payment of a mortgage backing securities guaranteed by it, in accordance with the PIP Agreement and these Guidelines, by an issuer of such securities.

2.1 Certain Definitions.

(a) "Mortgage" means a note (or bond) evidencing indebtedness secured by a real property mortgage (or trust or security deed) and such mortgage (or trust or security deed).

(b) "Mortgagor" means the person or persons primarily obligated to pay the indebtedness evidenced and secured by a Mortgage or the transferee(s) of said person(s).

(c) "Mortgagee" means the owner and holder of a Mortgage.

(d) "Servicer" means the entity, if any, servicing a Mortgage for a Mortgagee.

(e) "Monthly installment" means the monthly amount of principal, interest, taxes, hazard insurance (including flood insurance, if any), and mortgage insurance premiums due under a Mortgage.

(f) "Mortgaged Property" means the real property encumbered by a Mortgage.

(g) "PIP Agreement" means a Protective Insurance Payments Agreement, in substantially the form of Appendix A, entered into by and among a Mortgagor, Mortgagee, Servicer and the Contractor, in behalf of the Secretary.

(h) "PIP Mortgage" means a note (or bond) evidencing the indebtedness of a Mortgagor to the Secretary in respect of Protective Insurance Payments made or committed to be made to a Mortgagee in behalf of the Mortgagor, pursuant to a PIP Agreement, secured by a real property mortgage (or trust or security deed) on the Mortgaged Property of the Mortgagor encumbered by the Mortgage, and such real property mortgage (or trust or security deed).

3.1 Mortgagor, Determination of Eligibility.

The eligibility of the Mortgagor to participate in the Program has been determined, in accordance with the criteria set forth in this Section, on the basis of information provided to the Contractor by the Mortgagor (verified, as to certain details pertaining to the Mortgage, with the Servicer).

3.2 Eligibility, Mortgaged Property.

(a) The Mortgaged Property must be located in an area in which the Program is being conducted.

(b) The Mortgaged Property must be owned in fee simple by the Mortgagor.

(c) The Mortgaged Property must be the principal residence of the Mortgagor.

(d) The Mortgaged Property must be a single-family dwelling.

(e) The Mortgage of the Mortgaged Property must be insured under either Section 203(b) (and not Section 223(e)) or Section 221(d) (2) of the National Housing Act.

(f) The Mortgaged Property must not be subject to a second mortgage, deed of trust or similar encumbrance, or any other lien, charge or encumbrance, other than the Mortgage and other than any lien for the payment of taxes, assessments, water rates and other governmental or municipal charges or impositions, payment of which is not delinquent, which is or would be superior to the PIP Mortgage.

3.3 Eligibility, Mortgagor, Definitions.

For the purposes of these Guidelines and the PIP Agreement:

(a) "Financially unable to pay the full monthly installment due under the Mortgagor's Mortgage" (or "financial inability" to make such full payments) means that a Mortgagor is unable to pay the monthly installments with 30% of Mortgagor's income and that the liquid assets of Mortgagor (cash, savings, life insurance loan values, investment securities, etc.) have a current value not in excess of \$5,000.

(b) "Immediate household" means one or more persons related by blood, marriage, or operation of law to the Mortgagor who occupy the same dwelling.

(c) "Mortgagor's Income" means the total monthly income, before taxes and other payroll deductions, received by all members of the Mortgagor's immediate household, including all wages, social security payments, military and veteran's disability payments, unemployment benefits, welfare benefits, food stamp benefits, and interest and dividend payments.

(d) "Involuntary unemployment or underemployment" means the status of a Mortgagor, or a member of a Mortgagor's immediate household, who is able to work full-time in his regular occupation, who is available for and actively seeking work in his regular occupation, and who is either (i) unemployed or (ii) working in any job (including his regular occupation) but who has suffered a substantial reduction in income therefrom.

(e) "Substantial reduction in income" means a reduction in the Mortgagor's income to an amount less than 75% of the Mortgagor's income preceding involuntary unemployment or underemployment.

(f) "Substantial restoration of income" means an increase in the Mortgagor's income to an amount equal to or greater than 75% of the Mortgagor's income preceding involuntary unemployment or underemployment.

3.4 Initial Eligibility, Mortgagor.

(a) The Mortgagor must be financially unable to pay the full monthly installments due under the Mortgagor's Mortgage principally because of (i) the involuntary unemployment or underemployment of Mortgagor (or one of them, if

more than one) or one or more members of Mortgagor's immediate household and (ii) a substantial reduction in Mortgagor's income resulting from the involuntary unemployment or underemployment of such person or persons.

(b) An amount equal to or greater than the sum of three full monthly installments (exclusive of late charges payable under the Mortgage) due under the Mortgagor's Mortgage must be past due and payable, by reason of the Mortgagor's failure to pay monthly installments due under the Mortgage.

(c) The Mortgagor must have owned the Mortgaged Property for a period of at least one year preceding the involuntary unemployment or underemployment of the Mortgagor(s) or member(s) of Mortgagor's immediate household resulting in a substantial reduction of Mortgagor's income; and such Mortgagor(s) or such member(s) of Mortgagor's immediate household must have been continuously employed or working full-time in his or her regular occupation for a period of at least one year preceding such involuntary unemployment or underemployment.

(d) The sum of the monthly installments which would be due under the Mortgage and under the PIP Mortgage, assuming (i) the terms of payment of each are modified as provided in a PIP Agreement and in these Guidelines after substantial restoration of the income of the Mortgagor and (ii) payment of the maximum amount of Protective Insurance Payments which the Secretary is committed to pay under the Protective Insurance Payments Agreement, should not exceed approximately 30% of the Mortgagor's income preceding such involuntary unemployment or underemployment.

(e) The sum of (i) the monthly installments which would be due under the Mortgage and the PIP Mortgage (based upon the assumptions set forth in subsection (d) of this Section 3.4), and (ii) the current recurring obligations of the Mortgagor (exclusive of the Mortgage) which cannot be deferred or otherwise disposed of, should not exceed the income of Mortgagor after substantial restoration.

(f) During the twenty-four (24) month period immediately preceding the "Effective Date" of the Protective Insurance Payments Agreement, there must have been at least one (1) period of twelve (12) consecutive months (or longer) during which the Mortgagor paid each of the monthly installments due under the Mortgage not later than one (1) month after its due date, except that one (1) such installment may have been paid one (1) month after its due date.

(g) The Mortgage has not been invalidated or otherwise affected by any of the following: (i) a bankruptcy or other insolvency proceeding instituted against the Mortgagor under any Federal or State law; (ii) a voluntary petition in bankruptcy or a proceeding pursuant to any such law for any composition or other arrangement with Mortgagor's creditors; or (iii) an assignment for the benefit of Mortgagor's creditors.

4.1 Mortgagor, Continued Eligibility.

If the information provided to the Contractor as stated in Section 3.1 was correct and complete in all material respects, the Mortgagor will remain eligible to participate in the Program, subject to the PIP Agreement and these Guidelines, through the month succeeding the month in which the Mortgagor's income is

substantially restored; provided (i) the Mortgaged Property continues to be an eligible property under Section 3.2(b) and (f) of these Guidelines, (ii) the Mortgagor continued to be eligible under Sections 3.4(a), (b) and (g) of these Guidelines, and (iii) payment of Protective Insurance Payments is not terminated by reason of an event described in Section 8 of these guidelines.

ADDENDUM NO. 1 (DATED AS OF APRIL 1, 1977) TO
PROTECTIVE INSURANCE PAYMENTS
DEMONSTRATION PROGRAM GUIDELINES

Subsection (f) of Section 3.2 of the Guidelines is amended by adding the following sentence at the end of that Subsection:

The Mortgage Property will not be disqualified by reason of a mortgage, deed of trust or similar encumbrance, or any other lien, charge or encumbrance, granted by the Mortgagor in connection with his receipt of public welfare or similar assistance benefits so long as any such lien, charge or encumbrance cannot, by its terms, be foreclosed during the Mortgagor's lifetime.

ADDENDUM NO. 2
(DATED AS OF MAY 16, 1977)
TO PROTECTIVE INSURANCE PAYMENTS
DEMONSTRATION PROGRAM GUIDELINES

1. Subsection (a) of Section 3.3 is amended so that as amended said Subsection reads as follows:

"Financially unable to pay the full monthly installment due under the Mortgagor's Mortgage" (or "financial inability" to make such full payments) means that a Mortgagor is unable to pay the monthly installments and the remainder of his housing expenses (including, but not limited to, utilities, maintenance and repair costs) with 30% of Mortgagor's income and that the liquid assets of Mortgagor (cash, savings, life insurance loan values, investment securities, etc.) have a current value not in excess of \$5,000.

2. Subsection (d) of Section 3.3 of the Guidelines is amended by adding the following sentence at the end of that Subsection:

"Involuntary unemployment or underemployment" also means the status of a Mortgagor, or a member of a Mortgagor's immediate household, who is unable to work full-time in his regular occupation due to medical reasons that will, in the opinion of his attending physician, be alleviated by the date upon which the last Protective Insurance Payment will be made (assuming the Mortgagor makes the partial payments required of him in accordance with these Guidelines) and who has suffered a substantial reduction in income therefrom.

3. Subsection (b) of Section 3.4 of the Guidelines is amended so that as amended said Subsection reads as follows:

An amount equal to or greater than the sum of three full monthly installments, but not greater than six full monthly installments (exclusive of the late charges payable under the Mortgage), due under the Mortgagor's Mortgage must be past due and payable, by reason of the Mortgagor's failure to pay month installments due under the Mortgage, and, if the preliminary notification of the Mortgagor required by Section 203.651 of the Mutual Mortgage Insurance Regulations (24 C.F.R. 203.651) has already been given, the Mortgagor's Mortgage is no longer being considered by HUD for assignment pursuant to those Regulations.

4. Subsection (d) of Section 3.4 of the Guidelines is amended by changing the amount of 30% to 35%.

5.1 Mortgagor, Monthly Meetings.

(a) The Mortgagor will be obligated to attend a monthly conference with a housing counselor designated by the Contractor or a monthly meeting with a representative of the Contractor, as provided in the PIP Agreement, for so long as Protective Insurance Payments are made in behalf of the Contractor. Such meetings with such housing counselor will be held in the counselor's office during its normal business hours. Such meetings with the Contractor's representative will be held in the HUD area office for the area in which the Mortgaged Property is located and during normal business hours. If the Mortgagor cannot attend any such meeting at such place during such hours such meeting may be held at such other time and place in the area as the housing counselor or the Contractor's representative with whom the Mortgagor is to meet reasonably designates.

(b) At such meetings the Mortgagor shall furnish such information as is required for the purpose of determining the Mortgagor's continued eligibility for participation in the Program, or the amount of the partial payments which the Mortgagor is obligated to make under the PIP Agreement, in accordance with the PIP Agreement and these Guidelines.

(c) Such monthly meetings may be attended by any of the Mortgagor's, if more than one, unless the housing counselor or Contractor's representative specifically directs otherwise.

5.2 Mortgagor, Partial Payments.

(a) For so long as Protective Insurance Payments are made in behalf of the Mortgagor, the Mortgagor shall be obligated to pay to the Mortgagee a partial monthly payment for application to the monthly installments due and payable under the Mortgage. The amounts of the partial payments which the Mortgagor is obligated to make will be established by the Contractor or by the Mortgagor's housing counselor subject to the Contractor's approval.

(b) Except in the case of extreme hardship, the amount of each such partial payment shall be the lesser of (i) the total sum of the escrow obligations (impounds) required to be paid monthly under the Mortgage, or (ii) 30% of the Mortgagor's income. In the event of a further reduction in the income of the Mortgagor, the Contractor may reduce the partial payments which the Mortgagor is thereafter obligated to make.

(c) In all cases some partial payment shall be required.

(d) Subject to the foregoing provisions with respect to the maximum partial payments which the Mortgagor is obligated to make, the Contractor may increase such partial payments in the event of an increase in the Mortgagor's income.

5.3 Mortgagor, Monthly Certificates.

For so long as Protective Insurance Payments are made in behalf of the Mortgagor, the Mortgagor is obligated to submit to the Servicer monthly, with the partial payment the Mortgagor is obligated to make for the month, a Certificate with respect to the Mortgagor's continued eligibility to participate in the Program,

in substantially the form of Appendix B. If any such Certificate reflects a change which may affect the Mortgagor's eligibility for continued participation in the Program or the amount of the partial payments which the Mortgagor is obligated to make under the PIP Agreement, the Mortgagor shall furnish such information as is required for such purpose, upon contact by the housing counselor or the Contractor's representative or, if not sooner contacted, at the next succeeding monthly meeting of the Mortgagor with the housing counselor or representative of the Contractor. Such monthly Certificate may be executed by any of the Mortgagors, if more than one.

5.4 Mortgagor, Mortgage Obligations.

(a) As provided in the PIP Agreement, the Mortgagor's obligation to pay the amount of the three full past due installments under the Mortgage on the Effective Date of the PIP Agreement will be suspended for so long as Protective Insurance Payments are made in behalf of the Mortgagor. No late charges shall thereafter accrue under the Mortgage during such period (late charges accrued prior to the Effective Date, if any, being payable as part of the Protective Insurance Payments to be made in behalf of the Mortgagor). Except for the foregoing, the obligations of the Mortgagor in respect of the Mortgage are not affected by the PIP Agreement.

(b) In the event a substantial restoration of the Mortgagor's income occurs prior to the payment of the last Protective Insurance Payment the Mortgagor is obligated to participate in a modification of the monthly installments payable under the Mortgage, as provided in the PIP Agreement and in Section 7.1 of these Guidelines, to provide for payment to the Mortgagee of the unpaid principal balance of the Mortgage loan and the amount actually foreborne by the Mortgagee, with interest from the date of the last Protective Insurance Payment.

(c) Unless the terms of payment of the Mortgage are so modified, all amounts past due and payable under the Mortgage will be or become due and payable as of the date of the last Protective Insurance Payment, and the Mortgagor shall be obligated timely to pay all monthly installments of the Mortgage thereafter becoming due.

5.5 Mortgagor, Protective Insurance Payments Obligations.

As provided in the PIP Agreement, in the event a substantial restoration of the Mortgagor's income occurs prior to the payment of the last Protective Insurance Payment, the Mortgagor is obligated to participate in a modification of the terms of payment of the PIP Mortgage, to provide for repayment to the Secretary of the Protective Insurance Payments, with interest from date of the last Protective Insurance Payment. Unless the terms of payment of the PIP Mortgage are so modified, as of the date of the last Protective Insurance Payment the sum of the Protective Insurance Payments made, with interest from the date of such last payment, shall be or become immediately due and payable to the Secretary.

6.1 Servicing, General.

(a) Servicing functions during the period Protective Insurance Payments are being made and during the period a PIP Mortgage loan is outstanding shall be performed by the Servicer.

(b) During the period Protective Insurance Payments are being made, the Servicer shall service the Mortgage loan in accordance with the PIP Agreement, the HUD Regulations applicable to the servicing of the Mortgage loan, and these Guidelines.

(c) During the period Protective Insurance Payments are being made and during the period the PIP Mortgage loan is outstanding, the Servicer shall service the PIP Mortgage in accordance with the PIP Agreement and these Guidelines, for the compensation (including reimbursements) provided for in the PIP Agreement.

(d) Prior to the Effective Date of the PIP Agreement, the servicing of the Mortgage loan shall not be affected by the PIP Agreement or subject to these Guidelines.

6.2 Servicing, Origination of PIP Mortgage Loan.

(a) The Servicer shall duly record the PIP Mortgage as delivered to it by the Contractor and, as so recorded, the Servicer shall deliver the PIP Mortgage to the Contractor.

(b) Except for such recording of the PIP Mortgage, and except for serving (or designating another entity or person willing to serve) as the Trustee under (and for the customary fees provided in) the PIP Mortgage in those states requiring a trustee, for so long as the Servicer services the PIP Mortgage, the Servicer shall not be responsible for the validity or enforceability of the PIP Mortgage.

6.3 Servicing, Protective Insurance Payments and Mortgagor Partial Payments.

(a) The Protective Insurance Payments and the Mortgagor partial payments to be paid to the Mortgagee pursuant to the PIP Agreement shall be paid to and accepted by the Servicer, in behalf of the Mortgagee.

(b) Upon collection by the Servicer of one or more Protective Insurance Payments and Mortgagor partial payments in an amount equal to or exceeding the oldest monthly installment past due and payable under the Mortgage at the time, such payments shall (except for late charges paid at the time of the first Protective Insurance Payment and escrow deficits paid at the time of the last Protective Insurance Payment) be applied to such installment.

6.4 Servicing, Mortgagor and Servicer Certificates and Notices.

(a) The Servicer shall receive and accept the Mortgagor's monthly Certificates with respect to the Mortgagor's continued eligibility for participation in the Program, which Certificates are to be delivered to the Servicer with the Mortgagor's partial payments.

(b) The Servicer shall deliver each such monthly eligibility Certificate of the Mortgagor to the Contractor on or before the 15th day of the month.

(c) In the event that the Servicer does not receive either the Mortgagor's partial payment for any month or the Mortgagor's eligibility Certificate for any month, before the 15th day of the month, the Servicer shall so notify the Contractor on the 15th day of the month.

(d) The Servicer shall promptly notify the Contractor of any material change in the circumstances of the Mortgagor known to the Servicer.

6.5 Servicing, Modification of Mortgages.

(a) The Servicer shall assist the Contractor in the preparation of (i) the instruments and documents required to effect the modifications of the Mortgage and the PIP Mortgage and (ii) the disclosure statements to be provided to the Mortgagor in connection therewith. The Servicer shall perform such servicing functions as are incident to the execution and delivery thereof. Concurrently with the execution of such modification agreements, the Servicer shall furnish to the Mortgagor a letter (substantially in the form of Appendix C) setting forth the aggregate monthly payment required to meet the payment obligations under both the PIP Mortgage and the Mortgage, including the then requisite monthly deposits for escrows (impounds).

(b) If required by the Mortgagee in the case of the modification of the Mortgage or the Contractor in the case of the modification of the PIP Mortgage, the Servicer shall duly record such modification before delivering it as so executed to such party.

6.6 Servicing, PIP Mortgage, Generally.

(a) Subject to the PIP Agreement and these Guidelines, the Servicer shall service the PIP Mortgage in accordance with the administrative Regulations (as distinguished from those incident to insurance claims) applicable from time to time to the administration of the Mortgage.

(b) From and after such time as the Secretary is no longer the owner and holder of the PIP Mortgage, each and every reference to the Contractor in this Section 6 shall be and mean the owner and holder of the PIP Mortgage.

6.7 Servicing, Collection and Application of Payments.

(a) Subject to the Mortgagor's express directions with respect to the application of payments made on the Servicer in respect of the Mortgage, the PIP Mortgage, or both mortgages, and subject to the Mortgagee's directions with respect to the disposition of partial payments in respect of installments due under the Mortgage, the Servicer shall apply payments received from the Mortgagor first to amounts due and payable under the Mortgage and then to amounts due and payable under the PIP Mortgage. Any amounts received and held by the Servicer for the account of the Mortgagor in respect of a partial payment under the Mortgage and ultimately not applied to the Mortgage loan shall, unless received subject to express contrary directions of the Mortgagor, be applied to the PIP Mortgage loan or held or applied as provided in Section 6.7(c).

(b) The Servicer shall accept a prepayment on the PIP Mortgage at any time and in any amount so long as, for the purpose of determining the amount of the prepayment and applying the prepayment to the PIP Mortgage loan, interest is calculated and paid on the actual unpaid balance of the loan to the date of the prepayment.

(c) Unless and until otherwise directed by the Contractor the Servicer shall accept partial payments of installments due under the PIP Mortgage. Any such payments shall be held for the account of the Mortgagor pending disposition. When partial payments so held for disposition aggregate a full monthly installment, they shall be applied to the oldest monthly installment under the PIP Mortgage past due and payable at the time.

6.8 Servicing, Forbearance and Other Relief.

(a) Unless and until otherwise directed by the Contractor the Servicer may grant any forbearance relief in respect of the PIP Mortgage, which the Mortgagee without approval of the Secretary is authorized to grant, and does grant, in respect of the Mortgage, other than (i) relief which would extend the Mortgagor's payments beyond the maturity of the PIP Mortgage as modified or (ii) further modification of the PIP Mortgage. The Servicer promptly shall notify the Contractor of the granting of any such relief.

(b) With the approval of the Contractor the Servicer may grant any forbearance relief in respect of the PIP Mortgage which the Mortgagee has been authorized by the Secretary to grant in respect of the Mortgage.

6.9 Servicing, Property and Insurance.

(a) The Servicer shall not be obligated to inspect the real property encumbered by the PIP Mortgage, except as it may be obligated to inspect the property under the applicable Regulations in respect of the Mortgage. The Servicer shall promptly provide a report to the Contractor with respect to any such inspection which it is required to make (which may be a copy of the report or memorandum if otherwise is required to make or keep in respect of such an inspection).

(b) The Servicer shall not be obligated to procure or maintain fire and extended coverage, flood, or any other hazard insurance in respect of the real property encumbered by the PIP Mortgage, or to take any action on account of the termination or unavailability of any such insurance, on account of the PIP Mortgage loan (as distinguished from the Mortgage and the Servicer's obligations in respect of the procurement, maintenance, termination, or unavailability of such insurance in respect thereof). The Servicer shall procure for the benefit of the Secretary in respect of the PIP Mortgage loan an appropriate Mortgagee's endorsement to each such hazard insurance policy in respect of the property maintained on account of the Mortgage.

(c) The Servicer shall not be obligated to take any action to protect or preserve the real property encumbered by the PIP Mortgage on account of the PIP Mortgage loan (as distinguished from the Mortgage and the Servicer's obligations to protect and preserve the property in respect thereof).

6.10 Servicing, Accounting and Remittances to Contractor.

(a) In January of each year the Servicer shall submit to the Contractor an annual accounting for each PIP Mortgage which it serviced at any time during the preceding calendar year. To the extent not previously remitted to the Contractor the Servicer shall remit to the Contractor with such accounting the aggregate amount applied by it either to installments payable under the PIP Mortgage or to prepayments on such Mortgage during such year.

(b) In the event of the termination of the Servicer's servicing of a PIP Mortgage, the Servicer shall submit such an accounting and make such a remittance to the Contractor for the period during which the Servicer serviced the PIP Mortgage. In such event, the Servicer also shall remit to the Contractor any amount then held by it for the account of the Mortgagor, to be so held by the Contractor pending disposition.

6.11 Servicing, Reimbursement of Certain Expenses.

Promptly after receipt of the Servicer's statement in respect of any recording fees, recording taxes or similar charges paid by the Servicer for which it is entitled to reimbursement pursuant to the PIP Agreement, together with its receipts therefor, the Contractor will reimburse the Servicer for the amount thereof.

6.12 Servicing, Records and Examinations.

(a) The Servicer shall maintain a complete credit and collection file with respect to the PIP Mortgage loan, commencing not later than the modification of the terms of payment of the PIP Mortgage, for which purpose the Servicer shall retain copies of the instruments and documents by which such modification is effected and of the disclosure statements provided to the Mortgagor in connection therewith. A copy of each written communication with the Mortgagor and a memorandum of each oral communication with the Mortgagor shall be kept in such file. The books and records of the Servicer with respect to all payments received by the Servicer from the Mortgagor for application in respect of the Mortgage and in respect of the PIP Mortgage, and the disposition thereof by the Servicer, shall be considered a part of such file. Such books and records shall be maintained in such form as will enable production of a complete, current summary of payments received from the Mortgagor and made by the Servicer to the Contractor in respect of the PIP Mortgage, for inclusion in the credit and collection file upon termination of the Servicer's servicing of the PIP Mortgage.

(b) The Contractor may at any reasonable time, during Servicer's normal business hours, inspect the credit and collection file of the Servicer with respect to a PIP Mortgage loan, including its books and records constituting a part of the file as provided in Section 6.12(a).

6.13 Insurance Claims.

In the event an insurance claim ultimately is made in respect of insurance of the Mortgage loan under the National Housing Act, such claim shall be made in accordance with the applicable regulations, without regard to the PIP Mortgage.

7.1 Modification of Terms of Payment of Mortgage.

In the event the terms of payment of the Mortgage are to be modified by the Mortgagor and the Mortgagee as provided in the PIP Agreement and these Guidelines, a Modification of Mortgage (Deed of Trust or Security Deed) between the Mortgagor and the Mortgagee in substantially the form of Appendix D, with such additions, deletions, and changes as may be appropriate to effect such modification as provided in the PIP Agreement will be satisfactory to the Secretary.

7.2 Modification of Terms of Payment of PIP Mortgage.

In the event the terms of payment of the PIP Mortgage are to be modified by the Mortgagor and the Secretary as provided in the PIP Agreement and these Guidelines, a Modification of PIP Mortgage (Deed of Trust or Security Deed) between the Mortgagor and the Secretary in substantially the form of Appendix E, with such additions, deletions, and changes as may be appropriate to effect such modification as provided in the PIP Agreement, will be satisfactory to the Secretary. The term over which the monthly installments under the PIP Mortgage as modified shall be payable shall be that number of months, but not less than 60 months (unless the remaining term of the Mortgage is less than 60 months) nor more than the number of months remaining in the term of the Mortgage, required to enable repayment by the Mortgagor of the Protective Insurance Payments made, with interest, in monthly installments which, when added to the monthly installments due under the Mortgage as and when modified, will not exceed, if possible, 30% of the Mortgagor's income as substantially restored.

8.1 Protective Insurance Payments.

(a) The Contractor will make the Protective Insurance Payments provided for in the PIP Agreement.

(b) The obligation to make Protective Insurance Payments shall terminate in the event the Mortgagor shall fail timely to make a partial payment or shall fail timely to furnish the monthly Certificate required under the PIP Agreement and these Guidelines, unless, in such event, (i) the Contractor determines that the Mortgagor is eligible for continued participation in the Program and notifies the Servicer on or before the first day of the next succeeding month the Mortgagor's continued eligibility for the Program and of the amount(s) of the payments thereafter to be made by the Mortgagor, and (ii) the partial payment thereafter to be made by the Mortgagor and the Protective Insurance Payment thereafter to be made by the Secretary are made by the 15th day of such next succeeding month; provided that, in the event of such a termination, subject to the maximum obligation to make Protective Insurance Payments under the PIP Agreement, upon timely receipt from the Servicer of notice of the Mortgagor's failure to make such partial payment the Contractor will make such payment.

(c) The obligation to make Protective Insurance Payments shall terminate:

(i) In the event of the sale or other disposition by the Mortgagor of the real property encumbered by the Mortgage and the PIP Mortgage;

(ii) In the event any bankruptcy or other insolvency proceeding shall be instituted against the Mortgagor under any Federal or State law now or hereafter enacted (unless such proceedings shall be dismissed within thirty days from the date of institution thereof), the Mortgagor shall file a voluntary petition in bankruptcy or institute proceedings pursuant to any such law for any composition or other arrangement with Mortgagor's creditors, or the Mortgagor shall make an assignment for the benefit of Mortgagor's creditors;

(iii) In the event the Mortgagor vacates or abandons the mortgaged property;

(iv) In the event the Mortgagor has clearly stated in writing he either has no reasonable prospect of fulfilling, or has no intention of fulfilling, his obligation under the PIP Agreement, the Mortgage or the HUD Mortgage; or

(v) In the event the Contractor acting in behalf of the Secretary determines that the Mortgagor was not eligible for participation or is not eligible for continued participation in the Program under Sections 3 or 4 of these Guidelines.

9.1 PIP Agreements, Origination.

The Contractor will prepare and submit PIP Agreements to Mortgagors, together with appropriate Truth In Lending Act and other disclosure statements in behalf of the Secretary and in respect of the Mortgage (as well as such notices of rescission rights as are required to be submitted therewith by the Secretary). The Contractor will verify all information to be presented in any such disclosure statement in respect of the Mortgage with the Servicer. Upon execution of a PIP Agreement by a Mortgagor and in behalf of the Secretary, the Contractor will submit such PIP Agreement (with copies of each disclosure statement submitted to the Mortgagor in respect of the Mortgage) to the Servicer, for execution and submission to the Mortgagee for execution.

10.1 Mortgagee.

(a) If the Mortgage backs, in part, securities guaranteed by the Government National Mortgage Association, the provisions of the PIP Agreement applicable to the Mortgagee shall be applicable to the issuer.

(b) If the Mortgagee also is the Servicer, the provisions of the PIP Agreement applicable to the Servicer also shall be applicable to the Mortgagee.

11.1 Contractor, General.

For purposes of the Protective Insurance Payments Demonstration Program, and except as otherwise expressly provided in these Guidelines, the actions and functions ascribed to the Secretary will be performed by the Contractor (or such successor entity as the Secretary shall designate, which successor shall then constitute the "Contractor" as such term is used in these Guidelines). The Contractor will enter into the PIP Agreement in behalf of the Secretary and will receive payments due to the Secretary under the terms of the PIP Mortgage. Until

otherwise notified by the Secretary, all notices, demands, requests, and other communications, and payments, to be served or given or made by or to the Secretary under or in respect of a PIP Agreement, these Guidelines, or a PIP Mortgage shall be served or given or made by or to the Contractor (or such successor entity as the Secretary shall designate, which successor shall then constitute the "Contractor" as such term is used in these Guidelines) at the following address:

Boeing Aerospace Company
Post Office Box 3999
Seattle, Washington 98124

Attention: William E. Boyd
Mail Stop 87-13

In each case with a copy to:

Harvey A. Harris, Esq.
Stolar, Heitzmann & Eder
515 Olive Street, Suite 1700
St. Louis, Missouri 63101

No such notice by the Secretary affecting or terminating the authority of the Contractor shall adversely affect any PIP Agreement theretofore entered into by the Contractor in behalf of the Secretary or any action or inaction in reliance thereon by a Mortgage or Servicer.

DEED OF TRUST NOTE

\$ _____ Los Angeles, California _____, 19 _____

FOR VALUE RECEIVED, the undersigned promise(s) to pay to Secretary of Housing and Urban Development, United States Department of Housing and Urban Development, or order, at the office of _____

at _____, California, or at such other place as the holder hereof may designate in writing, the principal sum of _____ Dollars (\$ _____) with interest from date at the rate of _____ per centum (_____ %) per annum on the balance remaining from time to time unpaid. Principal and interest shall be due and payable on demand, but if demand is not sooner made, the payment of principal and interest, if not sooner paid, shall be due and payable on the first day of _____, 19 _____.

If default be made in any of the agreements contained in the Deed of Trust securing this note, the entire principal sum and accrued interest shall at once become due and payable without notice at the option of the holder of this note. Failure to exercise such option shall not constitute a waiver of the right to exercise it in the event of any subsequent default.

The makers and endorsers severally waive diligence, presentment, protest and demand, notice of protest dishonor and nonpayment of this note, expressly agree that this note, or any payment thereunder, may be extended from time to time, and consent to the acceptance of further security for this note, including other types of security, all without in any way affecting the liability of the makers and endorsers hereof. The right to plead any and all statutes of limitations as a defense to any demand on this note, or on any guaranty thereof, or to any agreement to pay the same, or to any demand secured by the Deed of Trust, or other security, securing this note, against makers, endorsers, guarantors, or sureties is expressly waived by each and all said parties.

Principal and interest are payable in lawful money of the United States. If action be instituted on this note, the undersigned promise(s) to pay such sum as the Court may fix as attorney's fees. This note is secured by a Deed of Trust, of even date herewith, to _____ as Trustee, on real estate situated in the County of _____ California, and this note is to be construed according to the laws of California.

This note and the Deed of Trust have been executed and delivered by the undersigned pursuant to a certain Protective Insurance Payments Agreement of even date herewith by and among the undersigned, the payee, and certain other parties.

Should this note be signed by more than one person and/or firm and/or corporation, all of the obligations herein contained shall be considered joint and several obligations of each signer hereof.

TRUSTOR

TRUSTOR

SECURITY DEED NOTE

\$ _____

Atlanta, Georgia
_____, 19____.

FOR VALUE RECEIVED, the undersigned promise(s) to pay to the order of the Secretary of Housing and Urban Development, United States Department of Housing and Urban Development, the principal sum of _____ Dollars (\$ _____), with interest from date at the rate of _____ - _____ per centum (_____), with interest from date at the rate of _____ per centum (_____ %) per annum on the unpaid balance until paid. Principal and interest shall be payable at the office of _____ in _____, Georgia, or at such other place as the holder may designate in writing, on demand, but if demand is not sooner made, the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable on the first day of _____, 19____.

In the event of default in payment of this note, and if the same is collected by an attorney at law, the undersigned agree(s) to pay all costs of collection, including reasonable attorneys' fees.

Presentment, protest and notice are hereby waived. The undersigned further waive(s) and renounce(s) all rights to Exemption and Homestead provided by the Constitution and Laws of Georgia and of the United States to, and in, all property, real and personal, against the enforcement of this obligation or any extension, renewal or modification thereof.

The undersigned shall have the right to prepay this note, in whole or in part (in either case with interest accrued to the date of such prepayment on the amount so prepaid), at any time prior to maturity without penalty.

This note is secured by a Security Deed to real estate in, and is to be construed according to the laws of, the State of Georgia.

This note and the Security Deed have been executed and delivered by the undersigned pursuant to a certain Protective Insurance Payments Agreement of even date herewith by and among the undersigned, the payee, and certain other parties.

WITNESS the hand(s) and seal(s) of the undersigned.

_____ (SEAL)

_____ (SEAL)

NOTE

\$ _____ Philadelphia, Pennsylvania
_____, 19__

FOR VALUE RECEIVED, the undersigned, _____,

hereinafter called the Maker, jointly and severally promises to pay to the Secretary of Housing and Urban Development, United States Department of Housing and Urban Development, or order, hereinafter designated as the Payee, the principal sum of _____ Dollars (\$ _____) with interest from date at the rate of _____ per centum (_____ %) per annum on the unpaid balance until paid. The said principal and interest shall be payable at the office of _____ in _____, Pennsylvania, or at such other place as the holder may designate in writing, on demand, but if demand is not sooner made the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable on the first day of _____, 19__.

Privilege is reserved to pay the debt in whole or in part (in either case with interest accrued to the date of such prepayment on the amount so prepaid), at any time prior to maturity, without penalty.

Simultaneously with the execution of this Note the Maker has executed and delivered to the Payee a Mortgage secured upon certain premises situation in the County of _____, Commonwealth of Pennsylvania, more particularly described in the Mortgage. All of the terms, covenants, provisions, conditions, stipulations and agreements contained in said Mortgage to be kept and performed by the maker are hereby made part of this Note to the same extent and with the same force and effect as if they were fully set forth herein, and the Maker covenants and agrees to perform the same, or cause the same to be kept and performed, strictly in accordance with the terms and provisions thereof.

The whole of the principal sum or any part thereof, and of any other sums of money secured by the Mortgage given to secure this Note, shall, forthwith, at the option of the Payee or any subsequent holder hereof, become due and payable immediately, without notice or demand, upon the happening of any default which, by the terms of the Mortgage given to secure this Note, shall entitle the Payee or any subsequent holder hereof, to declare the same, or any part thereof, to be due and payable.

This note and the Mortgage have been executed and delivered by the Maker pursuant to a certain Protective Insurance Payments Agreement of even date herewith by and among the Maker, the Payee, and certain other parties.

The Maker hereby waives the right of inquisition on all property levied upon to collect the indebtedness evidenced hereby and does voluntarily condemn the same and authorizes the Prothonotary to enter such condemnation, and waives and releases all laws, now in force or hereafter enacted, relating to exemption, appraisalment or stay of execution.

The agreements herein contained shall bind, and the benefits and advantages shall inure to, the respective successors and assigns of the parties hereto.

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

IN WITNESS WHEREOF, the Maker has caused these presents to be executed under seal the day and year first above written.

_____ (SEAL)

_____ (SEAL)

DEED OF TRUST
With Assignment of Rents

THIS DEED OF TRUST, made this _____ day of _____
19_____, BETWEEN _____,
whose address is _____, as TRUSTOR,
(Street and Number) (City) (STATE)

_____, as TRUSTEE, and Secretary
of Housing and Urban Development, United States Department of Housing and
Urban Development, as BENEFICIARY;

WITNESSETH: That Trustor irrevocably GRANTS, TRANSFERS, and
ASSIGNS to TRUSTEE IN TRUST, WITH POWER OF SALE, the property in
_____ County, California, described as:

Which property is presently encumbered by a first Deed of Trust which is recorded
in the public records in _____ County, California,
in _____ Book _____ Page _____,
or document or file number _____;

TOGETHER WITH the rents, issues, and profits thereof, SUBJECT, HOWEVER, to
the right, power and authority hereinafter given to and conferred upon Beneficiary
to collect and apply such rents, issues, and profits;

FOR THE PURPOSE OF SECURING Performance of each agreement of
Trustor herein contained and payment of the sum of \$ _____
with interest thereon according to the terms of a promissory note of even date
herewith, payable to Beneficiary or order and made by Trustor (such sum being the
maximum amount to be advanced by the Beneficiary from time to time after the
date of said note pursuant to a certain Protective Insurance Payments Agreement
of even date herewith by and among the Beneficiary, the Trustor and certain other
parties), and payment of any and all other indebtedness of Trustor to Beneficiary,
whether now existing or hereafter arising.

1. Privilege is reserved to pay the debt in whole or in part (in either case
with interest accrued to the date of such prepayment on the amount so prepaid), at
any time prior to maturity.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

2. Not to either sell, transfer or otherwise dispose of, or contract to sell, transfer or otherwise dispose of, all or any part of, or any interest of the Trustor in, said property.

3. To protect and preserve said property and to maintain it in good condition and repair.

4. Not to remove or demolish any building or improvement thereon.

5. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged, or destroyed thereon, and pay when due all costs incurred therefor.

6. Not to commit or permit waste of said property.

7. To comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting said property.

8. To cultivate, irrigate, fertilize, fumigate, prune, and do all other acts which from the character and use of said property may be reasonably proper or necessary, the specific enumerations herein not excluding the general.

9. To provide and maintain insurance against loss by fire and other hazards, casualties, and contingencies including war damage as may be required from time to time by the Beneficiary in such amounts and for such periods as may be required by the Beneficiary, with loss payable to Beneficiary and to deliver all policies to Beneficiary, which delivery shall constitute an assignment to Beneficiary of all return premiums.

10. To appear in and defend any action proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all cost and expenses, including cost of evidence of title and attorney's fees in a reasonable sum incurred by Beneficiary or Trustee.

11. To keep and perform all of the covenants and conditions of every Deed of Trust, mortgage or similar encumbrance of or against said premises, and the notes secured thereby, prior or superior to the security of this Deed of Trust.

12. To pay at least 10 days before delinquency all assessments upon water company stock, and all rents, assessments and charges for water, appurtenant to or used in connection with said property; to pay, when due, all encumbrances, charges and liens with interest, on said property or any part thereof, which at any time appear to be prior or superior hereto; to pay timely all ground rents, taxes, assessments and other governmental or municipal charges, fines or impositions and to deliver official receipts therefor (or duplicates or copies thereof in form acceptable to the Beneficiary); to pay all costs, fees, and expenses of this Trust.

13. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation

hereof, may: Make or do the same in same manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary to Trustee being authorized to enter upon the property for such purposes, commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title, employ counsel, and pay his reasonable fees.

14. To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate provided on the principal debt, and the repayment thereof shall be secured hereby.

IT IS MUTUALLY AGREED THAT:

15. Should the property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to Beneficiary, who may after deducting therefrom all its expenses, including attorney's fees, release any moneys so received by it or apply the same on any indebtedness secured hereby. Trustor agrees to execute such further assignments of any compensation, award, damage, and rights of action and proceeds as Beneficiary or Trustee may require.

16. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

17. Should proceedings be instituted to register title of said property under any Land Title Law, Trustor will pay upon demand all sums expended by Trustee or Beneficiary, including attorney's fees, and forthwith delivery to Beneficiary all evidence of title.

18. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Deed and the note for endorsement (in case of full reconveyance, for cancelation and retention), without affecting the liability of any person for the payment of the indebtedness, Trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the property.

The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be \$5.

19. Trustor hereby absolutely assigns to Beneficiary during the continuance of these trusts, all rents, issues, royalties, and profits of the property affected by this Deed and of any personal property located thereon. Until Trustor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Trustor shall have the right to collect all such rents, issues, royalties, and profits earned prior to defaults they become due and payable save and excepting rents, issues, royalties, and profits arising or accruing by reason of any oil, gas, or mineral lease of said property. If Trustor shall default as aforesaid Trustor's right to collect any of such moneys shall cease and Beneficiary shall have the right, without taking possession of the property effected hereby, to collect all rents, royalties, issues and profits. Failure or discontinuance of Beneficiary at any time, or from time to time to collect any such moneys shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power, and authority to collect the same. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Deed to any tenancy, lease or option.

20. Upon any default by Trustor hereunder, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect said rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon of any indebtedness secured hereby, and in such order as Beneficiary may determine.

21. The entering upon and taking possession of said property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

22. Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale, and of written notice of default and of election to cause the property to be duly filed for record. Beneficiary shall also deposit with Trustee this Deed, the note and all documents evidencing expenditures secured hereby.

23. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to any statutory right of Trustor to direct the order in which such property, if consisting of several known lots or parcels, shall be sold), at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public

announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its Deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at the sale. Trustee shall apply the proceeds of sale to payment of (1) the expenses of such sale, together with the reasonable expenses of this Trust, including therein Trustee's fees in the following amounts based upon the amount secured hereby and remaining unpaid: $6\frac{2}{3}$ percent on the first \$1,000 thereof, 2 percent on the next \$7,000 thereof, and $1\frac{1}{3}$ percent on the balance thereof, said sum to include counsel fees if any are incurred, (2) cost of any evidence of title procured in connection with such sale and revenue stamps on Trustee's Deed; (3) all sums expended under the terms thereof, not then repaid, with accrued interest at the rate provided on the principal debt; (4) all other sums then secured hereby; and (5) remainder, if any, to the person or persons legally entitled thereto.

24. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed and its place of record, which, when recorded in the office of the County Recorder of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

25. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed is hereby waived to the full extent permissible by law.

26. Any Trustor who is a married woman hereby expressly agrees that recourse may be had against her separate property, but without hereby creating a present or any lien or charge thereon, for any deficiency after sale of the property hereunder.

27. This Deed shall inure to and bind the heirs, legatees, devisees, administrator, executors, successors, and assigns of the parties hereto. All obligations of Trustor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein.

28. Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.

29. This Deed shall be construed according to the laws of the State of California.

30. The Undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at the address hereinbefore set forth.

31. If any provision of this Deed shall, to any extent, be invalid or unenforceable, the remainder of this Deed shall not be affected thereby, and each term and provision of this Deed shall be valid and be enforced to the fullest extent permitted by law.

SIGNATURE OF TRUSTOR

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On this _____ day of _____, 19____, before me,
_____, A Notary Public in and
for said County, personally appeared _____, known
to me to be the person whose name _____ subscribed to the
within instrument, and acknowledged that _____ executed
the same.

WITNESS my hand and official seal.

(NOTARIAL SEAL)

Notary Public in and for said County
and State.

REQUEST FOR FULL RECONVEYANCE

Do not record To be used only when note has been paid

TO: TRUSTEE

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____ 19 _____

Mail reconveyance to _____

SECURITY DEED

THIS INDENTURE, made and entered into this _____ day of _____, 19____, by and between _____

hereinafter, with _____ heirs, executors, administrators and assigns, called the Grantor, and the Secretary of Housing and Urban Development, United States Department of Housing and Urban Development hereinafter, with its successors and assigns, called the Grantee;

WITNESSETH, That, WHEREAS, Grantor is justly indebted to Grantee in the sum of _____ Dollars (\$ _____), and has agreed to pay the same, with interest thereon, according to the terms of a certain note (the "Note") given by Grantor to Grantee, bearing even date herewith, payable on demand, or if no demand is sooner made, payable on the first day of _____, 19____, the Note, by reference, being made a part hereof (the above sum being the maximum amount to be advanced by the Grantee from time to time after the date of the Note pursuant to a certain Protective Insurance Payments Agreement of even date herewith by and among the Grantor, the Grantee and certain other parties);

NOW, THEREFORE, in consideration of the premises and of the sum hereinabove set forth, the Grantor does hereby bargain, sell, grant and convey unto the Grantee, the following real estate situated and being in the County of _____, State of Georgia, to-wit:

which real estate is presently encumbered by a first Security Deed which is recorded in the public records of _____ County, Georgia, in Book _____ Page _____, or document or file number _____;

including all buildings and improvements thereon (or that may hereafter be erected thereon); together with the hereditaments and appurtenances and all other rights thereunto belonging, or in anywise now or hereafter appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all plumbing, heating, and lighting fixtures, and equipment now or hereafter attached to or used in connection with said premises.

TO HAVE AND TO HOLD the same unto the Grantee and the successors in interest of the Grantee forever in fee simple.

And the Grantor covenants that he is lawfully seized and possessed of said premises; that the same are free from all encumbrances except as herein in interest to WARRANT and DEFEND the title thereto and every part thereof against the lawful claims of all persons whomsoever.

This instrument is a deed passing legal title pursuant to the laws of the State of Georgia governing loan or security deeds and is not a mortgage; and is made and intended to secure the payment of the indebtedness of Grantor to Grantee evidenced by the Note in accordance with the terms thereof, together with any and all other indebtedness, now owing or which may hereafter be owing by Grantor to Grantee, however incurred, and all renewal or renewals and extension or extensions of the Note or other indebtedness, either in whole or in part.

THE GRANTOR COVENANTS AND AGREES:

1. That he will promptly pay the principal of and interest on the indebtedness evidenced by the Note, at the times and in the manner therein provided. Privilege is reserved to pay the debt in whole or in part (in either case with interest accrued to the date of such prepayment on the amount so prepaid), at any time prior to maturity without penalty.

2. That he will pay all ground rents, taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions, and in default thereof the Grantee may pay the same; and that he will promptly deliver the official receipts therefor (or duplicates or copies thereof in form acceptable to the said Grantee) to the said Grantee.

3. That such expenses and fees as may be incurred in the protection of said premises, or the security of this instrument, including the fees of any attorney employed by the Grantee for the collection of any or all of the indebtedness hereby secured, or foreclosure by Grantee's sale, or court proceedings or in any other litigation or proceeding affecting said premises, and attorneys' fees reasonably incurred in any other way, shall be paid by the Grantor and secured by this instrument.

4. That the Grantor will keep the improvements now existing or hereafter erected on the premises covered hereby, insured as may be required from time to time by the Grantee against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by Grantee, and will pay promptly, when due, any premiums on such insurance. All insurance shall be carried in companies approved by Grantee and, at Grantee's option, the policies and renewals thereof, or certificates therefor in form acceptable to Grantee, shall be delivered to and held by Grantee and have attached thereto loss payable clauses in favor of and in form acceptable to the Grantee. In event of loss Grantor will give immediate notice by mail to Grantee, and Grantee may make proof of loss if not made promptly by Grantor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Grantee instead of to Grantor and Grantee jointly, and the insurance proceeds, or any part thereof, may be applied by Grantee 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 Security Deed or other transfer of title to the premises covered hereby in extinguishment of the indebtedness secured hereby, all right, title and interest of the Grantor in and to any insurance policies then in force shall pass to the purchaser or Grantee.

5. That the Grantor will not assign the rent or any part of the rent of said premises or demolish or remove any building without the written consent of the Grantee.

6. That the Grantor will keep and perform all of the covenants and conditions of every security deed, mortgage or similar encumbrance of or against said premises, and the notes secured thereby, superior to the security of this instrument.

7. That the Grantor will neither sell, transfer or otherwise dispose of, nor contract to sell, transfer or otherwise dispose of, all or any part of, or any interest of Grantor in, the premises covered hereby.

8. That in the event of a default in any of the covenants or conditions of this instrument, the Grantee, at its option, may foreclose this instrument, in any Court of competent jurisdiction, and shall be entitled to the immediate appointment of a receiver for the collection of the rents of said premises during the pendency of such foreclosure. This right is cumulative and is not a waiver of any right including but not limited to the right to advertise sell under Grantee's advertisement of sale.

9. That in the event of a default in any of the covenants or conditions of this instrument, or of the Note secured hereby, the rents and profits of the premises are hereby assigned to the Grantee as security for the payment of the indebtedness secured by this instrument.

10. That he will keep all buildings, fences, and other improvements on said real estate in as good repair and condition as the same are in at the time of the execution of this instrument and will permit no waste.

11. That default in any of the covenants or conditions of this instrument or of the note secured hereby shall terminate the Grantor's right to possession, use, and enjoyment of the premises, at the option of the Grantee or assigns (it being agreed that the Grantor shall have such right until default). Upon any such default the Grantee shall become the owner of all of the rents and profits accruing after default as security for the indebtedness secured hereby, and this shall be true even though the Grantor be permitted to retain possession of the premises; and this instrument shall operate as an assignment of the premises; and this instrument shall operate as an assignment of the rentals on said premises to that extent. Upon the happening of any such default the Grantee shall have the right to have a receiver appointed to take charge of such premises regardless of the solvency of the Grantor and regardless of whether or not the Grantee has an adequate remedy at law. The Grantor covenants and agrees that time is of the essence of this contract and that if he shall fail to pay said indebtedness, or any part thereof, when due, or shall fail to perform any covenant or agreement of this instrument or the note secured hereby, the entire indebtedness hereby secured shall immediately become due, payable, and collectible without notice, at the option of the Grantee or assigns, regardless of maturity, and the Grantee or assigns may enter upon said

premises and collect the rents and profits thereof, and, before or after entry, may sell said property at auction at the usual place for conducting sales at the courthouse in the county where the land lies, in said State to the highest bidder for cash, first giving 4 weeks' notice of the time, terms, and place of such sale, by advertisement once a week in a newspaper published in said county, all other notice being hereby waived by the Grantor (and said Grantee or any person on behalf of said Grantee, or assigns, may bid and purchase at such sale), and thereupon execute and deliver to the purchaser at such sale a sufficient conveyance of said premises in fee simple, which conveyance shall contain recitals as to the happening of the default upon which the execution of the power of sale herein granted depends; and the said Grantor hereby constitutes and appoints the Grantee, or any agent or attorney of the Grantee, the agent and attorney-in-fact of said Grantor to make such recitals, and hereby covenants and agrees that the recitals so to be made by the Grantee, or assigns, shall be binding and conclusive upon the Grantor, and the conveyance to be made by the Grantee, or assigns, shall be effectual to bar all equity of redemption, homestead, dower, courtesy, and all other exemptions of the Grantor, all of which are hereby expressly waived. In the event of a sale as hereinabove provided, the Grantor, or any person in possession under the Grantor, shall then become and be tenants holding over, and shall forthwith deliver possession to the purchaser at such sale, or be summarily dispossessed, in accordance with the provisions of law applicable to tenants holding over. The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise, and are granted as cumulative to the remedies for collection of said indebtedness provided by law.

12. That the proceeds of any sale shall be applied:

- First. To pay the costs and expenses of said sale, the expenses of protecting the property and reasonable attorney's fees.
- Second. To pay the indebtedness hereby secured.
- Third. To pay the surplus, if any, to the person or persons legally entitled thereto.

13. Grantor, for himself and his family, hereby waives and renounces all homestead and exemption rights provided for by the Constitution and Laws of the United States or the State of Georgia, in and to the premises covered hereby as against the collection of the indebtedness secured hereby, or any part thereof.

If the Grantor shall pay and discharge the Note and all other indebtedness secured hereby, or any notes given in renewal or extension thereof, and shall discharge all taxes and liens and repairs and the costs, fees, and expenses of making, enforcing, and executing this Security Deed, then this deed shall be canceled and surrendered in accordance with the Civil Code of Georgia.

It is understood that if more than one person joins in the execution of this instrument as Grantor or if any be of the feminine sex, the pronouns and relative words used herein shall be read as if written in the plural or the feminine respectively.

If any provision of this instrument shall, to any extent, be invalid or unenforceable, the remainder of this instrument shall not be affected thereby, and

each provision of this instrument shall be valid and be enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF, this deed has been duly executed and sealed by Grantor the day and year first above written.

Signed, sealed, and
delivered in the
presence of:

_____ (SEAL)
Unofficial Witness

_____ (SEAL)
Notary Public,

_____ County, Georgia

MORTGAGE

THIS INDENTURE, made and entered into this _____ day of _____, 19____, by and between _____

(hereinafter whether one or more, with _____ heirs, executors, administrators, and assigns, called the Mortgagor), and the Secretary of Housing and Urban Development, United States Department of Housing and Urban Development (hereinafter with its successors and assigns called the Mortgagee),

WITNESSETH, that to secure the payment of _____ Dollars(\$ _____), with interest from date, at the rate of _____ per centum (_____ %) per annum on the unpaid balance until paid, as provided in a note of even date herewith, said principal and interest being payable on demand, but if demand is not sooner made or if not sooner paid, on the first day of _____, 19____ (said principal being the maximum amount to be advanced by the Mortgagee from time to time after the date of said note pursuant to a certain Protective Insurance Payments Agreement of even date herewith by and among Mortgagor, Mortgagee and certain other parties), and also to secure any and all other indebtedness of Mortgagor to Mortgagee, whether now existing or hereafter arising, and to secure the performance of all covenants and agreements herein contained, the Mortgagor does by these presents bargain, sell, give, grant, and convey to the Mortgagee, ALL the following-described real estate situated in the _____ of _____ County of _____, and Commonwealth of Pennsylvania; to wit:

which real estate is presently encumbered by a first Mortgage which is recorded in the public records in Book _____ Page _____, or document or file number _____;

TOGETHER with all and singular the Buildings and Improvements on said premises, as well as all alterations, additions or improvements now or hereafter made to said premises, and any and all appliances, machinery, furniture and equipment (whether fixtures or not) of any nature whatsoever now or hereafter installed in or upon said premises, Streets, Alleys, Passages, Ways, Waters, Water Courses, Rights, Liberties, Privileges, Hereditaments and Appurtenance whatsoever thereunto belonging, or in any wise appertaining, and the Reversions and Remainders, Rents, Issues and Profits thereof:

TO HAVE AND TO HOLD said Real Estate and Property, Hereditaments and Premises hereby granted, or mentioned and intended so to be, with the appurtenances, unto said Mortgagee to and for the only proper use and behoof of said Mortgagee forever;

THIS INDENTURE IS MADE, however, subject to the following covenants, conditions, and agreements and the Mortgageor covenants and agrees:

1. That the Mortgageor will promptly pay the principal of and interest on the indebtedness evidenced by the said note, at the times and in the manner therein provided. Privilege is reserved to pay the debt in whole or in part (in either case with interest accrued to the date of such prepayment on the amount so prepaid), at any time prior to maturity, without penalty.

2. That the Mortgageor will keep the improvements now existing or hereafter erected on the premises covered hereby, insured as may be required from time to time by the Mortgagee against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by Mortgagee, and will pay promptly, when due, any premiums on such insurance. All insurance shall be carried in companies approved by Mortgagee and, at Mortgagee's option, the policies and renewals thereof, or certificates therefor in form acceptable to the Mortgagee, shall be delivered to and held by Mortgagee and have attached thereto loss payable clauses in favor and in form acceptable to the Mortgagee. In event of loss Mortgageor will give immediate notice by mail to Mortgagee, and Mortgagee may make proof of loss if not made promptly by Mortgageor, and each insurance company concerned in hereby authorized and directed to make payment for such loss directly to Mortgagee instead of to Mortgageor and Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by Mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In the event of foreclosure of this mortgage or other transfer of title to the premises covered hereby in extinguishment of the indebtedness secured hereby, all right, title and interest of the Mortgageor in and to any insurance policies then in force shall pass to the purchaser or grantee.

3. That the Mortgageor will not suffer any lien superior to the lien hereby created hereafter to attach to or to be enforced against the premises covered hereby, will keep and perform all of the terms, covenants and conditions of every mortgage trust deed or similar encumbrance, and the notes secured thereby, against the premises covered hereby, the lien of which now is superior to the lien hereby created, and will keep said premises in as good order and condition as they now are, and will not commit or permit any waste of said premises, reasonable wear and tear excepted.

4. That the Mortgagor will pay all ground rents, taxes, assessments, water rates, and other governmental or municipal charges, fines or impositions, and that he will promptly deliver the official receipts therefor (or duplicates or copies thereof in form acceptable by the Mortgagee) to the Mortgagee, and in default thereof the Mortgagee shall have the right to pay same. The Mortgagee shall have the right to make any payment which the Mortgagor should have made, and the Mortgagee may also pay any other sum that is necessary to protect the security of this instrument. All such sums, as well as all costs, paid by the Mortgagee pursuant to this instrument, shall be secured hereby and shall bear interest at the rate set forth in the note secured hereby from the date when such sums are paid.

5. That if the Mortgagor shall refuse or neglect to make or cause to be made all necessary repairs to the mortgaged property, then at the option of the Mortgagee, such repairs may be made at the expense of the Mortgagee, and the cost thereof, with interest at the same rate as the principal debt shall be added to and made a part of the principal debt secured hereby.

6. That if at any time, a Writ of Fieri Facias or other execution is properly issued upon a judgment obtained upon said note, or if a Writ of Scire Facias is issued or other foreclosure proceedings instituted upon this mortgage, reasonable attorney's fees shall be payable, and shall be recovered in addition to all principal and interest and all other recoverable sums then due, besides costs of suit, and the Mortgagor does hereby expressly waive and relinquish all benefit that may accrue to him by virtue of any and every law, civil or military, made or to be made hereafter exempting the mortgaged premises or any other premises or property whatever, either real or personal, from attachment, levy and sale under execution, or any part of the proceeds arising from any sale thereof, and all benefit of any stay of execution or other process.

7. That the Mortgagor will neither sell, transfer or otherwise dispose of, not contract to sell, transfer or otherwise dispose of, all or any part of, or any interest of the Mortgagor in, the mortgaged property.

AND PROVIDED ALSO, that when as soon as the principal debt or sum hereby secured shall become due and payable as aforesaid, or in case default shall be made in the payment of any installment of principal and interest or any monthly payment hereinabove provided for, or in the keeping and performance by the Mortgagor of any of the terms, conditions or covenants of the mortgage or the note secured hereby, it shall and may be lawful for said Mortgagee forthwith to bring an Action of Mortgage Foreclosure, to sue out a Writ of Scire Facias, or to institute other foreclosure proceedings upon this mortgage, and to proceed to judgment and execution for recovery of said principal debt, all interest thereon, all sums advanced for payment of any ground rent, taxes, water rents, charges, claims or insurance premiums as aforesaid, and all other recoverable sums, together with reasonable attorney's fees, without further stay of execution or other process, any law, usage or custom to the contrary notwithstanding. The Mortgagor hereby waives and relinquishes unto and in favor of the Mortgagee, all benefit under the laws now in effect or hereafter passed to relieve the Mortgagor in any manner, or to reduce the amount of the note to any greater extent than the amount actually paid for the premises hereby mortgaged at the sale thereof in any judicial proceedings upon the said note or upon this mortgage.

BUT PROVIDED ALWAYS, that if said Mortgagor does pay or cause to be paid to the said Mortgagee, the aforesaid debt or principal sum secured by this mortgage, on the day and time and in the manner hereinbefore mentioned together with interest and all sums advanced for payment of any ground rents, taxes, water rents, amounts due under this Indenture, and the estate hereby granted shall cease and become void, anything hereinbefore contained to the contrary notwithstanding.

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.

If any provision of this mortgage shall, to any extent, be invalid or unenforceable, the remainder of this mortgage shall not be affected thereby, and each term and provision of this mortgage shall be valid and be enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF, each of said Mortgagors has hereunto set his hand and seal, dated the day and year first hereinabove written, and acknowledged receipt of true and correct copies of this Mortgage and the Note secured hereby.

WITNESS:

(SEAL)

_____ "MORTGAGOR(S)"

(SEAL)

DISCLOSURE STATEMENT (HUD)

Lender: Secretary of Housing and Urban Development
 United States Department of Housing and Urban Development
 c/o Boeing Aerospace Company
 P. O. Box 3999
 Seattle, Washington 98124

Attention: William E. Boyd
 Mail Stop 87-13

Borrower(s): _____

Pursuant to the requirements of the Truth In Lending Act and Regulations and applicable state laws, the above-named Lender makes the following disclosures with respect to the real estate loan for which the above-named Borrower(s) has applied pursuant to the Protective Insurance Payments ("PIP") Agreement dated _____ among the Lender, Borrower(s) and others:

1. The loan proceeds will be paid by the Lender to _____ (by means of "PIP Payments") in payment of a portion of Borrower(s) existing loan secured by a mortgage (or deed of trust) on the real property described below.

2. Prior to modification of the loan pursuant to the PIP Agreement, the loan is due on demand (subject to the terms of the PIP Agreement) or if no demand be made on _____, 19____. If the loan is not modified, pursuant to the PIP Agreement the loan will be or become due as of the date of the last PIP Payment by the Lender. Based on the assumptions that (i) the maximum loan which the Lender is committed to make is in fact made, and (ii) the loan is repaid by the Borrower(s) 1 month after it is due, the appropriate disclosures with respect to the loan are as follows:

- a. **FINANCE CHARGE** \$ _____
- b. **Amount Financed** \$ _____
- c. **Total of Payments (a. plus b.)** \$ _____
- d. **ANNUAL PERCENTAGE RATE** _____ %
- e. The disclosures made below in subparagraphs 3.f., 3.g. and 3.h. are also applicable to this loan.

3. If the loan is modified pursuant to the PIP Agreement, based on the assumptions that (i) the maximum loan which the Lender is committed to make is in fact made, (ii) such loan is made by means of 12 monthly PIP Payments, and (iii) the loan is modified in accordance with the PIP Agreement so that it is to be repaid by the Borrower in monthly installments over the maximum term of repayment permitted under the PIP Agreement, the appropriate disclosures with respect to such modified loan are as follows:

- a. **FINANCE CHARGE** \$ _____
- b. **Amount Financed** \$ _____
- c. The principal and interest on the loan will be scheduled for repayment in _____ successive installments of \$ _____ each payable on the first day of each month beginning on the first day of the month following the month in which the last PIP Payment is made by the Lender.
- d. **Total of Payments (a. plus b.)** \$ _____
- e. **ANNUAL PERCENTAGE RATE** _____ %
- f. In the event of collection or foreclosure proceedings, Borrower may be required to pay all costs, including reasonable attorneys' fees.
- g. The loan will be secured by a mortgage (or deed of trust) on real property located at _____ . A copy of the mortgage (or deed of trust) containing a complete description of the real property is being delivered to the Borrower(s) concurrently with this Statement. The mortgage (or deed of trust) will secure all advances made by Lender pursuant to the PIP Agreement.
- h. The **FINANCE CHARGE** will begin to accrue on the date of the last PIP Payment by the Lender.

RECEIPT ACKNOWLEDGED OF A DUPLICATE HEREOF:

Dated _____

_____	_____
Date of Receipt	Signature
_____	_____
Date of Receipt	Signature

HUD Contract H-2504
 Form LD-5-California & Pennsylvania

"Borrower(s)"

RESCISSION NOTICE (HUD)

LOAN TO BE MADE PURSUANT TO PROTECTIVE INSURANCE PAYMENTS AGREEMENT

DATED _____

BORROWER -- _____

Notice to Borrower Required By Federal Law:

You have entered into a transaction on _____ which may result in a lien, mortgage or other security interest on your home. You have a legal right under Federal law to cancel this transaction, if you desire to do so, without any penalty or obligation within three business days from the above date or any later date on which all material disclosures required under the Truth In Lending Act have been given to you. If you so cancel the transaction, any lien, mortgage, or other security interest on your home arising from this transaction is automatically void. You are also entitled to receive a refund of any downpayment or other consideration if you cancel. If you decide to cancel this transaction, you may do so by notifying:

Secretary of Housing and Urban Development

Attention: _____

by mail or telegram sent not later than midnight of _____. You may also use any other form of written notice identifying the transaction if it is delivered to the above address not later than that time. This notice may be used for that purpose by dating and signing below.

I hereby cancel this transaction.

Date

Borrower's Signature

[EFFECT OF RESCISSION. When a borrower exercises his right to rescind under paragraph (a) of this section, he is not liable for any finance or other charge, and any security interest becomes void upon such a rescission. Within 10 days after receipt of a notice of rescission, the creditor shall return to the borrower any money or property given as earnest money, downpayment, or otherwise, and shall take any action necessary or appropriate to reflect the termination of any security interest created under the transaction. If the creditor has delivered any property to the borrower, the borrower may retain possession of it. Upon the performance of the creditor's obligations under this section, the borrower shall tender the property to the creditor, except that if return of the property in kind would be impracticable or inequitable, the borrower shall tender its reasonable value. Tender shall be made at the location of the property or at the residence of the borrower, at the option of the borrower. If the creditor does not take possession of the property within 10 days after tender by the borrower, ownership of the property vests in the borrower without obligation on his part to pay for it.]

Borrower hereby acknowledges receipt of a copy of this Rescission Notice.

Date of Receipt

Borrower's Signature

PROTECTIVE INSURANCE PAYMENTS
MORTGAGOR'S CERTIFICATE

For: _____, 19____
(month)

Mortgagor(s): _____

FHA Case No.: _____

(herein called "Mortgagor")

Address of Property: _____

Mortgagee: _____
(herein called "Mortgagee")

TO: Secretary of Housing and Urban Deveipment
(herein called "Secretary")

Pursuant to the Protective Insurance Payments Agreement by and among the Secretary and the Mortgagor, and others, for the purpose of enabling the Secretary to confirm or determine (i) the continued eligibility of the Mortgagor to participate in the Protective Insurance Payments Program and (ii) the partial monthly payments which the Mortgagor is obligated to make under such Agreement, the Mortgagor hereby certifies to the Secretary as follows:

Except for changes stated below:

(1) There has been no change in the ownership of the above property and it has not been vacated or abandoned.

(2) Except for the mortgage (or trust or security deed) of the Mortgagee, the above property is not subject to any lien, charge or encumbrance superior to the Mortgagor's PIP Mortgage (or Trust or Security Deed) to the Secretary, other than for the payment of taxes, assessments, or other governmental or municipal charges or impositions payment of which is not delinquent.

(3) The following Mortgagor(s) or members of Mortgagor's immediate household are involuntarily unemployed or underemployed:

(4) The Mortgagor's total current monthly income at the present time, including all income of all members of Mortgagor's immediate household, is \$_____.

(5) The Mortgagor's liquid assets (cash, savings, accounts, life insurance loan values, investment securities, etc.) are still \$5,000 or less.

(6) An amount equal to the sum of the three monthly installments under the Mortgagor's Mortgage (or Trust or Security Deed), payment of which was suspended pursuant to the PIP Agreement, remains past due and payable to the Mortgagee.

(7) No bankruptcy, arrangement, or other insolvency proceeding has been instituted by or against Mortgagor and Mortgagor has not made an assignment for the benefit of creditors.

CHANGES: If any of the foregoing statements are not accurate, briefly state the changes here: _____

I/We certify that the foregoing information is true and complete to the best of my/our knowledge and belief.

Date: _____, 19____

MORTGAGOR

WARNING

Section 1001 of Title 18 of the United States Code makes it a Criminal Offense to make a willfully false statement or misrepresentation to any Department or Agency of the United States as to any matter within its jurisdiction.

PROTECTIVE INSURANCE PAYMENTS
MORTGAGOR'S CERTIFICATE

For: _____, 19____
(month)

Mortgagor(s): _____ FHA Case No.: _____

(herein called "Mortgagor")

Address of Property: _____

Mortgagee: _____
(herein called "Mortgagee")

TO: Secretary of Housing and Urban Development
(herein called "Secretary")

Pursuant to the Protective Insurance Payments Agreement by and among the Secretary and the Mortgagor, and others, for the purpose of enabling the Secretary to confirm or determine (i) the continued eligibility of the Mortgagor to participate in the Protective Insurance Payments Program, and (ii) the partial monthly payments which the Mortgagor is obligated to make under such agreement, the Mortgagor hereby certifies to the Secretary as follows:

Except for changes stated below:

(1) There has been no change in the ownership of the above property and it has not been vacated or abandoned.

(2) Except for the mortgage (or trust or security deed) of the Mortgagee, the above property is not subject to any lien, charge or encumbrance superior to the Mortgagor's PIP Mortgage (or Trust or Security Deed) to the Secretary, other than for the payment of taxes, assessments, or other governmental or municipal charges or impositions payment of which is not delinquent.

(3) The following Mortgagor(s) or members of Mortgagor's immediate household are involuntarily unemployed or underemployed:

(4) The Mortgagor's total current monthly income at the present time, including all income of all members of Mortgagor's immediate household, is \$_____.

(5) The Mortgagor's liquid assets (cash, savings, accounts, life insurance loan values, investment securities, etc.) are still \$5,000 or less.

(6) An amount equal to the sum of the three monthly installments under the Mortgagor's Mortgage (or Trust or Security Deed), payment of which was suspended pursuant to the PIP Agreement, remains past due and payable to the Mortgagee.

(7) No bankruptcy, arrangement, or other insolvency proceeding has been instituted by or against Mortgagor and Mortgagor has not made an assignment for the benefit of creditors.

CHANGES: If any of the foregoing statements are not accurate, briefly state the changes here: _____

I/We certify that the foregoing information is true and complete to the best of my/our knowledge and belief.

Date: _____, 19____

MORTGAGOR

WARNING

Section 1001 of Title 18 of the United States Code makes it a Criminal Offense to make a willfully false statement or misrepresentation to any Department or Agency of the United States as to any matter within its jurisdiction.

STATEMENT OF CREDIT TERMINATION

DATE - _____

MORTGAGOR'S NAME - _____

MORTGAGOR'S ADDRESS - _____

DESCRIPTION OF ACTION TAKEN - Discontinuance of loan advances previously commenced pursuant to the Protective Insurance Payments Demonstration Program (the "Program")

PRINCIPAL REASON FOR ACTION -

- _____ Disclosure inapplicable (information not obtained from outside source)
- _____ Information obtained from an outside source other than a consumer reporting agency. Under the Fair Credit Reporting Act, you have the right to make a written request within 60 days of receipt of this notice for disclosure of the nature of the adverse information.
- _____ Information obtained in a report from a consumer reporting agency:
Name: _____
Address: _____
Telephone Number: _____

CREDITOR'S NAME - Secretary of Housing and Urban Development, United States Department of Housing and Urban Development

CREDITOR'S ADDRESS - _____

CREDITOR'S TELEPHONE NO - _____

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Washington, D.C.

MODIFICATION OF DEED OF TRUST

Mortgagor(s): _____ FHA Case No.: _____

(herein called "Trustor")

Address of Property: _____

Mortgagee: _____

(herein called "Beneficiary")

WHEREAS, The Trustor is indebted to the Beneficiary, said indebtedness being evidenced by a note and secured by a real property deed of trust (said note and real property deed of trust being hereinafter collectively referred to as the "Deed of Trust"); and

WHEREAS, Trustor now is the owner and holder of the real property encumbered by the Deed of Trust, which is recorded in the public records in the County of _____, State of California, in _____ Book _____ Page _____, or document or file number _____; and

WHEREAS, under the terms of the Deed of Trust, there remains unpaid as of the first day of the month in which this Modification is made the sum of \$ _____ for principal (including \$ _____ for advances made pursuant thereto) and \$ _____ for interest thereon, aggregating a total sum of \$ _____, for which said amount the Trustor is indebted to the Beneficiary under said Deed of Trust, which is a valid deed of trust, to which Trustor has no defenses, off-sets, or counterclaims; and

WHEREAS, pursuant to a certain Protective Insurance Payments Agreement by and among the Trustor, the Beneficiary and certain other parties dated _____, 19____, Trustor and Beneficiary have agreed that the terms of said Deed of Trust be modified relative to the payment of said indebtedness by providing for payment of the balance of the principal and unpaid interest due thereon, as hereinafter set forth;

NOW, THEREFORE, the parties hereto agree as follows:

(1) The total balance of \$ _____ shall be paid by Trustor with interest at the same rate per annum stipulated in the Deed of Trust, on the unpaid balance, in equal monthly installments of \$ _____ with a final installment of \$ _____ (exclusive of sums required to be deposited for the payment of taxes, insurance, etc.), the first of said installments to become due and payable on the first day of _____, 19____, and the remaining installments, successively, on the first day of each and every month thereafter until said indebtedness is fully paid, except that if not sooner paid, the final payment of principal and interest shall be due and payable on the first day of _____, 19____ which is the present maturity date.

(2) Trustor agrees to make the payments as specified in paragraph (1) hereof and understands and agrees that:

(a) All the rights and remedies, covenants, agreements, and conditions contained in the Deed of Trust relating to default in the making of payments under the Deed of Trust shall also apply to default in the making of said modified payments hereunder.

(b) All covenants, agreements, and conditions in said Deed of Trust shall be and remain in full force and effect, except as herein modified, and none of the Trustor's obligations or liabilities under said Deed of Trust shall be diminished or released by any provisions hereof; nor shall this Modification in any way impair, diminish, or affect any of the Beneficiary's rights under or remedies on the Deed of Trust, whether such rights or remedies arise thereunder or by operation of law. also, all rights of recourse to which the Beneficiary is presently entitled against any property or any other persons in any way obligated for or liable on the Deed of Trust, are expressly reserved by the Beneficiary.

(c) Trustor agrees to make and execute such other documents or papers as may be necessary or required to effect the terms and conditions of this Modification.

(d) This Modification shall bind and inure to the heirs, executors, administrators and assigns of the Trustor.

Executed as of _____, 19____

_____ "TRUSTOR"

By:

Title _____ "BENEFICIARY"

The undersigned, being obligated for the payment of the above-described indebtedness, hereby consents to the execution of the foregoing Modification between the Trustor and the Beneficiary, and further consents to the modification of the Deed of Trust by the Beneficiary under said Modification.

Witnessed By:

Co-Makers or Endorsers

MODIFICATION OF SECURITY DEED

Mortgagor(s): _____ FHA Case No.: _____

(herein called "Grantor")

Address of Property: _____

Mortgagee: _____

(herein called "Grantee")

WHEREAS, The Grantor is indebted to the Grantee, said indebtedness being evidenced by a note and secured by a real property security deed (said note and real property security deed being hereinafter collectively referred to as the "Security Deed"); and

WHEREAS, Grantor now is the owner and holder of the real property encumbered by the Security Deed, which is recorded in the public records in the County of _____, State of Georgia, in Book _____ Page _____, or document or file number _____; and

WHEREAS, under the terms of the Security Deed, there remains unpaid as of the first day of the month in which this Modification is made the sum of \$_____ for principal (including \$_____ for advances made pursuant thereto) and \$_____ for interest thereon, aggregating a total sum of \$_____, for which said amount the Grantor is indebted to the Grantee under said Security Deed, which is a valid security deed, to which Grantor has no defenses, off-sets, or counterclaims; and

WHEREAS, pursuant to a certain Protective Insurance Payments Agreement by and among the Grantor, the Grantee and certain other parties dated _____, 19_____, Grantor and Grantee have agreed that the terms of said Security Deed be modified relative to the payment of said indebtedness by providing for payment of the balance of the principal and unpaid interest due thereon, as hereinafter set forth;

NOW, THEREFORE, the parties hereto agree as follows:

(1) The total balance of \$_____ shall be paid by Grantor with interest at the same rate per annum stipulated in the Security Deed, on the unpaid balance, in equal monthly installments of \$_____ with a final installment of \$_____ (exclusive of sums required to be deposited for the payment of taxes, insurance, etc.), the first of said installments to become due and payable on the first day of _____, 19_____, and the remaining installments, successively, on the first day of each and every month thereafter until said indebtedness is fully paid, except that if not sooner paid, the final payment of principal and interest shall be due and payable on the first day of _____, 19_____, which is the present maturity date.

(2) Grantor agrees to make the payments as specified in paragraph (1) hereof and understands and agrees that:

(a) All the rights and remedies, covenants, agreements, and conditions contained in the Security Deed relating to default in the making of payments under the Security Deed shall also apply to default in the making of said modified payments hereunder.

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

(c) Grantor agrees to make and execute such other documents or papers as may be necessary or required to effect the terms and conditions of this Modification.

(d) This Modification shall bind and inure to the heirs, executors, administrators and assigns of the Grantor.

IN WITNESS WHEREOF, this Modification of Security Deed has been duly executed and sealed by the Grantor and Grantee as of the _____ day of _____, 19____.

Signed, Sealed and Delivered
in the presence of:

Unofficial Witness _____ (SEAL)

Notary Public, _____ County, Georgia _____ (SEAL)
"GRANTOR"

Signed, Sealed and Delivered
in the presence of:

Unofficial Witness _____

Notary Public, _____ County, Georgia _____
By _____ "GRANTEE"

The undersigned, being obligated for the payment of the above described indebtedness, hereby consents to the execution of the foregoing Modification

between the Grantor and the Grantee, and further consents to the modification of the Security Deed by the Grantee under said Modification.

Signed, Sealed and Delivered
In the presence of:

_____ (SEAL)
Unofficial Witness

_____ (SEAL)
_____ (SEAL)

Co-Makers or Endorsers

MODIFICATION OF MORTGAGE

Mortgagor(s): _____ FHA Case No.: _____

(herein called "Mortgagor")

Address of Property: _____

Mortgagee: _____

(herein called "Mortgagee")

WHEREAS, The Mortgagor is indebted to the Mortgagee, said indebtedness being evidenced by a note and secured by a real property mortgage (said note and real property mortgage being hereinafter collectively referred to as the "Mortgage"); and

WHEREAS, Mortgagor now is the owner and holder of the real property encumbered by the Mortgage, which is recorded in the public records in the County of _____, Commonwealth of Pennsylvania, in Book _____ page _____, or document or file number _____; and

WHEREAS, under the terms of the Mortgage, there remains unpaid as of the first day of the month in which this Modification is made the sum of \$ _____ for principal (including \$ _____ for advances made pursuant thereto) and \$ _____ for interest thereon, aggregating a total sum of \$ _____, for which said amount the Mortgagor is indebted to the Mortgagee under said Mortgage, which is a valid first lien, to which Mortgagor has no defenses, off-sets, or counterclaims; and

WHEREAS, pursuant to a certain Protective Insurance Payments Agreement by and among the Mortgagor, the Mortgagee and certain other parties dated _____, 19____, Mortgagor and Mortgagee have agreed that the terms of said Mortgage be modified relative to the payment of said indebtedness by providing for payment of the balance of the principal and unpaid interest due thereon, as hereinafter set forth;

NOW, THEREFORE, the parties hereto agree as follows:

(1) The total balance of \$ _____ shall be paid by Mortgagor with interest at the same rate per annum stipulated in the Mortgage, on the unpaid balance, in equal monthly installments of \$ _____ with a final installment of \$ _____ (exclusive of sums required to be deposited for the payment of taxes, insurance, etc.), the first of said installments to become due and payable on the first day of _____, 19____, and the remaining installments, successively, on the first day of each and every month thereafter until said mortgage indebtedness is fully paid, except that if not sooner paid, the final payment of principal and interest shall be due and payable on the first day of _____, 19____ which is the present maturity date.

(2) Mortgagor agrees to make the payments as specified in paragraph (1) hereof and understands and agrees that:

(a) All the rights and remedies, covenants, agreements, and conditions contained in the Mortgage relating to default in the making of payments under the Mortgage shall also apply to default in the making of said modified payments hereunder.

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

(c) Mortgagor agrees to make and execute such other documents or papers as may be necessary or required to effect the terms and conditions of this Modification.

(d) This Modification shall bind and inure to the heirs, executors, administrators and assigns of the Mortgagor.

IN WITNESS WHEREOF, each of said Mortgagors has hereunto set his hand and seal and does hereby acknowledge receipt of a true and correct copy of this Modification of Mortgage.

Executed as of _____, 19____

WITNESS:

"MORTGAGOR(S)"

By _____
MORTGAGEE
Title

The undersigned, being obligated for the payment of the above described Mortgage indebtedness, hereby consents to the execution of the foregoing Modification between the Mortgagor and the Mortgagee, and further consents to the modification of the Mortgage by the Mortgagee under said Modification.

Witnessed By:

Co-Makers or Endorsers

MODIFICATION OF PIP DEED OF TRUST

Mortgagor(s): _____ FHA Case No.: _____

(herein called "Trustor")

Address of Property: _____

Secretary: Secretary of Housing and Urban Development, United States
Department of Housing and Urban Development

(herein called "Beneficiary")

WHEREAS, by reason of money loaned to Trustor by Beneficiary pursuant to a certain Protective Insurance Payments Agreement by and among the Trustor, the Beneficiary and certain other parties dated _____, 19____, (the "PIP Agreement"), the Trustor is indebted to the Beneficiary in the principal sum of \$_____, said indebtedness being evidenced by a note in amount equal to the maximum amount of the loan commitment under the PIP Agreement, and secured by a real property deed of trust (said note and real property deed of trust are hereinafter referred to as the "PIP Deed of Trust"); and

WHEREAS, Trustor now is the owner and holder of the real property encumbered by the PIP Deed of Trust, recorded in the public records in the County of _____ State of California, in _____ Book _____ Page _____, or document or file number _____;

NOW, THEREFORE, the parties hereto agree as follows:

(1) Trustor acknowledges and confirms said indebtedness to Beneficiary, for which the Trustor is indebted to the Beneficiary under said PIP Deed of Trust, which is a valid deed of trust, to which Trustor has no defenses, off-sets, or counterclaims.

(2) The terms of said PIP Deed of Trust are hereby modified relative to the payment of said indebtedness by providing for payment of the principal sum of \$_____, outstanding as of the first day of the month in which this Modification is made (there being no unpaid interest due thereon as of such date), as follows: said outstanding principal balance shall be paid, with interest at the same rate per annum stipulated in the PIP Deed of Trust, on the unpaid balance, in equal monthly installments of \$_____, with a final installment of \$_____, the first of said installments to become due and payable on the first day of _____, 19____, and the remaining installments, successively, on the first day of each and every month thereafter, until said mortgage indebtedness is fully paid, except that if not sooner paid, the final payment of principal and interest shall be due and payable on the first day of _____, 19____, which is the modified maturity date.

(3) Trustor agrees to make the payments as specified in paragraph (2) hereof and understands and agrees that:

(a) All the rights and remedies, covenants, agreements, and conditions contained in the PIP Deed of Trust relating to default in the making of payments under the PIP Deed of Trust shall also apply to default in the making of said modified payments hereunder.

(b) All covenants, agreements, and conditions in said PIP Deed of Trust shall be and remain in full force and effect, except as herein modified, and none of the Trustor's obligations or liabilities under said PIP Deed of Trust shall be diminished or released by any provisions hereof; nor shall this Modification in any way impair, diminish, or affect any of the Beneficiary's rights under or remedies on the PIP Deed of Trust, whether such rights or remedies arise thereunder or by operation of law. Also, all rights of recourse to which the Beneficiary is presently entitled against any property or any other persons in any way obligated for or liable on the PIP Deed of Trust are expressly reserved by the Beneficiary.

(c) Trustor agrees to make and execute such other documents or papers as may be necessary or required to effect the terms and conditions of this Modification.

(d) This Modification shall bind and inure to the heirs, executors, administrators, and assigns of the Trustor.

Executed as of _____, 19__

_____ SECRETARY OF HOUSING AND URBAN DEVELOPMENT, UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

_____ By: _____
"TRUSTOR" Title "BENEFICIARY"

The undersigned, being obligated for the payment of the above described indebtedness, hereby consents to the execution of the foregoing Modification between the Trustor and the Beneficiary, and further consents to the modification of the Deed of Trust by the Beneficiary under said Modification.

Witnessed By:

_____ Co-Makers or Endorsers

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On this _____ day of _____, 19____, before me, _____, a Notary Public in and for said County personally appeared _____, known to me to be the person(s) whose name(s) _____ subscribed to the within instrument, and acknowledged that _____ executed the same.

WITNESS my hand and official seal.

(NOTARIAL SEAL)

Notary Public in and for said
County and State.

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On this _____ day of _____, 19____, before me, _____, a Notary Public in and for said County, personally appeared _____, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.

(NOTARIAL SEAL)

Notary Public in and for said
County and State.

MODIFICATION OF PIP SECURITY DEED

Mortgagor(s): _____ FHA Case No.: _____

(herein called "Grantor")

Address of Property: _____

Mortgagee: Secretary of Housing and Urban Development, United States
Department of Housing and Urban Development

(herein called "Grantee")

WHEREAS, by reason of money loaned to Grantor by Grantee pursuant to a certain Protective Insurance Payments Agreement by and among the Grantor, the Grantee and certain other parties dated _____, 19____, (the "PIP Agreement"), the Grantor is indebted to the Grantee in the principal sum of \$_____, said indebtedness being evidenced by a note in amount equal to the maximum amount of the loan commitment under the PIP Agreement, and secured by a real property security deed (said note and real property security deed are hereinafter referred to as the "PIP Security Deed"), and

WHEREAS, Mortgagor now is the owner and holder of the real property encumbered by the PIP Security Deed, recorded in the public records in the County of _____, State of Georgia, in Book _____ Page _____, or document or file number _____;

NOW, THEREFORE, the parties hereto agree as follows:

(1) Grantor acknowledges and confirms said indebtedness to Grantee, for which the Grantor is indebted to the Grantee under said PIP Security Deed, which is a valid security deed, to which Grantor has no defenses, off-sets, or counterclaims.

(2) The terms of said PIP Security Deed are hereby modified relative to the payment of said indebtedness by providing for payment of the principal sum of \$_____, outstanding as of the first day of the month in which this Modification is made (there being no unpaid interest due thereon as of such date), as follows: said outstanding principal balance shall be paid, with interest at the same rate per annum stipulated in the PIP Security Deed, on the unpaid balance, in equal monthly installments of \$_____, with a final installment of \$_____, the first of said installments to become due and payable on the first day of _____, 19____, and the remaining installments, successively, on the first day of each and every month thereafter, until said indebtedness is fully paid, except that if not sooner paid, the final payment of principal and interest shall be due and payable on the first day of _____, 19____, which is the modified maturity date. The Grantee may prepay the indebtedness in whole or in part (in either case with interest accrued to the date of such prepayment on the amount so prepaid), at any time prior to maturity without penalty. Any unearned interest to be rebated will be computed in accordance with the Standard Rule 78.

(3) Grantor agrees to make the payments as specified in paragraph (2) thereof and understands and agrees that:

(a) All the rights and remedies, covenants, agreements, and conditions contained in the PIP Security Deed relating to default in the making of payments under the PIP Security Deed shall also apply to default in the making of said modified payments hereunder.

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

(c) Grantor agrees to make and execute such other documents or papers as may be necessary or required to effect the terms and conditions of this Modification.

(d) This Modification shall bind and inure to the heirs, executors, administrators, and assigns of the Grantor.

IN WITNESS WHEREOF, this Modification of Security Deed has been duly executed and sealed by the Grantor and Grantee as of the _____ day of _____, 19____.

Signed, Sealed and Delivered
in the presence of:

_____	_____ (SEAL)
_____	_____ (SEAL)
Notary Public, _____ County, Georgia	"GRANTOR"

Signed, Sealed and Delivery
in the presence of:

Unofficial Witness

SECRETARY OF HOUSING AND URBAN
DEVELOPMENT, UNITED STATES
DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT

_____	By _____
Notary Public, _____	County, Georgia "GRANTEE"

MODIFICATION OF PIP MORTGAGE

Mortgagor(s): _____ FHA Case No.: _____

(herein called "Mortgagor")
Address of Property: _____

Mortgagee: _____

(herein called "Mortgagee")

WHEREAS, by reason of money loaned to Mortgagor by Mortgagee pursuant to a certain Protective Insurance Payments Agreement by and among the Mortgagor, the Mortgagee and certain other parties dated _____, 19____, (the "PIP Agreement"), the Mortgagor is indebted to the Mortgagee in the principal sum of \$_____, said indebtedness being evidenced by a note in amount equal to the maximum amount of the loan commitment under the PIP Agreement, and secured by a real property mortgage (said note and real property mortgage are hereinafter referred to as the "PIP Mortgage"); and

WHEREAS, Mortgagor now is the owner and holder of the real property encumbered by the PIP Mortgage, recorded in the public records in the County of _____, Commonwealth of Pennsylvania, in Book _____ Page _____, or document or file number _____;

NOW, THEREFORE, the parties hereto agree as follows:

(1) Mortgagor acknowledges and confirms said indebtedness to Mortgagee, for which the Mortgagor is indebted to the Mortgagee under said PIP Mortgage, which is a valid lien, to which Mortgagor has no defenses, off-sets, or counter-claims.

(2) The terms of said PIP Mortgage are hereby modified relative to the payment of said indebtedness by providing for payment of the principal sum of \$_____, outstanding as of the first day of the month in which this Modification is made (there being no unpaid interest due thereon as of such date), as follows: said outstanding principal balance shall be paid, with interest at the same rate per annum stipulated in the PIP Mortgage, on the unpaid balance, in equal monthly installments of \$_____, with a final installment of \$_____, the first of said installments to become due and payable on the first day of _____, 19____, and the remaining installments, successively, on the first day of each and every month thereafter, until said mortgage indebtedness is fully paid, except that if not sooner paid, the final payment of principal and interest shall be due and payable on the first day of _____, 19____, which is the modified maturity date.

(3) Mortgagor agrees to make the payments as specified in paragraph (2) hereof and understands and agrees that:

(a) All the rights and remedies, covenants, agreements, and conditions contained in the PIP Mortgage relating to default in the making of payments under the PIP Mortgage shall also apply to default in the making of said modified payments hereunder.

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

(c) Mortgagor agrees to make and execute such other documents or papers as may be necessary or required to effect the terms and conditions of this Modification.

(d) This Modification shall bind and inure to the heirs, executors, administrators, and assigns of the Mortgagor.

IN WITNESS WHEREOF, each of said Mortgagors has hereunto set his hand and seal and does hereby acknowledge receipt of a true and correct copy of this Modification of PIP Mortgage.

Executed as of _____, 19____

WITNESS:

"MORTGAGOR(S)"

(SEAL)

(SEAL)

SECRETARY OF HOUSING AND URBAN
DEVELOPMENT, UNITED STATES DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

By _____ Title

"MORTGAGEE"

COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF _____)

On this ____ day of _____, 19____, before me, _____
_____, the undersigned officer, personally appeared _____

known to me (or satisfactorily proven) to be the person(s) whose name(s) is (are) subscribed to the within instrument, and acknowledged that he executed the same as _____ act and deed and for the purposes therein contained, and desired the same might be recorded as such and further acknowledged receipt of a true copy of the within Modification of PIP Mortgage.

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

Title of Officer

COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF _____)

On this ____ day of _____, 19____, before me, _____
_____, the undersigned officer, personally appeared _____

_____, known to me (or satisfactorily proven) to be the person described in the foregoing instrument and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained, and desired the same might be recorded as such.

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

Title of Officer

DISCLOSURE STATEMENT (HUD)

Lender: Secretary of Housing and Urban Development
United States Department of Housing and Urban Development
c/o Boeing Aerospace Company
P. O. Box 3999
Seattle, Washington 98124

Attention: William E. Boyd
Mail Stop 87-13

Borrower(s): _____

Pursuant to the requirements of the Truth In Lending Act and Regulations and applicable state laws, the above-named Lender makes the following disclosures with respect to the modification of the terms of the real estate loan which was previously made to the above-named Borrower(s) pursuant to the Protective Insurance Payments ("PIP") Agreement dated _____ among the Lender, Borrower(s) and others, which loan is being modified pursuant to the Modification of PIP Mortgage (or Deed of Trust) dated _____ between Lender and Borrower(s). The disclosures below describe the terms of the loan as if it were a new loan made one month prior to the date the first modified payment is due.

- 1. FINANCE CHARGE \$ _____
2. Amount Financed \$ _____
3. The principal and interest on the loan are scheduled for repayment in _____ successive installments of \$ _____ each with a final payment of \$ _____, payable on the first day of each month beginning _____.
4. Total Of Payments (1, plus 2.) \$ _____
5. ANNUAL PERCENTAGE RATE _____ %
6. In the event of collection or foreclosure proceedings, Borrower may be required to pay all costs, including reasonable attorneys' fees.
7. The loan is secured by a mortgage (or deed of trust) on real property located at _____. A copy of the mortgage (or deed of trust) containing a complete description of the real property was previously delivered to the Borrower(s). The mortgage (or deed of trust) secures all advances made by Lender pursuant to the PIP Agreement.
8. The FINANCE CHARGE began to accrue on the date one month prior to the date the first payment is due.

Dated _____

RECEIPT ACKNOWLEDGED OF A DUPLICATE HEREOF:

Date of Receipt

Signature

Date of Receipt

Signature

"Borrower(s)"

HUD Contract H-2504
Form LD-11 California and Pennsylvania

DISCLOSURE STATEMENT (HUD)

Lender: Secretary of Housing and Urban Development
 United States Department of Housing and Urban Development
 c/o Boeing Aerospace Company
 P. O. Box 3999
 Seattle, Washington 98124

Attention: William E. Boyd
 Mail Stop 87-13

Borrower(s): _____

Pursuant to the requirements of the Truth In Lending Act and Regulations and applicable state laws, the above-named Lender makes the following disclosures with respect to the modification of the terms of the real estate loan which was previously made to the above-named Borrower(s) pursuant to the Protective Insurance Payments ("PIP") Agreement dated _____ among the Lender, Borrower(s) and others, which loan is being modified pursuant to the Modification of PIP Security Deed dated _____ between Lender and Borrower(s). The disclosures below describe the terms of the loan as if it were a new loan made one month prior to the date the first modified payment is due.

1. FINANCE CHARGE (interest term of loan) \$ _____
2. Amount Financed (principal amount of loan) \$ _____
3. The principal and interest on the loan are scheduled for repayment in _____ successive installments of \$ _____ each with a final payment of \$ _____, payable on the first day of each month beginning _____.
4. Total Of Payments (1. plus 2.) \$ _____
5. ANNUAL PERCENTAGE RATE _____ %
6. In the event of collection or foreclosure proceedings, Borrower may be required to pay all costs, including reasonable attorneys' fees.
7. The loan is secured by a security deed on real property located at _____. A copy of the security deed containing a complete description of the real property was previously delivered to the Borrower(s). The security deed secures all advances made by Lender pursuant to the PIP Agreement.
8. The FINANCE CHARGE began to accrue on the date one month prior to the date the first payment is due.
9. If the loan is prepaid in whole or in part, any unearned FINANCE CHARGE to be rebated will be computed in accordance with the Standard Rule of 78.

SECRETARY OF HOUSING AND
 URBAN DEVELOPMENT

RECEIPT ACKNOWLEDGED OF A DUPLICATE HEREOF:

By _____ (Signature)	_____	_____
	Date of Receipt	Signature
_____	_____	_____
Title	Date of Receipt	Signature
Dated _____		"Borrower(s)"

HUD Contract H-2504
 Form LD-11-Georgia

DISCLOSURE STATEMENT (Mortgagee)

Lender: _____

Borrower(s): _____

Pursuant to the requirements of the Truth in Lending Act and Regulations and applicable state laws, the above-named Lender makes the following disclosures with respect to the modification of the terms of the real estate loan which was previously made to the above-named Borrower(s) and which is being modified pursuant to the Protective Insurance Payments ("PIP") Agreement dated _____ among Lender, Borrower(s) and others and the Modification of Mortgage (or Trust or Security Deed) dated _____ between Lender and Borrower(s). The disclosures below describe the terms of the loan as if it were a new loan made one month prior to the date the first modified payment is due.

1. **FINANCE CHARGE:**
 - a. Interest (term of loan) \$ _____
 - b. FHA Mortgage Insurance Premiums (term of loan) \$ _____
 - c. **TOTAL FINANCE CHARGE** (a. plus b.) **\$ _____**

2. **Amount Financed:**
 - a. Unpaid Principal Balance (includes advances by Lender to pay escrow deficiencies in amount of \$ _____) \$ _____
 - b. Unpaid Interest \$ _____
 - c. **Total Amount Financed** (principal amount of loan) (a. plus b.) **\$ _____**

3. **Total of Payments** (1.c. + 2.c.) (does not include amounts estimated to be necessary to pay annual taxes and hazard insurance premiums) **\$ _____**

4. The principal and interest on the loan will be scheduled for repayment in _____ successive installments of \$ _____ each with a final payment of \$ _____ payable on the first day of each month beginning on _____. In addition, payment will be required on the same dates of amounts estimated to be necessary to pay estimated annual taxes, hazard insurance premiums, and FHA mortgage insurance premiums, when due. The FHA mortgage insurance premiums due with the first and last scheduled payments are \$ _____ and \$ _____, respectively.

5. **ANNUAL PERCENTAGE RATE** _____%

6. In the event of Late Payments (payments made after the _____ of the month in which due), a charge of _____% of the total monthly payment, including amounts for taxes and insurance, will be made. In the event of collection or foreclosure proceedings, Borrower may be required to pay all costs, including attorneys' fees.

7. The loan will be secured by a mortgage (or trust or security deed) on real property located at _____. A copy of the mortgage (or trust or security deed) containing a complete description of the real property was delivered to the Borrower(s) concurrently with the original loan. The mortgage (or trust or security deed) may secure future advances made by Lender.

8. **PROPERTY INSURANCE HAS BEEN AND MAY BE OBTAINED THROUGH AN INSURER OF BORROWER'S CHOICE WHO IS REASONABLY ACCEPTABLE TO LENDER.**

9. The **FINANCE CHARGE** began to accrue on the first day of the month prior to the month in which the first payment is due.

10. **Other Disclosures --**

Dated _____

RECEIPT ACKNOWLEDGED OF A DUPLICATE HEREOF:

_____	_____
Date of Receipt	Signature
_____	_____
Date of Receipt	Signature

HUD Contract H-2504
Form LD-12

"Borrower(s)"

RESCISSION NOTICE (MORTGAGEE)

MODIFICATION OF LOAN TO BE MADE PURSUANT TO MODIFICATION OF MORTGAGE (OR TRUST OR SECURITY DEED) DATED _____

BORROWER - _____

LENDER - _____

Notice to Borrower Required By Federal Law:

You have entered into a transaction on _____ which may result in a lien, mortgage or other security interest on your home. You have a legal right under Federal law to cancel this transaction, if you desire to do so, without any penalty or obligation within three business days from the above date or any later date on which all material disclosures required under the Truth In Lending Act have been given to you. If you so cancel the transaction, any lien, mortgage, or other security interest on your home arising from this transaction is automatically void. You are also entitled to receive a refund of any downpayment or other consideration if you cancel. If you decide to cancel this transaction, you may do so by notifying:

at _____

by mail or telegram sent not later than midnight of _____. You may also use any other form of written notice identifying the transaction if it is delivered to the above address not later than that time. This notice may be used for that purpose by dating and signing below.

I hereby cancel this transaction.

Date Borrower's Signature

[EFFECT OF RESCISSION. When a borrower exercises his right to rescind under paragraph (a) of this section, he is not liable for any finance or other charge, and any security interest becomes void upon such a rescission. Within 10 days after receipt of a notice of rescission, the creditor shall return to the borrower any money or property given as earnest money, downpayment, or otherwise, and shall take any action necessary or appropriate to reflect the termination of any security interest created under the transaction. If the creditor has delivered any property to the borrower, the borrower may retain possession of it. Upon the performance of the creditor's obligations under this section, the borrower shall tender the property to the creditor, except that if return of the property in kind would be impracticable or inequitable, the borrower shall tender its reasonable value. Tender shall be made at the location of the property or at the residence of the borrower, at the option of the borrower. If the creditor does not take possession of the property within 10 days after tender by the borrower, ownership of the property vests in the borrower without obligation on his part to pay for it.]

Borrower hereby acknowledges receipt of a copy of this Rescission Notice.

Date of Receipt Borrower's Signature

Dear _____ :

The purpose of this letter is to assure your understanding of the monthly mortgage payment which you are obligated to make to us, on account of your Mortgage (or Trust or Security Deed) to _____ and your Protective Insurance Payments Mortgage (or Trust or Security Deed) to the Secretary of Housing and Urban Development, commencing on _____, 19____.

Your total monthly mortgage payment presently is \$_____.

This payment consists of the following items:

1. Mortgage (or Trust or Security Deed):

- a. Principal and interest \$_____
- b. FHA mortgage insurance premium *\$_____
- c. Other escrow (impound) obligations:
 - Taxes \$_____
 - Insurance premiums \$_____
 - _____ \$_____
 - _____ \$_____

**\$_____

2. Protective Insurance Payments Mortgage (or Trust or Security Deed):

- a. Principal and interest \$_____

3. Total Monthly Mortgage Payment \$_____

Very truly yours,

* Effective _____, 19____, this premium will become \$_____ per month reducing your total Monthly Mortgage Payment to \$_____.

** Subject to modification from time to time pursuant to your Mortgage (or Trust or Security Deed).

APPENDIX G
RECAST PROGRAM

i. Introduction

RECAST is a computer program for the modification of single-family home mortgages in default. It has been developed for use in conjunction with the U.S. Department of Housing and Urban Development's Protective Insurance Program (PIP) demonstration.

The Protective Insurance Payments program is a government-generated, secondary financing program for Sections 203(b), 221(d)(2), and other insured homeowners in default, currently being demonstrated under Contract H-2504. The PIP program has been designed to provide temporary, secondary, secured financing for such homeowners: (1) who have sustained a substantial reduction in gross family income due to illness, disability and/or unemployment (the latter including under-employment, or other similar occupationally related causes); and (2) who have a reasonable prospect of substantial restoration of regular income levels. Unsubsidized HUD-insured mortgagors in the Atlanta, Philadelphia and Los Angeles HUD local office areas are the principal focus of the study on which the design of the demonstration program is based. It is anticipated that the demonstration will provide substantial information for use in considering the extension of PIP to other homeowners who are temporarily unable to meet their mortgage obligations and who can reasonably be expected to reinstate their mortgages if temporarily assisted.

In brief, the PIP program works in the following manner: after a required 3-month period of mortgage forbearance on the part of mortgage servicers, HUD makes monthly mortgage payments for the mortgagor for a period of up to 12 months, or up to and including the month succeeding the month in which the

mortgagor is reemployed or has otherwise substantially reestablished his or her income flow. To encourage partial payments by the mortgagor, payments are made for up to 12 months in time but only in the amount of 9 full monthly payments. The amount of each monthly payment actually made by HUD is equal to the difference between the homeowner's full monthly payment and the partial payment that the homeowner makes.

Upon payment of the final mortgage advance by HUD, the total obligations accruing to the mortgagee and HUD are simultaneously partitioned between two debt instruments: (1) a recast first mortgage comprised of the amount owing under the original FHA mortgage, plus the three months interest forborne by the mortgagee; and (2) a newly created second mortgage in an amount equal to the total mortgage payments (and any other sums) advanced by HUD on behalf of the mortgagor.

Guidelines governing the recasting of FHA-insured home mortgages (HUD Handbook 4191, Chapter 8, Section 125) permit extension of the mortgage term by up to ten years, with no change of interest rate. For purposes of the PIP demonstration, however, the term of recast first mortgage has been restricted to (i.e., made identical with) the term remaining on the original FHA mortgage.

The interest rate on the second mortgage is set equal to the interest rate on the first mortgage, plus a premium of one-half percent. This additional amount has been incorporated in the PIP demonstration so as to simulate the effect of a mortgage insurance premium of one-half percent had the PIP funds been advanced from private sources and been Federally insured. (The demonstration itself will provide the data necessary to evaluate the appropriateness of this premium

amount.) Should the interest rate on the second mortgage exceed the maximum legal rate permitted by State law on second mortgages, the RECAST program will automatically substitute the maximum legal rate instead.

The one variable that remains open to selection is the term for the second mortgage. For the purposes of the PIP demonstration, the term of the second mortgage is the shortest one for which the total combined mortgage payments, including principal, interest, taxes, hazard and mortgage insurance, do not exceed thirty percent (30%) of the gross family income of the mortgagor upon reestablishment of income flow. In no event, however, will the RECAST program permit the term of the second mortgage to be less than five years (or remaining term of the first mortgage if less than five years). For the purposes of the PIP demonstration, the maximum term for the second mortgage will be that of the remaining term on the (recast) first mortgage. Thus, for those occasional cases wherein the 30% criteria cannot be achieved, the recast first and second mortgages will be co-terminous.

II. Input Data

Figure I contains a reduction of the Mortgage Modification Data Form used for the recordation of all necessary information for recasting. Numbers in parentheses indicate the card column of the rightmost digit of each corresponding field.

The 5-digit control number unique to the mortgagor enrolled in the PIP demonstration is key-punched in the first five columns of the first card. That this is the first card in a sequence of two cards is indicated by key-punching a "1" in the sixth column of the card, as shown.

The next five data entries on the form characterize the mortgage as originated, and include the original mortgage amount, interest rate, mortgage term, monthly payment and due date of the very first payment under the mortgage instrument. Leading zeros may be entered or omitted at the user's option.

As of the date of the final PIP payment, the balance outstanding on the FHA mortgage; (3-months) interest forborne by the mortgagee; impounds advanced and paid, if any; other amounts accrued, if any; and all PIP advances by HUD, are entered as indicated. The total mortgagor obligation field serves as a check on the five component items above it.

The above information completes the data key-punched on the first card. Columns 1 through 5 of the first card must now be duplicated into columns 1 through 5 of the second card. That this is the second card in a sequence of two cards is indicated by key-punching a "2" in the sixth column of the card, as shown.

The date of Mortgage Modification is to be made identical with the date of the final PIP payment (their common date always being on the first day of the month). The due date of the first payment under the recast must be exactly one month subsequent to the above entered date.

The legal interest rate permitted on second mortgages in the given State then follows; for jurisdictions with a "floating" rate, this must be the legal rate which existed as of the date of the 4-party PIP agreement. For States with no legal interest restrictions, enter 99%. Monthly gross family income as reestablished, and monthly payments to real estate taxes and hazard (but not mortgage) insurance, plus the date the form was prepared complete the primary data requirements for recasting.

Detailed instructions for completing the form may be found in the comprehensive instruction handbooks for the PIP field representatives.

In addition to the above two cards, the RECAST program requires a third data card whose sole function is to specify the number of copies of the mortgage amortization tables that will be produced. From 1 to 9 copies can be specified, and this information is to be key-punched into column 1 of the third data card. Omitting this number will produce one copy by default. Omitting the number-of-copies card will cause the program to terminate the run.

If multiple recasts are to be processed within the same run, immediately follow the above described cards with another set of data input cards, including a number-of-copies card. This process can be continued indefinitely, with N recasts resulting in a data deck containing a total of 3 N data cards.

The final two cards in the data input file will consist of an end-of-record and end-of-job card. In this connection, see Section VI for a detailed description of job set up.

III. Program Flow

Figure 2 illustrates overall logic flow through the RECAST program. After reading all data, converting cents to dollars and percentages to fractions, etc., subroutine AMORT is utilized to compute the pay-down and mortgage insurance premium schedule on the original mortgage as though default had never occurred. The pay-down schedule so computed is discarded; what is retained is the payment schedule of all mortgage insurance premiums, because of the fact that recasting, by regulation, does not affect the M.I.P. schedule.

The balance on the FHA mortgage, three months interest forborne, impounds advanced and paid, and other amounts occurred are combined and recast over a term in months equal to the term remaining on the original mortgage. Mortgage tables are not used for this purpose, but subroutine LAMP instead is called, which contains the analytic expression for the "precise" level mortgage payment. FHA regulations forbid balloon payments, defined as a final payment larger than the preceding ones. Because of this constraint, the "precise" level mortgage payment is automatically rounded up to the next highest cent. E.g., a level mortgage payment of \$75.2401 is rounded to \$75.25 upon exiting subroutine LAMP.

The next step in the procedure is to produce the pay-down, or amortization schedule on the recast first mortgage; this is accomplished by a call to subroutine AMORT. In calculating the interest due on successive monthly payments, one-twelfth the annual interest rate is applied to the balance outstanding, and the result rounded to the nearest penny. That is, excess interest of from 1 to 49 mills is ignored, and from 50 to 99 mills is increased to a whole cent. The given month's

interest so calculated is then subtracted from the level mortgage payment, the difference being credited to reduction of principal.

The final payment on the recast first mortgage is of course the interest due on the final installment plus the remaining principal balance. In most instances the final payment is less than the constant level of mortgage payments preceding it. It occasionally happens, however, that this final payment is observed to be greater than the constant level of mortgage payments before it. The reason this occurs, notwithstanding the rounding up procedure utilized in computing the level mortgage payment, is because of the randomness associated with the rounding procedure utilized in computing the month-by-month payments to interest.

An illustration will make this clear: If a mortgage were recast over 300 months, it would hardly be expected that in exactly 150 instances the interest as computed would be rounded down, the other 150 instances the interest payments being rounded up. Rather, by the luck of the draw, it might be the case that in significantly fewer than 150 instances interest was rounded down—resulting in a final payment to principal, plus interest, which was greater than the constant level of mortgage payments preceding it.

Because of this, RECAST examines the final mortgage payment under the modified first mortgage, and if it exceeds the other level mortgage payments made before it, increases those level mortgage payments by one full cent and repeats the procedure. In this manner, a level mortgage payment is ultimately arrived at in which the final mortgage payment is guaranteed to be less than or equal to all other mortgage payments.

After recasting the first mortgage, the program proceeds to set up the second mortgage. The initial mortgage amount is that of the PIP advances. The interest rate is taken as the lesser of: (1) the interest rate on the first mortgage plus one half percent, or (2) the maximum legal interest rate permitted on second mortgages. A trial term of 60 months is then selected.

Subroutine LAMP then computes a level payment mortgage payment and, as discussed earlier for the recast first mortgage, rounds the payment so computed up to the next highest cent. This trial second mortgage payment is combined with the mortgage payment on recast first mortgage, the M.I.P. payment next due under the terms of the original FHA mortgage, and the estimate monthly payment to cover real estate taxes and hazard insurance. This total mortgage payment is then divided by the gross family income to obtain the mortgage payment income ratio.

If the mortgage payment income ratio is greater than 30%, the term of the second mortgage is increased by one month, and control passed to subroutine LAMP, where a revised second mortgage payment is calculated and the above procedure repeated. This iteration continues until either a second mortgage term is reached which is coincident with the recast first mortgage, or a mortgage payment/income ratio of less than or equal to 30% is obtained.

At this time the amortization schedule is computed for the second mortgage. If the final payment on the second mortgage is greater than the level payments preceding it (for the same reasons as described earlier for the recast first mortgage), the second mortgage payment will be increased by one full cent. As even this slight increase could, conceivably, make the mortgage payment/income ratio exceed 30% in rare instances, the test is applied once more, as shown in Figure 2.

The computation of the second mortgage amortization schedule, by the subroutine AMORT, is then accompanied by a split of the interest payments between that forwarded to HUD, and that component retained by the mortgage servicer as its fee in servicing the second mortgage. A second mortgage service fee of three-eighths of one percent has been adopted for the purposes of the PIP demonstration and has been incorporated into the RECAST program.

When all amortization schedules have been completed, RECAST prints the resulting tables as many times as specified by the number-of-copies variable.

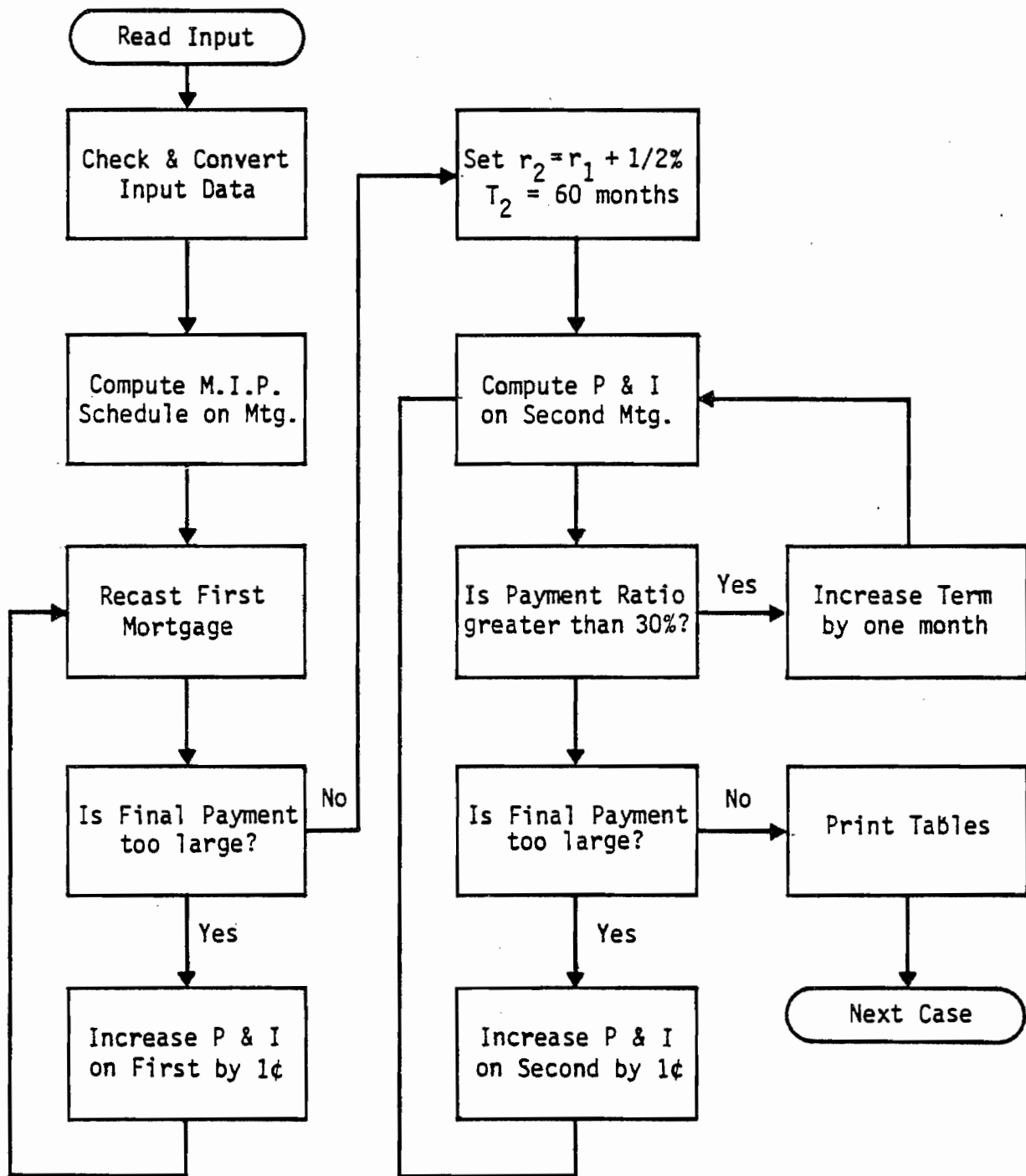


Figure 2. Recast Program Flow

IV. Output Formats

The clearest way to overview the products of the RECAST program is by stepping through the results of an actual mortgage modification.

Exhibit I of this paper contains the mortgage modification of Case Number 20003, as originally requested on May 31, 1977. The date that the computer run was actually produced (or run again, as is the case here) is printed next. The remaining part of Page I is essentially a reproduction of the input sheet corresponding to the given case. In this instance, the FHA mortgage was initially a loan of \$29,200 at 9% for 30 years with a mortgage payment of \$235.06 commencing October 1, 1975. (Recourse to a financial calculator reveals that a level mortgage payment of \$235.95 per month would be sufficient to amortize the above loan without incurring a balloon payment.)

The status of the mortgage obligation when modified appears on the right hand side of Page I. As of June, 1977, the mortgage balance was \$28,891.72; three months forborne interest totalled \$650.06; and PIP advances came to \$609.48, for total obligations of \$30,151.26. The interest rate of 9-1/2% on the second mortgage will fall just below the permissible maximum legal rate of 9-3/4%. Monthly gross family income is \$1,333; monthly escrow for real estate taxes and hazard insurance will be \$112.72.

The second page of the print-out summarizes the results of the mortgage modification procedure. The first mortgage has been recast as a loan of \$29,541.78 (the sum of the balance of \$28,891.72 plus interest forborne of \$650.06) at 9% for 339 months (as measured from a first payment on July 1, 1977 through a final payment on September 1, 2005).

The first 338 months require a mortgage payment of \$240.68; the final payment being that of \$237.53. In addition, the mortgage insurance premium due on July 1, 1977 is \$12.04. Folding in the initial escrow for taxes and hazard insurance leads to a total first mortgage payment due on July 1, 1977 of \$365.44.

The second mortgage is seen to require only the minimum 60 payments for its amortization. The first 59 of these payments are at \$12.81; the final payment being \$12.00, exactly. Thus, the total first and second mortgage payments due on July 1, 1977 is \$378.25. This amount is seen to be only 28.4% of the gross family income of \$1,333, which is why the minimum term of 60 months was adopted in this instance.

Because of truth-in-lending requirements, interest and mortgage insurance premiums must be determined over the lifetime of the mortgage term as modified. The total interest payments over the 339 payments on the first mortgage as recast are \$52,045.59; the total M.I.P. over the same 339 payments are \$2,813.88. When these two figures are combined with the first mortgage amount of \$29,541.78, a total lifetime payment for principal, interest and M.I.P. of \$84,401.25 arises.

The total interest associated with the second mortgage over its life of 60 months is \$158.31. Combined with the second mortgage amount of \$609.48, the total lifetime principal and interest on the second mortgage is \$767.79. Finally, the grand total of all repayments to principal, interest and mortgage insurance on both mortgages will be \$85,169.04.

The next nine pages illustrate the mortgage amortization tables produced by the RECAST program. As seen on the very first line of the tables, the first

month's payment will consist of \$19.12 towards reduction of principal on the first mortgage and \$7.98 towards reduction of principal on the second mortgage. The two columns on the far right, denoted "2ND MTG PAYOUT," appear only on the copies of the print-out destined for the mortgage servicer, mortgagee and HUD. The mortgagor's copy of the amortization tables is identical to the one shown except that these two columns are not printed. As is observed, the second mortgage payment of \$12.81 due on July 1, 1977 is to be split by the mortgage servicer into two parts: \$12.62 to HUD as repayment of principal plus interest and \$.19 to be retained as the second mortgage servicing fee.

A novel feature of the tables is that in addition to the payment number, the due date of the given payment is printed out. Annual summaries are presented on the very last page. Because of the fact that disbursements to HUD are to take place once a year, it is the right-most two columns of the summary page that the servicer will most likely utilize for this particular purpose. Annual statements of interest paid on the part of mortgagor for income tax purposes can be taken from the total mortgage interest column. It is to be borne in mind in referring to this summary page that the reference year number in the left hand column does not indicate years elapsed since recast. In this instance year number 1 is comprised of only the six payments made between July and December.

V. Program Termination

A successful run of the RECAST program will terminate with the summary page as discussed in the previous Section and illustrated in Exhibit I.

Embedded within RECAST are ten or so range, limit or compatibility checks on the data input. Should any of these checks fail, the program will hand control over to subroutine ABORT, which will print the type of error encountered and then immediately terminate the run.

Table I contains the list of error conditions which will result in premature termination, and their explanation.

Table 1: PROGRAM TERMINATION

No.	Subroutine	Line	Explanation
1	RECAST	26	Column 6 not "1" on first data card
2	RECAST	33	Column 6 not "2" on second data card
3	RECAST	36	Control Number not identical on both data cards
4	RECAST	135	Total Mtgr Obligation does not equal checksum
5	RECAST	--	Deactivated*
6	RECAST	145	Date of Final PIP payment and Due Date of 1st Payment under Modification are more than one month apart
7	LAMP	8	Cannot compute P&I from data: interest rate and/or mortgage term is either zero or missing
8	AMORT	29	Original loan term in months not a multiple of 12
9	YRDATE	8	A date prior to 1947 or after 1980 has been encountered on the Data Form
10	YRDATE	4	A day of month other than 1 thru 31 has been encountered on the Date Form
11	YRDATE	5	A month of year other than 1 thru 12 has been encountered on the Data Form

* Program termination condition number 5 was originally activated whenever the monthly payment (P&I) on the original loan, as computed, did not match the monthly payment, as supplied, to within a few cents. Because of nonstandardized approaches to mortgage payment computation, the limit checks involved failed more often than not. For this reason accuracy checks are no longer performed on the monthly payment as supplied.

VI. Job Set-Up

The number of control cards required to execute RECAST is minimal. On the Control Data Corporation 6600 series operating under Scope 3.4, a job set-up would appear as follows:

SEQUENCE Card.

JOB Card.

USER Card

PROJECT Card.

ATTACH, LGO, RECAST.

LGO.

⁷ ⁸ ⁹ (end of record)

Data Card 1

Case Number 1

Data Card 2

Number of Copies Card

Data Card 1

Case Number 2, etc.

Data, Card 2

Number of Copies Card

⁷ ⁸ ⁹ (end of record)

⁶ ⁷ ⁸ ⁹ (end of job)

System resources can be estimated from the following program attributes:

Memory: RECAST requires a program length of 4,332 (octal) words; a buffer length of 4,103 (octal) words; and labeled common length of 16,174 (octal) words. Total memory requirements are therefore 26,631 (octal) words; in practice, a CM request of 30,000 (octal) words should be specified on the JOB Card.

Timing: RECAST requires from 4 to 6 Central Processor seconds per case depending upon how many trials are required in establishing the length of the second mortgage. In terms of total system seconds, approximately 20 to 30 (octal) system seconds per case should be requested on the JOB Card.

I/O: RECAST will produce up to about 500 lines of print per case per copy. Total I/O requirements can be based upon this. In practice, the unlimited I/O specification, 100, has been utilized on the JOB Card, with the System second specification governing upper limit on computer resources.

Tapes and External Files: None required.

VI. Program Modules

RECAST consists of 596 Fortran source cards and has been programmed for the CDC 6000 computer series operating under Scope 3.4. The program is not readily converted to other computer main-frames because of heavy reliance on: (1) the ten character per word storage capacity of the CDC 6000 series; and (2) use of CDC's DECODE instruction.

The program is organized into modules consisting of a main program and subroutines, as specified below. A detailed listing appears in Exhibit II.

<u>Module Name</u>	<u>Program Length (Octal)</u>
RECAST	2,135
LAMP	41
AMORT	206
YRDATE	52
PAYMNT	577
HEAD1	150
HEAD2	155
ABORT	23
HEAD3	150
HEAD4	155
UNPACK	61
PACK	<u>77</u>
TOTAL	4,332

VIII. Data Storage

Figure 3 contains a reduction of the mortgage modification Data Form annotated with the storage cell number where the information contained is initially resident. For brevity, the array vector IVAL, as it exists in RECAST, appears as the array V in Figure 3.

All information is read into storage in integer mode. Conversion to dollars is made by dividing most monetary sums by 100.

Data storage is accomplished through the use of six labeled common blocks: MX, PAY12, TINT, MAIN, ANNUAL and NDATE. Their layout appears in the detailed program listing found in Exhibit II.

MORTGAGE MODIFICATION DATA FORM

Boeing Control Number: $\overset{V(1)}{\square\square\square\square\square\square}\overset{V(2)}{\square}\overset{(6)}{1}$

Mortgage Amount at Inception: \$ $\square\square,\square\square\square$ (41) $V(3)$

Interest Rate: $\square\square.\square\square\square$ % (16) $V(4)$

Term (No. of Months): $\square\square\square$ (19) $V(5)$

Monthly Payment, P&I: \$ $\square\square\square.\square\square$ (24) $V(6)$

Due Date - - 1st Payment: $\square\square$ $\square\square$ 19 $\square\square$ (30)
Mo. Day Yr.

Date of Final PIP Payment: $\square\square$ $\square\square$ 19 $\square\square$ (36)
Mo. Day Yr.

As of That Date:

Balance on FHA Mortgage: \$ $\square\square,\square\square\square.\square\square$ (43) $V(13)$

Interest Forborne: \$ $\square\square\square.\square\square$ (48) $V(14)$

Impounds Advanced & Paid: \$ $\square\square\square.\square\square$ (53) $V(15)$

Other Amounts Accrued: \$ $\square\square\square.\square\square$ (58) $V(16)$

PIP Advances: \$ $\square,\square\square\square.\square\square$ (64) $V(17)$

Total Mtgr. Obligation: \$ $\square\square,\square\square\square.\square\square$ (71) $V(18)$

Second Occurrence of the Control Number in $V(19)$ $\overset{V(20)}{\text{Card } 2} (6)$

Date of Mortgage Modification: $\square\square$ $\square\square$ 19 $\square\square$ (12)
Mo. Day Yr.

Due Date of 1st Payment Under Modification: $\square\square$ $\square\square$ 19 $\square\square$ (18)
Mo. Day Yr.

Legal Interest Rate Permitted - - 2nd Mtgs.: $\square\square.\square\square\square$ % (23) $V(27)$

Monthly Gross Family Income at Modification: \$ $\square,\square\square\square$ (27) $V(28)$

Monthly Payments to R. E. Taxes & Hazard Insurance at Modification: \$ $\square\square\square.\square\square$ (32) $V(29)$

Date This Form Prepared: $\square\square$ $\square\square$ 19 $\square\square$ (38)
Mo. Day Yr.

Prepared by: _____

Figure 3. Mortgage Modification Form with Storage Cell Numbers

Exhibit I
SAMPLE OUTPUT

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM
 ---MORTGAGE MODIFICATION---

CASE NUMBER 20017 DATE REQUESTED MAY 31, 1977 DATE PRODUCED OCT 24, 1977

MORTGAGE DATA AT ORIGINATION

MORTGAGE DATA AT MODIFICATION

MORTGAGE AMOUNT	29200.00	MORTGAGE BALANCE	28891.72
INTEREST RATE	9.000	INTEREST FORJORME	650.06
TERM (NO. OF MONTHS)	360	IMPOUNDS ADVANCED AND PAID	0.00
MONTHLY PAYMENT (P+I)	235.26	OTHER AMTS ACCRUED	0.00
DUE DATE -- FIRST PAYMENT	OCT 1, 1975	PIP ADVANCES	609.46

TOTAL MORTGAGE OBLIGATIONS 30151.26

DATE OF FINAL PIP PAYMENT	JUN 1, 1977
DUE DATE -- FIRST PAYMENT	JUL 1, 1977
LEGAL RATE -- 2ND HTGS	9.750
MONTHLY GROSS INCOME	1333.00
MONTHLY ESCROW FOR TAXES + INS	112.72

NAME OF MORTGAGOR

ADDRESS OF MORTGAGOR

FHA CASE NUMBER

SERVICE LOAN NUMBER

NAME OF SERVICER

NAME OF MORTGAGEE

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM

--MORTGAGE MODIFICATION--
INITIAL MONTHLY PAYMENT

MODIFIED FIRST MORTGAGE--

BALANCE RECAST \$29541.78
NUMBER OF PAYMENTS 336
ANNUAL INTEREST RATE 9.000 PER CENT
PRINCIPAL AND INTEREST PER MONTH \$240.68 (FINAL PAYMENT IS \$237.53)
INITIAL MORTGAGE INSURANCE PREMIUM 12.04
INITIAL PREMIUM FOR TAXES AND INSURANCE 112.72
TOTAL FIRST MORTGAGE PAYMENT \$365.44

SECOND MORTGAGE--

STARTING BALANCE \$ 609.49
NUMBER OF PAYMENTS 60
ANNUAL INTEREST RATE 9.500 PER CENT
PRINCIPAL AND INTEREST PER MONTH \$ 12.61 (FINAL PAYMENT IS \$ 12.00)
TOTAL INITIAL MORTGAGE PAYMENT \$376.25

RATIO OF TOTAL INITIAL MORTGAGE PAYMENT TO GROSS INCOME IS 28.4 PER CENT

--TOTAL MONTHLY PAYMENTS--

MODIFIED FIRST MORTGAGE--

TOTAL PRINCIPAL \$29541.78
TOTAL INTEREST 52045.59
TOTAL PRINCIPAL AND INTEREST 81587.37
TOTAL MORTGAGE INSURANCE PREMIUM 2913.68
TOTAL PRINCIPAL+INTEREST+I.P. \$ 84501.25

SECOND MORTGAGE--

TOTAL PRINCIPAL \$ 609.49
TOTAL INTEREST 158.31
TOTAL PRINCIPAL AND INTEREST 767.79
GRAND TOTAL -- ALL PAYMENTS \$ 85169.04

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM
---MORTGAGE MODIFICATION---
MORTGIZATION SCHEDULE
MORTGAGEE COPY

NO.	FIRST MORTGAGE				SECOND MORTGAGE				TOTAL MORTGAGES				
	DUPLICATE DATE	PRINCIPAL	INTEREST	M.I.P.	BALANCE	PRINCIPAL	INTEREST	M.I.P.	BALANCE	PRINCIPAL	INTEREST	M.I.P.	BALANCE
1	JUL 1, 1977	19,212	221.95	12.14	29522.66	7.90	4.93	6.11	5.51	27.10	226.39	12.04	30124.16
2	AUG 1, 1977	19,226	221.62	12.14	29503.40	8.05	4.76	5.93	5.35	27.31	226.10	12.04	30096.05
3	SEP 1, 1977	19,241	221.29	12.14	29484.15	8.21	4.59	5.74	5.16	27.51	225.98	12.04	30069.34
4	OCT 1, 1977	19,256	220.96	12.14	29464.90	8.36	4.42	5.55	4.99	27.73	225.76	11.95	30041.61
5	NOV 1, 1977	19,271	220.63	12.14	29445.65	8.51	4.25	5.36	4.82	27.93	225.54	11.85	30013.67
6	DEC 1, 1977	19,286	220.30	12.14	29426.40	8.66	4.08	5.17	4.65	28.13	225.33	11.75	29985.52
7	JAN 1, 1978	19,301	220.00	12.14	29407.15	8.81	3.91	4.98	4.48	28.33	225.13	11.65	29957.16
8	FEB 1, 1978	19,316	219.69	12.14	29387.90	8.96	3.74	4.79	4.31	28.53	224.91	11.55	29928.56
9	MAR 1, 1978	19,331	219.38	12.14	29368.65	9.11	3.57	4.60	4.14	28.73	224.70	11.45	29899.79
10	APR 1, 1978	19,346	219.07	12.14	29349.40	9.26	3.40	4.41	3.97	28.93	224.47	11.35	29870.77
11	MAY 1, 1978	19,361	218.76	12.14	29330.15	9.41	3.23	4.22	3.80	29.13	224.25	11.25	29841.53
12	JUN 1, 1978	19,376	218.45	12.14	29310.90	9.56	3.06	4.03	3.63	29.33	224.03	11.15	29812.30
13	JUL 1, 1978	19,391	218.14	12.14	29291.65	9.71	2.89	3.84	3.46	29.53	223.80	11.05	29782.30
14	AUG 1, 1978	19,406	217.83	12.14	29272.40	9.86	2.72	3.65	3.29	29.73	223.57	10.95	29752.46
15	SEP 1, 1978	19,421	217.52	12.14	29253.15	10.01	2.55	3.46	3.12	29.93	223.35	10.85	29722.32
16	OCT 1, 1978	19,436	217.21	12.14	29233.90	10.16	2.38	3.27	2.95	30.13	223.12	10.75	29691.95
17	NOV 1, 1978	19,451	216.90	12.14	29214.65	10.31	2.21	3.08	2.78	30.33	222.89	10.65	29661.35
18	DEC 1, 1978	19,466	216.59	12.14	29195.40	10.46	2.04	2.89	2.61	30.53	222.65	10.55	29630.51
19	JAN 1, 1979	19,481	216.28	12.14	29176.15	10.61	1.87	2.70	2.44	30.73	222.42	10.45	29599.44
20	FEB 1, 1979	19,496	215.97	12.14	29156.90	10.76	1.70	2.51	2.27	30.93	222.18	10.35	29568.13
21	MAR 1, 1979	19,511	215.66	12.14	29137.65	10.91	1.53	2.32	2.10	31.13	221.94	10.25	29536.58
22	APR 1, 1979	19,526	215.35	12.14	29118.40	11.06	1.36	2.13	1.93	31.33	221.71	10.15	29504.40
23	MAY 1, 1979	19,541	215.04	12.14	29099.15	11.21	1.19	1.94	1.76	31.53	221.46	10.05	29472.77
24	JUN 1, 1979	19,556	214.73	12.14	29079.90	11.36	1.02	1.75	1.59	31.73	221.22	9.95	29440.50
25	JUL 1, 1979	19,571	214.42	12.14	29060.65	11.51	0.85	1.56	1.42	31.93	220.97	9.85	29407.98
26	AUG 1, 1979	19,586	214.11	12.14	29041.40	11.66	0.68	1.37	1.25	32.13	220.72	9.75	29375.21
27	SEP 1, 1979	19,601	213.80	12.14	29022.15	11.81	0.51	1.18	1.08	32.33	220.47	9.65	29342.39
28	OCT 1, 1979	19,616	213.49	12.14	29002.90	11.96	0.34	0.99	0.91	32.53	220.22	9.55	29308.92
29	NOV 1, 1979	19,631	213.18	12.14	28983.65	12.11	0.17	0.80	0.74	32.73	219.96	9.45	29275.39
30	DEC 1, 1979	19,646	212.87	12.14	28964.40	12.26	0.00	0.61	0.57	32.93	219.71	9.35	29241.01
31	JAN 1, 1980	19,661	212.56	12.14	28945.15	12.41	-0.17	0.42	0.40	33.13	219.45	9.25	29207.57
32	FEB 1, 1980	19,676	212.25	12.14	28925.90	12.56	-0.34	0.23	0.23	33.33	219.19	9.15	29173.27
33	MAR 1, 1980	19,691	211.94	12.14	28906.65	12.71	-0.51	0.04	0.04	33.53	218.93	9.05	29138.71
34	APR 1, 1980	19,706	211.63	12.14	28887.40	12.86	-0.68	-0.15	-0.15	33.73	218.67	8.95	29103.09
35	MAY 1, 1980	19,721	211.32	12.14	28868.15	13.01	-0.85	-0.36	-0.36	33.93	218.41	8.85	29067.80
36	JUN 1, 1980	19,736	211.01	12.14	28848.90	13.16	-1.02	-0.57	-0.57	34.13	218.14	8.75	29032.45
37	JUL 1, 1980	19,751	210.70	12.14	28829.65	13.31	-1.19	-0.78	-0.78	34.33	217.88	8.65	28997.22
38	AUG 1, 1980	19,766	210.39	12.14	28810.40	13.46	-1.36	-0.99	-0.99	34.53	217.60	8.55	28961.93
39	SEP 1, 1980	19,781	210.08	12.14	28791.15	13.61	-1.53	-1.20	-1.20	34.73	217.32	8.45	28925.76
40	OCT 1, 1980	19,796	209.77	12.14	28771.90	13.76	-1.70	-1.41	-1.41	34.93	217.03	8.35	28889.52
41	NOV 1, 1980	19,811	209.46	12.14	28752.65	13.91	-1.87	-1.62	-1.62	35.13	216.76	8.25	28852.59
42	DEC 1, 1980	19,826	209.15	12.14	28733.40	14.06	-2.04	-1.83	-1.83	35.33	216.49	8.15	28815.59

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM
---MORTGAGE MODIFICATION---
AMORTIZATION SCHEDULE
MORTGAGE COPY

NO.	DUE DATE	FIRST MORTGAGE			SECOND MORTGAGE			TOTAL MORTGAGES			2ND MTG PAYOUT			
		PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	BALANCE	TO HUD	FEE	
43	JAN 1, 1981	26.16	214.52	11.60	2575.00	11.12	1.63	202.31	37.27	216.21	11.60	28778.31	12.74	.07
44	FEB 1, 1981	26.36	214.32	11.60	2549.64	11.21	1.63	191.16	37.57	215.92	11.60	28748.74	12.75	.06
45	MAR 1, 1981	26.56	214.12	11.60	2523.08	11.30	1.51	179.80	37.86	215.63	11.60	28702.08	12.75	.06
46	APR 1, 1981	26.76	213.92	11.60	2496.32	11.39	1.42	168.41	38.15	215.34	11.60	28653.73	12.75	.06
47	MAY 1, 1981	26.96	213.72	11.60	2469.36	11.48	1.33	156.93	38.44	215.05	11.60	28605.29	12.76	.05
48	JUN 1, 1981	27.16	213.52	11.60	2442.20	11.57	1.24	145.36	38.73	214.76	11.60	28557.56	12.76	.05
49	JUL 1, 1981	27.35	213.32	11.60	2414.84	11.66	1.15	133.76	39.02	214.47	11.60	28510.54	12.77	.05
50	AUG 1, 1981	27.54	213.11	11.60	2387.27	11.75	1.16	121.95	39.32	214.17	11.60	28465.22	12.77	.04
51	SEP 1, 1981	27.73	212.91	11.60	2359.49	11.84	.87	110.11	39.62	213.87	11.60	28421.68	12.78	.03
52	OCT 1, 1981	27.91	212.71	11.47	2331.51	11.94	.87	98.17	40.22	213.57	11.47	28379.46	12.78	.03
53	NOV 1, 1981	28.10	212.51	11.47	2303.32	12.03	.74	86.14	40.84	213.27	11.47	28338.66	12.78	.03
54	DEC 1, 1981	28.41	212.27	11.47	2274.91	12.13	.68	74.01	41.54	212.95	11.47	28299.92	12.78	.03
55	JAN 1, 1982	28.72	212.05	11.47	2246.29	12.22	.59	61.79	42.34	212.65	11.47	28263.09	12.79	.02
56	FEB 1, 1982	29.03	211.85	11.47	2217.46	12.32	.49	49.47	43.15	212.34	11.47	28228.93	12.79	.02
57	MAR 1, 1982	29.35	211.63	11.47	2188.41	12.42	.39	37.05	43.97	212.02	11.47	28196.46	12.79	.02
58	APR 1, 1982	29.67	211.41	11.47	2159.14	12.52	.29	24.53	44.79	211.70	11.47	28165.67	12.80	.01
59	MAY 1, 1982	29.99	211.19	11.47	2129.55	12.62	.19	11.91	45.62	211.39	11.47	28136.56	12.80	.01
60	JUN 1, 1982	30.31	210.97	11.47	2099.64	11.91	.09	0.00	46.46	211.06	11.47	28109.94	12.80	0.00
61	JUL 1, 1982	30.63	210.75	11.47	2070.01	0.00	0.00	0.00	47.31	210.75	11.47	28085.81	0.00	0.00
62	AUG 1, 1982	30.95	210.51	11.47	2040.96	0.00	0.00	0.00	48.16	210.51	11.47	28063.86	0.00	0.00
63	SEP 1, 1982	31.27	210.27	11.47	2011.98	0.00	0.00	0.00	49.01	210.27	11.47	28043.48	0.00	0.00
64	OCT 1, 1982	31.59	210.01	11.47	1983.47	0.00	0.00	0.00	49.86	210.01	11.47	27988.87	0.00	0.00
65	NOV 1, 1982	31.91	209.84	11.47	1954.83	0.00	0.00	0.00	50.71	209.84	11.47	27940.83	0.00	0.00
66	DEC 1, 1982	32.23	209.61	11.47	1926.36	0.00	0.00	0.00	51.57	209.61	11.47	27899.96	0.00	0.00
67	JAN 1, 1983	32.55	209.39	11.47	1898.66	0.00	0.00	0.00	52.43	209.39	11.47	27865.66	0.00	0.00
68	FEB 1, 1983	32.87	209.14	11.47	1871.42	0.00	0.00	0.00	53.30	209.14	11.47	27838.12	0.00	0.00
69	MAR 1, 1983	33.19	208.91	11.47	1844.35	0.00	0.00	0.00	54.17	208.91	11.47	27817.35	0.00	0.00
70	APR 1, 1983	33.51	208.67	11.47	1817.90	0.00	0.00	0.00	55.04	208.67	11.47	27798.34	0.00	0.00
71	MAY 1, 1983	33.83	208.43	11.47	1791.69	0.00	0.00	0.00	55.91	208.43	11.47	27780.99	0.00	0.00
72	JUN 1, 1983	34.15	208.19	11.47	1765.60	0.00	0.00	0.00	56.78	208.19	11.47	27765.60	0.00	0.00
73	JUL 1, 1983	34.47	207.94	11.47	1739.96	0.00	0.00	0.00	57.65	207.94	11.47	27752.60	0.00	0.00
74	AUG 1, 1983	34.79	207.71	11.47	1714.88	0.00	0.00	0.00	58.52	207.71	11.47	27742.68	0.00	0.00
75	SEP 1, 1983	35.11	207.45	11.47	1689.85	0.00	0.00	0.00	59.39	207.45	11.47	27735.17	0.00	0.00
76	OCT 1, 1983	35.43	207.21	11.47	1665.37	0.00	0.00	0.00	60.26	207.21	11.47	27729.44	0.00	0.00
77	NOV 1, 1983	35.75	206.95	11.47	1641.44	0.00	0.00	0.00	61.13	206.95	11.47	27725.44	0.00	0.00
78	DEC 1, 1983	36.07	206.71	11.47	1618.06	0.00	0.00	0.00	62.00	206.71	11.47	27723.46	0.00	0.00
79	JAN 1, 1984	36.39	206.44	11.47	1595.22	0.00	0.00	0.00	62.87	206.44	11.47	27723.46	0.00	0.00
80	FEB 1, 1984	36.71	206.18	11.47	1572.91	0.00	0.00	0.00	63.74	206.18	11.47	27724.72	0.00	0.00
81	MAR 1, 1984	37.03	205.93	11.47	1551.19	0.00	0.00	0.00	64.61	205.93	11.47	27728.97	0.00	0.00
82	APR 1, 1984	37.35	205.66	11.47	1529.96	0.00	0.00	0.00	65.48	205.66	11.47	27736.45	0.00	0.00
83	MAY 1, 1984	37.67	205.41	11.47	1509.13	0.00	0.00	0.00	66.35	205.41	11.47	27746.67	0.00	0.00
84	JUN 1, 1984	38.00	205.14	11.47	1488.70	0.00	0.00	0.00	67.22	205.14	11.47	27759.13	0.00	0.00
85	JUL 1, 1984	38.32	204.87	11.47	1468.67	0.00	0.00	0.00	68.09	204.87	11.47	27773.32	0.00	0.00
86	AUG 1, 1984	38.64	204.61	11.47	1449.04	0.00	0.00	0.00	68.96	204.61	11.47	27788.84	0.00	0.00
87	SEP 1, 1984	38.96	204.35	11.47	1429.81	0.00	0.00	0.00	69.83	204.35	11.47	27805.24	0.00	0.00
88	OCT 1, 1984	39.28	204.08	11.47	1410.98	0.00	0.00	0.00	70.70	204.08	11.47	27822.89	0.00	0.00
89	NOV 1, 1984	39.60	203.81	11.47	1392.55	0.00	0.00	0.00	71.57	203.81	11.47	27841.27	0.00	0.00
90	DEC 1, 1984	39.92	203.54	11.47	1374.52	0.00	0.00	0.00	72.44	203.54	11.47	27860.97	0.00	0.00

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MORTGAGE MODIFICATION--
AMORTIZATION SCHEDULE
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NO.	DUE DATE	FIRST MORTGAGE			SECOND MORTGAGE			TOTAL MORTGAGES			2ND MTG PAYOUT TO HUD FILE			
		PRINCIPAL	INTEREST	H.I.P.	PRINCIPAL	INTEREST	H.I.P.	BALANCE	PRINCIPAL	INTEREST	H.I.P.	BALANCE	TO HUD	FILE
91	JAN 1, 1985	37.45	27.21	10.97	27059.75	0.00	0.00	0.00	37.45	27.21	10.97	27059.75	0.00	0.00
92	FEB 1, 1985	37.73	27.29	10.97	27022.02	0.00	0.00	0.00	37.73	27.29	10.97	27022.02	0.00	0.00
93	MAR 1, 1985	38.01	27.37	10.97	26984.01	0.00	0.00	0.00	38.01	27.37	10.97	26984.01	0.00	0.00
94	APR 1, 1985	38.30	27.45	10.97	26945.71	0.00	0.00	0.00	38.30	27.45	10.97	26945.71	0.00	0.00
95	MAY 1, 1985	38.59	27.53	10.97	26907.12	0.00	0.00	0.00	38.59	27.53	10.97	26907.12	0.00	0.00
96	JUN 1, 1985	38.88	27.61	10.97	26868.24	0.00	0.00	0.00	38.88	27.61	10.97	26868.24	0.00	0.00
97	JUL 1, 1985	39.17	27.69	10.97	26829.17	0.00	0.00	0.00	39.17	27.69	10.97	26829.17	0.00	0.00
98	AUG 1, 1985	39.46	27.77	10.97	26789.61	0.00	0.00	0.00	39.46	27.77	10.97	26789.61	0.00	0.00
99	SEP 1, 1985	39.76	27.85	10.97	26749.85	0.00	0.00	0.00	39.76	27.85	10.97	26749.85	0.00	0.00
100	OCT 1, 1985	40.06	27.93	10.97	26709.79	0.00	0.00	0.00	40.06	27.93	10.97	26709.79	0.00	0.00
101	NOV 1, 1985	40.36	28.01	10.97	26669.43	0.00	0.00	0.00	40.36	28.01	10.97	26669.43	0.00	0.00
102	DEC 1, 1985	40.66	28.09	10.97	26628.77	0.00	0.00	0.00	40.66	28.09	10.97	26628.77	0.00	0.00
103	JAN 1, 1986	40.96	28.17	10.97	26587.81	0.00	0.00	0.00	40.96	28.17	10.97	26587.81	0.00	0.00
104	FEB 1, 1986	41.27	28.25	10.97	26546.54	0.00	0.00	0.00	41.27	28.25	10.97	26546.54	0.00	0.00
105	MAR 1, 1986	41.59	28.33	10.97	26504.96	0.00	0.00	0.00	41.59	28.33	10.97	26504.96	0.00	0.00
106	APR 1, 1986	41.91	28.41	10.97	26463.07	0.00	0.00	0.00	41.91	28.41	10.97	26463.07	0.00	0.00
107	MAY 1, 1986	42.24	28.49	10.97	26420.86	0.00	0.00	0.00	42.24	28.49	10.97	26420.86	0.00	0.00
108	JUN 1, 1986	42.57	28.57	10.97	26378.34	0.00	0.00	0.00	42.57	28.57	10.97	26378.34	0.00	0.00
109	JUL 1, 1986	42.91	28.65	10.97	26335.50	0.00	0.00	0.00	42.91	28.65	10.97	26335.50	0.00	0.00
110	AUG 1, 1986	43.26	28.73	10.97	26292.34	0.00	0.00	0.00	43.26	28.73	10.97	26292.34	0.00	0.00
111	SEP 1, 1986	43.62	28.81	10.97	26248.85	0.00	0.00	0.00	43.62	28.81	10.97	26248.85	0.00	0.00
112	OCT 1, 1986	43.99	28.89	10.97	26205.04	0.00	0.00	0.00	43.99	28.89	10.97	26205.04	0.00	0.00
113	NOV 1, 1986	44.37	28.97	10.97	26160.90	0.00	0.00	0.00	44.37	28.97	10.97	26160.90	0.00	0.00
114	DEC 1, 1986	44.77	29.05	10.97	26116.43	0.00	0.00	0.00	44.77	29.05	10.97	26116.43	0.00	0.00
115	JAN 1, 1987	45.18	29.13	10.97	26071.62	0.00	0.00	0.00	45.18	29.13	10.97	26071.62	0.00	0.00
116	FEB 1, 1987	45.60	29.21	10.97	26026.48	0.00	0.00	0.00	45.60	29.21	10.97	26026.48	0.00	0.00
117	MAR 1, 1987	46.03	29.29	10.97	25981.00	0.00	0.00	0.00	46.03	29.29	10.97	25981.00	0.00	0.00
118	APR 1, 1987	46.47	29.37	10.97	25935.18	0.00	0.00	0.00	46.47	29.37	10.97	25935.18	0.00	0.00
119	MAY 1, 1987	46.92	29.45	10.97	25889.01	0.00	0.00	0.00	46.92	29.45	10.97	25889.01	0.00	0.00
120	JUN 1, 1987	47.38	29.53	10.97	25842.50	0.00	0.00	0.00	47.38	29.53	10.97	25842.50	0.00	0.00
121	JUL 1, 1987	47.85	29.61	10.97	25795.64	0.00	0.00	0.00	47.85	29.61	10.97	25795.64	0.00	0.00
122	AUG 1, 1987	48.33	29.69	10.97	25748.43	0.00	0.00	0.00	48.33	29.69	10.97	25748.43	0.00	0.00
123	SEP 1, 1987	48.82	29.77	10.97	25700.86	0.00	0.00	0.00	48.82	29.77	10.97	25700.86	0.00	0.00
124	OCT 1, 1987	49.32	29.85	10.97	25652.94	0.00	0.00	0.00	49.32	29.85	10.97	25652.94	0.00	0.00
125	NOV 1, 1987	49.83	29.93	10.97	25604.66	0.00	0.00	0.00	49.83	29.93	10.97	25604.66	0.00	0.00
126	DEC 1, 1987	50.35	30.01	10.97	25556.01	0.00	0.00	0.00	50.35	30.01	10.97	25556.01	0.00	0.00
127	JAN 1, 1988	50.88	30.09	10.97	25507.00	0.00	0.00	0.00	50.88	30.09	10.97	25507.00	0.00	0.00
128	FEB 1, 1988	51.42	30.17	10.97	25457.62	0.00	0.00	0.00	51.42	30.17	10.97	25457.62	0.00	0.00
129	MAR 1, 1988	51.97	30.25	10.97	25407.87	0.00	0.00	0.00	51.97	30.25	10.97	25407.87	0.00	0.00
130	APR 1, 1988	52.53	30.33	10.97	25357.75	0.00	0.00	0.00	52.53	30.33	10.97	25357.75	0.00	0.00
131	MAY 1, 1988	53.10	30.41	10.97	25307.25	0.00	0.00	0.00	53.10	30.41	10.97	25307.25	0.00	0.00
132	JUN 1, 1988	53.68	30.49	10.97	25256.37	0.00	0.00	0.00	53.68	30.49	10.97	25256.37	0.00	0.00
133	JUL 1, 1988	54.27	30.57	10.97	25205.11	0.00	0.00	0.00	54.27	30.57	10.97	25205.11	0.00	0.00
134	AUG 1, 1988	54.87	30.65	10.97	25153.47	0.00	0.00	0.00	54.87	30.65	10.97	25153.47	0.00	0.00
135	SEP 1, 1988	55.48	30.73	10.97	25101.44	0.00	0.00	0.00	55.48	30.73	10.97	25101.44	0.00	0.00
136	OCT 1, 1988	56.10	30.81	10.97	25049.02	0.00	0.00	0.00	56.10	30.81	10.97	25049.02	0.00	0.00
137	NOV 1, 1988	56.73	30.89	10.97	24996.21	0.00	0.00	0.00	56.73	30.89	10.97	24996.21	0.00	0.00
138	DEC 1, 1988	57.37	30.97	10.97	24943.00	0.00	0.00	0.00	57.37	30.97	10.97	24943.00	0.00	0.00

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM

MORTGAGE MODIFICATION--

AMORTIZATION SCHEDULE

MORTGAGE COPY

NO.	DUE DATE	FIRST MORTGAGE			SECOND MORTGAGE			TOTAL MORTGAGES			2ND HIG PAYOUT			
		PRINCIPAL	INTEREST	M.I.P.	BALANCE	PRINCIPAL	INTEREST	M.I.P.	BALANCE	PRINCIPAL	INTEREST	TO HUD	FEES	
139	JAN 1, 1989	53.64	107.07	13.78	2489.39	0.00	0.00	0.00	53.64	107.07	10.00	2400.39	0.00	0.00
140	FEB 1, 1989	54.31	136.67	13.78	2493.58	0.00	0.00	0.00	54.31	136.67	10.00	2403.58	0.00	0.00
141	MAR 1, 1989	54.41	146.27	13.78	2478.97	0.00	0.00	0.00	54.41	146.27	10.00	2478.97	0.00	0.00
142	APR 1, 1989	54.82	155.85	13.78	2472.15	0.00	0.00	0.00	54.82	155.85	10.00	2472.15	0.00	0.00
143	MAY 1, 1989	55.23	165.43	13.78	2467.92	0.00	0.00	0.00	55.23	165.43	10.00	2467.92	0.00	0.00
144	JUN 1, 1989	55.65	175.01	13.78	2461.27	0.00	0.00	0.00	55.65	175.01	10.00	2461.27	0.00	0.00
145	JUL 1, 1989	56.07	184.61	13.78	2455.20	0.00	0.00	0.00	56.07	184.61	10.00	2455.20	0.00	0.00
146	AUG 1, 1989	56.49	194.21	13.78	2448.71	0.00	0.00	0.00	56.49	194.21	10.00	2448.71	0.00	0.00
147	SEP 1, 1989	56.91	203.81	13.78	2444.80	0.00	0.00	0.00	56.91	203.81	10.00	2444.80	0.00	0.00
148	OCT 1, 1989	57.34	213.41	13.78	2438.46	0.00	0.00	0.00	57.34	213.41	10.00	2438.46	0.00	0.00
149	NOV 1, 1989	57.77	223.01	13.78	2433.69	0.00	0.00	0.00	57.77	223.01	10.00	2433.69	0.00	0.00
150	DEC 1, 1989	58.20	232.61	13.78	2427.49	0.00	0.00	0.00	58.20	232.61	10.00	2427.49	0.00	0.00
151	JAN 1, 1990	58.64	242.21	13.78	2421.85	0.00	0.00	0.00	58.64	242.21	10.00	2421.85	0.00	0.00
152	FEB 1, 1990	59.08	251.81	13.78	2415.77	0.00	0.00	0.00	59.08	251.81	10.00	2415.77	0.00	0.00
153	MAR 1, 1990	59.52	261.41	13.78	2409.25	0.00	0.00	0.00	59.52	261.41	10.00	2409.25	0.00	0.00
154	APR 1, 1990	59.97	271.01	13.78	2403.28	0.00	0.00	0.00	59.97	271.01	10.00	2403.28	0.00	0.00
155	MAY 1, 1990	60.42	280.61	13.78	2397.86	0.00	0.00	0.00	60.42	280.61	10.00	2397.86	0.00	0.00
156	JUN 1, 1990	60.87	290.21	13.78	2392.99	0.00	0.00	0.00	60.87	290.21	10.00	2392.99	0.00	0.00
157	JUL 1, 1990	61.33	299.81	13.78	2388.66	0.00	0.00	0.00	61.33	299.81	10.00	2388.66	0.00	0.00
158	AUG 1, 1990	61.79	309.41	13.78	2384.97	0.00	0.00	0.00	61.79	309.41	10.00	2384.97	0.00	0.00
159	SEP 1, 1990	62.25	319.01	13.78	2382.02	0.00	0.00	0.00	62.25	319.01	10.00	2382.02	0.00	0.00
160	OCT 1, 1990	62.72	328.61	13.78	2378.80	0.00	0.00	0.00	62.72	328.61	10.00	2378.80	0.00	0.00
161	NOV 1, 1990	63.19	338.21	13.78	2376.21	0.00	0.00	0.00	63.19	338.21	10.00	2376.21	0.00	0.00
162	DEC 1, 1990	63.66	347.81	13.78	2373.25	0.00	0.00	0.00	63.66	347.81	10.00	2373.25	0.00	0.00
163	JAN 1, 1991	64.14	357.41	13.78	2370.91	0.00	0.00	0.00	64.14	357.41	10.00	2370.91	0.00	0.00
164	FEB 1, 1991	64.62	367.01	13.78	2368.19	0.00	0.00	0.00	64.62	367.01	10.00	2368.19	0.00	0.00
165	MAR 1, 1991	65.10	376.61	13.78	2365.19	0.00	0.00	0.00	65.10	376.61	10.00	2365.19	0.00	0.00
166	APR 1, 1991	65.59	386.21	13.78	2362.90	0.00	0.00	0.00	65.59	386.21	10.00	2362.90	0.00	0.00
167	MAY 1, 1991	66.08	395.81	13.78	2361.32	0.00	0.00	0.00	66.08	395.81	10.00	2361.32	0.00	0.00
168	JUN 1, 1991	66.58	405.41	13.78	2360.34	0.00	0.00	0.00	66.58	405.41	10.00	2360.34	0.00	0.00
169	JUL 1, 1991	67.08	415.01	13.78	2359.96	0.00	0.00	0.00	67.08	415.01	10.00	2359.96	0.00	0.00
170	AUG 1, 1991	67.58	424.61	13.78	2359.28	0.00	0.00	0.00	67.58	424.61	10.00	2359.28	0.00	0.00
171	SEP 1, 1991	68.09	434.21	13.78	2359.49	0.00	0.00	0.00	68.09	434.21	10.00	2359.49	0.00	0.00
172	OCT 1, 1991	68.63	443.81	13.78	2359.59	0.00	0.00	0.00	68.63	443.81	10.00	2359.59	0.00	0.00
173	NOV 1, 1991	69.17	453.41	13.78	2359.48	0.00	0.00	0.00	69.17	453.41	10.00	2359.48	0.00	0.00
174	DEC 1, 1991	69.71	463.01	13.78	2359.05	0.00	0.00	0.00	69.71	463.01	10.00	2359.05	0.00	0.00
175	JAN 1, 1992	70.25	472.61	13.78	2358.70	0.00	0.00	0.00	70.25	472.61	10.00	2358.70	0.00	0.00
176	FEB 1, 1992	70.80	482.21	13.78	2358.02	0.00	0.00	0.00	70.80	482.21	10.00	2358.02	0.00	0.00
177	MAR 1, 1992	71.35	491.81	13.78	2357.81	0.00	0.00	0.00	71.35	491.81	10.00	2357.81	0.00	0.00
178	APR 1, 1992	71.90	501.41	13.78	2357.37	0.00	0.00	0.00	71.90	501.41	10.00	2357.37	0.00	0.00
179	MAY 1, 1992	72.45	511.01	13.78	2357.79	0.00	0.00	0.00	72.45	511.01	10.00	2357.79	0.00	0.00
180	JUN 1, 1992	73.00	520.61	13.78	2358.02	0.00	0.00	0.00	73.00	520.61	10.00	2358.02	0.00	0.00
181	JUL 1, 1992	73.55	530.21	13.78	2358.00	0.00	0.00	0.00	73.55	530.21	10.00	2358.00	0.00	0.00
182	AUG 1, 1992	74.10	539.81	13.78	2358.68	0.00	0.00	0.00	74.10	539.81	10.00	2358.68	0.00	0.00
183	SEP 1, 1992	74.65	549.41	13.78	2359.21	0.00	0.00	0.00	74.65	549.41	10.00	2359.21	0.00	0.00
184	OCT 1, 1992	75.20	559.01	13.78	2359.48	0.00	0.00	0.00	75.20	559.01	10.00	2359.48	0.00	0.00
185	NOV 1, 1992	75.75	568.61	13.78	2359.58	0.00	0.00	0.00	75.75	568.61	10.00	2359.58	0.00	0.00
186	DEC 1, 1992	76.30	578.21	13.78	2359.42	0.00	0.00	0.00	76.30	578.21	10.00	2359.42	0.00	0.00

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM
--MORTGAGE MODIFICATION--
AUTHORIZATION SCHEDULE
MORTGAGEE CDPY

NO.	DUE DATE	FIRST MORTGAGE			SECOND MORTGAGE			TOTAL MORTGAGES			2ND MTG PAYOUT		
		PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	BALANCE	TO HUD	FEE
187	JAN 1, 1993	76.73	163.95	8.79	21762.69	6.60	0.00	76.73	163.95	8.79	21762.69	0.00	0.00
188	FEB 1, 1993	77.31	163.37	8.79	21765.38	6.60	0.00	77.31	163.37	8.79	21765.38	0.00	0.00
189	MAR 1, 1993	77.89	162.79	8.79	21627.49	6.60	0.00	77.89	162.79	8.79	21627.49	0.00	0.00
190	APR 1, 1993	78.47	162.21	8.79	21549.02	6.60	0.00	78.47	162.21	8.79	21549.02	0.00	0.00
191	MAY 1, 1993	79.05	161.62	8.79	21469.96	6.60	0.00	79.05	161.62	8.79	21469.96	0.00	0.00
192	JUN 1, 1993	79.66	161.02	8.79	21390.30	6.60	0.00	79.66	161.02	8.79	21390.30	0.00	0.00
193	JUL 1, 1993	80.25	160.43	8.79	21310.05	6.60	0.00	80.25	160.43	8.79	21310.05	0.00	0.00
194	AUG 1, 1993	80.85	159.83	8.79	21229.28	6.60	0.00	80.85	159.83	8.79	21229.28	0.00	0.00
195	SEP 1, 1993	81.46	159.22	8.79	21147.74	6.60	0.00	81.46	159.22	8.79	21147.74	0.00	0.00
196	OCT 1, 1993	82.07	158.61	8.79	21065.67	6.60	0.00	82.07	158.61	8.79	21065.67	0.00	0.00
197	NOV 1, 1993	82.69	157.99	8.79	20982.98	6.60	0.00	82.69	157.99	8.79	20982.98	0.00	0.00
198	DEC 1, 1993	83.31	157.37	8.79	20899.67	6.60	0.00	83.31	157.37	8.79	20899.67	0.00	0.00
199	JAN 1, 1994	83.93	156.75	8.79	20815.74	6.60	0.00	83.93	156.75	8.79	20815.74	0.00	0.00
200	FEB 1, 1994	84.56	156.12	8.79	20731.18	6.60	0.00	84.56	156.12	8.79	20731.18	0.00	0.00
201	MAR 1, 1994	85.20	155.48	8.79	20645.98	6.60	0.00	85.20	155.48	8.79	20645.98	0.00	0.00
202	APR 1, 1994	85.84	154.84	8.79	20560.14	6.60	0.00	85.84	154.84	8.79	20560.14	0.00	0.00
203	MAY 1, 1994	86.48	154.21	8.79	20473.66	6.60	0.00	86.48	154.21	8.79	20473.66	0.00	0.00
204	JUN 1, 1994	87.13	153.55	8.79	20386.53	6.60	0.00	87.13	153.55	8.79	20386.53	0.00	0.00
205	JUL 1, 1994	87.78	152.91	8.79	20298.75	6.60	0.00	87.78	152.91	8.79	20298.75	0.00	0.00
206	AUG 1, 1994	88.44	152.24	8.79	20210.31	6.60	0.00	88.44	152.24	8.79	20210.31	0.00	0.00
207	SEP 1, 1994	89.11	151.53	8.79	20121.21	6.60	0.00	89.11	151.53	8.79	20121.21	0.00	0.00
208	OCT 1, 1994	89.77	150.81	8.79	20031.44	6.60	0.00	89.77	150.81	8.79	20031.44	0.00	0.00
209	NOV 1, 1994	90.44	150.08	8.79	19941.00	6.60	0.00	90.44	150.08	8.79	19941.00	0.00	0.00
210	DEC 1, 1994	91.12	149.36	8.79	19849.88	6.60	0.00	91.12	149.36	8.79	19849.88	0.00	0.00
211	JAN 1, 1995	91.81	148.67	8.79	19758.07	6.60	0.00	91.81	148.67	8.79	19758.07	0.00	0.00
212	FEB 1, 1995	92.50	147.97	8.79	19665.58	6.60	0.00	92.50	147.97	8.79	19665.58	0.00	0.00
213	MAR 1, 1995	93.19	147.27	8.79	19572.39	6.60	0.00	93.19	147.27	8.79	19572.39	0.00	0.00
214	APR 1, 1995	93.88	146.57	8.79	19478.50	6.60	0.00	93.88	146.57	8.79	19478.50	0.00	0.00
215	MAY 1, 1995	94.59	145.86	8.79	19383.91	6.60	0.00	94.59	145.86	8.79	19383.91	0.00	0.00
216	JUN 1, 1995	95.30	145.15	8.79	19288.61	6.60	0.00	95.30	145.15	8.79	19288.61	0.00	0.00
217	JUL 1, 1995	96.02	144.44	8.79	19192.59	6.60	0.00	96.02	144.44	8.79	19192.59	0.00	0.00
218	AUG 1, 1995	96.74	143.74	8.79	19095.85	6.60	0.00	96.74	143.74	8.79	19095.85	0.00	0.00
219	SEP 1, 1995	97.46	143.03	8.79	18998.39	6.60	0.00	97.46	143.03	8.79	18998.39	0.00	0.00
220	OCT 1, 1995	98.19	142.32	8.79	18900.20	6.60	0.00	98.19	142.32	8.79	18900.20	0.00	0.00
221	NOV 1, 1995	98.93	141.61	8.79	18801.27	6.60	0.00	98.93	141.61	8.79	18801.27	0.00	0.00
222	DEC 1, 1995	99.67	140.91	8.79	18701.60	6.60	0.00	99.67	140.91	8.79	18701.60	0.00	0.00
223	JAN 1, 1996	100.42	140.20	8.79	18601.18	6.60	0.00	100.42	140.20	8.79	18601.18	0.00	0.00
224	FEB 1, 1996	101.17	139.51	8.79	18500.01	6.60	0.00	101.17	139.51	8.79	18500.01	0.00	0.00
225	MAR 1, 1996	101.93	138.82	8.79	18398.08	6.60	0.00	101.93	138.82	8.79	18398.08	0.00	0.00
226	APR 1, 1996	102.69	138.13	8.79	18295.39	6.60	0.00	102.69	138.13	8.79	18295.39	0.00	0.00
227	MAY 1, 1996	103.45	137.44	8.79	18191.93	6.60	0.00	103.45	137.44	8.79	18191.93	0.00	0.00
228	JUN 1, 1996	104.24	136.74	8.79	18087.69	6.60	0.00	104.24	136.74	8.79	18087.69	0.00	0.00
229	JUL 1, 1996	105.02	136.05	8.79	17982.67	6.60	0.00	105.02	136.05	8.79	17982.67	0.00	0.00
230	AUG 1, 1996	105.81	135.35	8.79	17876.86	6.60	0.00	105.81	135.35	8.79	17876.86	0.00	0.00
231	SEP 1, 1996	106.61	134.65	8.79	17770.26	6.60	0.00	106.61	134.65	8.79	17770.26	0.00	0.00
232	OCT 1, 1996	107.40	133.95	8.79	17662.86	6.60	0.00	107.40	133.95	8.79	17662.86	0.00	0.00
233	NOV 1, 1996	108.21	133.25	8.79	17554.65	6.60	0.00	108.21	133.25	8.79	17554.65	0.00	0.00
234	DEC 1, 1996	109.02	132.55	8.79	17445.63	6.60	0.00	109.02	132.55	8.79	17445.63	0.00	0.00

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		PRINCIPAL	INTEREST	M.I.P.	BALANCE	PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	BALANCE	TO HUD
235	JAN 1, 1997	179.94	170.84	6.95	1735.79	0.00	0.00	109.64	110.84	6.95	1735.79	0.00	0.00
236	FEB 1, 1997	110.56	177.02	6.95	1725.13	0.00	0.00	116.66	131.02	6.95	1725.13	0.00	0.00
237	MAR 1, 1997	111.54	129.13	6.95	1711.64	0.00	0.00	111.99	129.19	6.95	1711.64	0.00	0.00
238	APR 1, 1997	112.33	127.35	6.95	1700.31	0.00	0.00	112.33	126.35	6.95	1700.31	0.00	0.00
239	MAY 1, 1997	113.17	127.51	6.95	1688.14	0.00	0.00	113.17	127.51	6.95	1688.14	0.00	0.00
240	JUN 1, 1997	113.12	126.53	6.95	1677.02	0.00	0.00	113.12	126.53	6.95	1677.02	0.00	0.00
241	JUL 1, 1997	114.87	125.81	6.95	1665.25	0.00	0.00	114.87	125.81	6.95	1665.25	0.00	0.00
242	AUG 1, 1997	115.74	124.91	6.95	1653.51	0.00	0.00	115.74	124.94	6.95	1653.51	0.00	0.00
243	SEP 1, 1997	116.50	124.08	6.95	1642.01	0.00	0.00	116.50	124.08	6.95	1642.01	0.00	0.00
244	OCT 1, 1997	117.58	123.29	6.95	1630.43	0.00	0.00	117.58	123.29	6.95	1630.43	0.00	0.00
245	NOV 1, 1997	118.16	122.32	6.95	1619.07	0.00	0.00	118.16	122.32	6.95	1619.07	0.00	0.00
246	DEC 1, 1997	119.25	121.43	6.95	1607.82	0.00	0.00	119.25	121.43	6.95	1607.82	0.00	0.00
247	JAN 1, 1998	120.14	120.54	6.95	1595.68	0.00	0.00	120.14	120.54	6.95	1595.68	0.00	0.00
248	FEB 1, 1998	121.04	119.64	6.95	1583.64	0.00	0.00	121.04	119.64	6.95	1583.64	0.00	0.00
249	MAR 1, 1998	121.35	118.73	6.95	1571.69	0.00	0.00	121.35	118.73	6.95	1571.69	0.00	0.00
250	APR 1, 1998	122.06	117.82	6.95	1559.83	0.00	0.00	122.06	117.82	6.95	1559.83	0.00	0.00
251	MAY 1, 1998	123.79	116.83	6.95	1548.04	0.00	0.00	123.79	116.83	6.95	1548.04	0.00	0.00
252	JUN 1, 1998	124.71	115.97	6.95	1537.33	0.00	0.00	124.71	115.97	6.95	1537.33	0.00	0.00
253	JUL 1, 1998	125.65	115.03	6.95	1526.68	0.00	0.00	125.65	115.03	6.95	1526.68	0.00	0.00
254	AUG 1, 1998	126.59	114.08	6.95	1516.09	0.00	0.00	126.59	114.08	6.95	1516.09	0.00	0.00
255	SEP 1, 1998	127.54	113.14	6.95	1495.55	0.00	0.00	127.54	113.14	6.95	1495.55	0.00	0.00
256	OCT 1, 1998	128.50	112.13	6.95	1482.05	0.00	0.00	128.50	112.10	6.95	1482.05	0.00	0.00
257	NOV 1, 1998	129.46	111.22	6.95	1469.59	0.00	0.00	129.46	111.22	6.95	1469.59	0.00	0.00
258	DEC 1, 1998	130.43	110.25	6.95	1456.91	0.00	0.00	130.43	110.25	6.95	1456.91	0.00	0.00
259	JAN 1, 1999	131.41	109.27	6.95	1443.75	0.00	0.00	131.41	109.27	6.95	1443.75	0.00	0.00
260	FEB 1, 1999	132.54	108.23	6.95	1430.35	0.00	0.00	132.54	108.23	6.95	1430.35	0.00	0.00
261	MAR 1, 1999	133.39	107.21	6.95	1417.96	0.00	0.00	133.39	107.29	6.95	1417.96	0.00	0.00
262	APR 1, 1999	134.39	106.21	6.95	1407.57	0.00	0.00	134.39	106.29	6.95	1407.57	0.00	0.00
263	MAY 1, 1999	135.40	105.23	6.95	1399.21	0.00	0.00	135.40	105.23	6.95	1399.21	0.00	0.00
264	JUN 1, 1999	136.41	104.27	6.95	1392.87	0.00	0.00	136.41	104.27	6.95	1392.87	0.00	0.00
265	JUL 1, 1999	137.44	103.24	6.95	1388.32	0.00	0.00	137.44	103.24	6.95	1388.32	0.00	0.00
266	AUG 1, 1999	138.67	102.21	6.95	1384.85	0.00	0.00	138.67	102.21	6.95	1384.85	0.00	0.00
267	SEP 1, 1999	139.51	101.17	6.95	1382.34	0.00	0.00	139.51	101.17	6.95	1382.34	0.00	0.00
268	OCT 1, 1999	140.55	100.13	6.95	1380.79	0.00	0.00	140.55	100.13	6.95	1380.79	0.00	0.00
269	NOV 1, 1999	141.61	99.07	6.95	1380.10	0.00	0.00	141.61	99.07	6.95	1380.10	0.00	0.00
270	DEC 1, 1999	142.67	98.01	6.95	1380.51	0.00	0.00	142.67	98.01	6.95	1380.51	0.00	0.00
271	JAN 1, 2000	143.74	96.94	6.95	1381.77	0.00	0.00	143.74	96.94	6.95	1381.77	0.00	0.00
272	FEB 1, 2000	144.42	95.83	6.95	1383.65	0.00	0.00	144.42	95.83	6.95	1383.65	0.00	0.00
273	MAR 1, 2000	145.30	94.71	6.95	1386.35	0.00	0.00	145.30	94.71	6.95	1386.35	0.00	0.00
274	APR 1, 2000	147.00	93.63	6.95	1389.35	0.00	0.00	147.00	93.63	6.95	1389.35	0.00	0.00
275	MAY 1, 2000	148.11	92.53	6.95	1392.95	0.00	0.00	148.11	92.53	6.95	1392.95	0.00	0.00
276	JUN 1, 2000	149.21	91.47	6.95	1397.74	0.00	0.00	149.21	91.47	6.95	1397.74	0.00	0.00
277	JUL 1, 2000	150.33	90.35	6.95	1403.41	0.00	0.00	150.33	90.35	6.95	1403.41	0.00	0.00
278	AUG 1, 2000	151.46	89.32	6.95	1410.45	0.00	0.00	151.46	89.32	6.95	1410.45	0.00	0.00
279	SEP 1, 2000	152.59	88.01	6.95	1418.56	0.00	0.00	152.59	88.01	6.95	1418.56	0.00	0.00
280	OCT 1, 2000	153.74	86.94	6.95	1428.62	0.00	0.00	153.74	86.94	6.95	1428.62	0.00	0.00
281	NOV 1, 2000	154.93	85.73	6.95	1439.73	0.00	0.00	154.93	85.73	6.95	1439.73	0.00	0.00
282	DEC 1, 2000	156.25	84.63	6.95	1452.68	0.00	0.00	156.25	84.63	6.95	1452.68	0.00	0.00

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM
--MORTGAGE MODIFICATION SCHEDULE--
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NO.	DUE DATE	FIRST MORTGAGE			SECOND MORTGAGE			TOTAL MORTGAGES			2ND HTG PAYOUT			
		PRINCIPAL	INTREST	M.I.P.	BALANCE	PRINCIPAL	INTEREST	M.I.P.	BALANCE	PRINCIPAL	INTEREST	TO HUD	FEE	
283	JAN 1, 2001	157.22	82.46	4.31	10978.46	3.00	3.00	0.00	157.22	83.46	4.31	10978.46	0.00	0.00
284	FEB 1, 2001	158.40	82.23	4.31	10812.06	0.00	3.00	0.00	158.40	82.23	4.31	10812.06	0.00	0.00
285	MAR 1, 2001	159.59	81.03	4.31	10652.47	0.00	3.00	0.00	159.59	81.03	4.31	10652.47	0.00	0.00
286	APR 1, 2001	160.79	79.83	4.31	10491.68	0.00	0.00	0.00	160.79	79.83	4.31	10491.68	0.00	0.00
287	MAY 1, 2001	161.99	78.63	4.31	10329.69	0.00	0.00	0.00	161.99	78.63	4.31	10329.69	0.00	0.00
288	JUN 1, 2001	163.21	77.47	4.31	10166.48	0.00	0.00	0.00	163.21	77.47	4.31	10166.48	0.00	0.00
289	JUL 1, 2001	164.43	76.25	4.31	10002.05	0.00	0.00	0.00	164.43	76.25	4.31	10002.05	0.00	0.00
290	AUG 1, 2001	165.66	75.02	4.31	9836.39	0.00	0.00	0.00	165.66	75.02	4.31	9836.39	0.00	0.00
291	SEP 1, 2001	166.91	73.77	4.31	9669.48	0.00	0.00	0.00	166.91	73.77	4.31	9669.48	0.00	0.00
292	OCT 1, 2001	168.16	72.52	4.31	9501.32	0.00	0.00	0.00	168.16	72.52	4.31	9501.32	0.00	0.00
293	NOV 1, 2001	169.42	71.25	4.31	9331.90	0.00	0.00	0.00	169.42	71.25	4.31	9331.90	0.00	0.00
294	DEC 1, 2001	170.69	69.93	4.31	9161.21	0.00	0.00	0.00	170.69	69.93	4.31	9161.21	0.00	0.00
295	JAN 1, 2002	171.97	68.71	4.31	8989.24	0.00	0.00	0.00	171.97	68.71	4.31	8989.24	0.00	0.00
296	FEB 1, 2002	173.26	67.42	4.31	8815.98	0.00	0.00	0.00	173.26	67.42	4.31	8815.98	0.00	0.00
297	MAR 1, 2002	174.55	66.12	4.31	8641.42	0.00	0.00	0.00	174.55	66.12	4.31	8641.42	0.00	0.00
298	APR 1, 2002	175.87	64.81	4.31	8465.55	0.00	0.00	0.00	175.87	64.81	4.31	8465.55	0.00	0.00
299	MAY 1, 2002	177.19	63.49	4.31	8288.36	0.00	0.00	0.00	177.19	63.49	4.31	8288.36	0.00	0.00
300	JUN 1, 2002	178.52	62.15	4.31	8109.84	0.00	0.00	0.00	178.52	62.15	4.31	8109.84	0.00	0.00
301	JUL 1, 2002	179.86	60.82	4.31	7929.98	0.00	0.00	0.00	179.86	60.82	4.31	7929.98	0.00	0.00
302	AUG 1, 2002	181.21	59.47	4.31	7748.77	0.00	0.00	0.00	181.21	59.47	4.31	7748.77	0.00	0.00
303	SEP 1, 2002	182.56	58.12	4.31	7566.21	0.00	0.00	0.00	182.56	58.12	4.31	7566.21	0.00	0.00
304	OCT 1, 2002	183.91	56.77	4.31	7382.28	0.00	0.00	0.00	183.91	56.77	4.31	7382.28	0.00	0.00
305	NOV 1, 2002	185.31	55.37	4.31	7196.97	0.00	0.00	0.00	185.31	55.37	4.31	7196.97	0.00	0.00
306	DEC 1, 2002	186.73	53.94	4.31	7010.27	0.00	0.00	0.00	186.73	53.94	4.31	7010.27	0.00	0.00
307	JAN 1, 2003	188.10	52.53	4.31	6822.17	0.00	0.00	0.00	188.10	52.53	4.31	6822.17	0.00	0.00
308	FEB 1, 2003	189.51	51.17	4.31	6632.66	0.00	0.00	0.00	189.51	51.17	4.31	6632.66	0.00	0.00
309	MAR 1, 2003	190.94	49.74	4.31	6441.72	0.00	0.00	0.00	190.94	49.74	4.31	6441.72	0.00	0.00
310	APR 1, 2003	192.37	48.31	4.31	6249.35	0.00	0.00	0.00	192.37	48.31	4.31	6249.35	0.00	0.00
311	MAY 1, 2003	193.81	46.87	4.31	6055.54	0.00	0.00	0.00	193.81	46.87	4.31	6055.54	0.00	0.00
312	JUN 1, 2003	195.26	45.42	4.31	5860.28	0.00	0.00	0.00	195.26	45.42	4.31	5860.28	0.00	0.00
313	JUL 1, 2003	196.71	43.95	4.31	5663.55	0.00	0.00	0.00	196.71	43.95	4.31	5663.55	0.00	0.00
314	AUG 1, 2003	198.20	42.43	4.31	5465.35	0.00	0.00	0.00	198.20	42.43	4.31	5465.35	0.00	0.00
315	SEP 1, 2003	199.69	40.93	4.31	5265.66	0.00	0.00	0.00	199.69	40.93	4.31	5265.66	0.00	0.00
316	OCT 1, 2003	201.19	39.43	4.31	5064.47	0.00	0.00	0.00	201.19	39.43	4.31	5064.47	0.00	0.00
317	NOV 1, 2003	202.73	37.93	4.31	4861.77	0.00	0.00	0.00	202.73	37.93	4.31	4861.77	0.00	0.00
318	DEC 1, 2003	204.22	36.46	4.31	4657.55	0.00	0.00	0.00	204.22	36.46	4.31	4657.55	0.00	0.00
319	JAN 1, 2004	205.75	34.93	4.31	4451.80	0.00	0.00	0.00	205.75	34.93	4.31	4451.80	0.00	0.00
320	FEB 1, 2004	207.29	33.33	4.31	4244.51	0.00	0.00	0.00	207.29	33.33	4.31	4244.51	0.00	0.00
321	MAR 1, 2004	208.95	31.83	4.31	4035.66	0.00	0.00	0.00	208.95	31.83	4.31	4035.66	0.00	0.00
322	APR 1, 2004	210.41	30.27	4.31	3825.25	0.00	0.00	0.00	210.41	30.27	4.31	3825.25	0.00	0.00
323	MAY 1, 2004	211.93	28.63	4.31	3613.26	0.00	0.00	0.00	211.93	28.63	4.31	3613.26	0.00	0.00
324	JUN 1, 2004	213.50	27.13	4.31	3399.68	0.00	0.00	0.00	213.50	27.13	4.31	3399.68	0.00	0.00
325	JUL 1, 2004	215.13	25.53	4.31	3184.50	0.00	0.00	0.00	215.13	25.53	4.31	3184.50	0.00	0.00
326	AUG 1, 2004	216.80	23.81	4.31	2967.70	0.00	0.00	0.00	216.80	23.81	4.31	2967.70	0.00	0.00
327	SEP 1, 2004	218.62	22.06	4.31	2749.28	0.00	0.00	0.00	218.62	22.06	4.31	2749.28	0.00	0.00
328	OCT 1, 2004	220.51	20.28	4.31	2529.22	0.00	0.00	0.00	220.51	20.28	4.31	2529.22	0.00	0.00
329	NOV 1, 2004	221.71	18.97	4.31	2317.51	0.00	0.00	0.00	221.71	18.97	4.31	2317.51	0.00	0.00
330	DEC 1, 2004	223.37	17.31	4.31	2114.14	0.00	0.00	0.00	223.37	17.31	4.31	2114.14	0.00	0.00

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM

--MORTGAGE MODIFICATION--

AMORTIZATION SCHEDULE

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NO.	DUE DATE	FIRST MORTGAGE			SECOND MORTGAGE			TOTAL MORTGAGES			2ND HTG PAYOUT		
		PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	BALANCE	TO HUD	FFE
331	JAN 1, 2005	225.05	15.63	.53	0.00	0.00	0.00	225.05	15.63	.53	1459.09	0.00	0.00
332	FEB 1, 2005	226.74	13.94	.53	0.00	0.00	0.00	226.74	13.94	.53	1632.35	0.00	0.00
333	MAR 1, 2005	229.44	12.24	.53	0.00	0.00	0.00	229.44	12.24	.53	1403.91	0.00	0.00
334	APR 1, 2005	230.15	11.53	.53	0.00	0.00	0.00	230.15	11.53	.53	1173.76	0.00	0.00
335	MAY 1, 2005	231.03	8.81	.53	0.00	0.00	0.00	231.03	8.80	.53	941.88	0.00	0.00
336	JUN 1, 2005	233.62	7.06	.53	0.00	0.00	0.00	233.62	7.06	.53	708.26	0.00	0.00
337	JUL 1, 2005	235.17	5.31	.53	0.00	0.00	0.00	235.17	5.31	.53	472.89	0.00	0.00
338	AUG 1, 2005	237.13	3.53	.53	0.00	0.00	0.00	237.13	3.55	.53	235.76	0.00	0.00
339	SEP 1, 2005	235.76	1.77	.53	0.00	0.00	0.00	235.76	1.77	.53	0.00	0.00	0.00

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM
 --MORTGAGE MODIFICATION--
 YEAR-END ANNUAL SUMMARIES
 MORTGAGEE COPY

NO.	YEAR	FIRST MORTGAGE			SECOND MORTGAGE			TOTAL MORTGAGES			2ND MTG PAYOUT			
		PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	BALANCE	TO HUD	FEE	
1	DEC 31, 1977	116.97	1322.21	71.57	29424.91	46.87	27.23	560.61	165.74	1355.20	71.97	29985.52	75.75	1.11
2	DEC 31, 1978	261.35	2631.11	143.67	29174.86	103.96	48.75	455.65	355.01	2606.97	143.07	29630.51	151.73	1.93
3	DEC 31, 1979	271.52	2614.64	141.72	28911.34	119.30	34.34	340.27	308.90	2622.98	141.72	29241.61	152.21	1.51
4	DEC 31, 1980	293.18	2588.93	141.28	28602.16	126.84	25.38	213.43	426.02	2615.86	140.28	28813.59	152.66	1.06
5	DEC 31, 1981	327.25	2566.91	130.51	28274.91	139.42	14.40	74.01	466.67	2575.01	130.01	28340.92	153.15	.57
6	DEC 31, 1982	357.95	2531.21	137.19	27916.36	74.01	2.04	0.00	431.96	2532.25	137.19	27916.36	75.97	.08
7	DEC 31, 1983	391.50	2406.56	135.33	27525.46	9.00	0.00	0.00	391.50	2436.56	135.33	27525.46	0.00	0.00
8	DEC 31, 1984	428.26	2358.91	137.56	27397.20	0.00	0.00	0.00	428.26	2359.99	137.56	27397.20	0.00	0.00
9	DEC 31, 1985	458.43	2419.73	131.67	26623.77	0.00	0.00	0.00	468.43	2419.73	131.67	26623.77	0.00	0.00
10	DEC 31, 1986	512.34	2375.32	126.73	26116.53	0.00	0.00	0.00	512.34	2375.32	126.73	26116.53	0.00	0.00
11	DEC 31, 1987	560.42	2327.74	126.12	25556.01	0.00	0.00	0.00	560.42	2327.74	126.12	25556.01	0.00	0.00
12	DEC 31, 1988	613.01	2275.15	123.21	24943.60	0.00	0.00	0.00	613.01	2275.15	123.21	24943.60	0.00	0.00
13	DEC 31, 1989	670.51	2217.65	120.12	24272.49	0.00	0.00	0.00	670.51	2217.65	120.12	24272.49	0.00	0.00
14	DEC 31, 1990	733.44	2154.72	116.67	23539.35	0.00	0.00	0.00	733.44	2154.72	116.67	23539.35	0.00	0.00
15	DEC 31, 1991	802.20	2095.96	112.86	22736.85	0.00	0.00	0.00	802.20	2095.96	112.86	22736.85	0.00	0.00
16	DEC 31, 1992	877.43	2016.73	108.72	21859.42	0.00	0.00	0.00	877.43	2016.73	108.72	21859.42	0.00	0.00
17	DEC 31, 1993	959.75	1928.41	104.28	20999.67	0.00	0.00	0.00	959.75	1928.41	104.28	20999.67	0.00	0.00
18	DEC 31, 1994	1049.79	1836.37	99.36	19949.80	0.00	0.00	0.00	1049.79	1836.37	99.36	19949.80	0.00	0.00
19	DEC 31, 1995	1148.28	1739.88	93.96	18781.60	0.00	0.00	0.00	1148.28	1739.88	93.96	18781.60	0.00	0.00
20	DEC 31, 1996	1255.97	1632.19	88.38	17445.63	0.00	0.00	0.00	1255.97	1632.19	88.38	17445.63	0.00	0.00
21	DEC 31, 1997	1373.81	1514.35	81.66	16371.82	0.00	0.00	0.00	1373.81	1514.35	81.66	16371.82	0.00	0.00
22	DEC 31, 1998	1502.66	1395.50	74.58	14569.16	0.00	0.00	0.00	1502.66	1395.50	74.58	14569.16	0.00	0.00
23	DEC 31, 1999	1642.65	1244.51	66.93	12925.51	0.00	0.00	0.00	1642.65	1244.51	66.93	12925.51	0.00	0.00
24	DEC 31, 2000	1797.03	1096.33	58.47	11127.68	0.00	0.00	0.00	1797.03	1096.33	58.47	11127.68	0.00	0.00
25	DEC 31, 2001	1866.47	931.69	49.16	9161.21	0.00	0.00	0.00	1866.47	931.69	49.16	9161.21	0.00	0.00
26	DEC 31, 2002	2150.94	717.22	39.10	7010.27	0.00	0.00	0.00	2150.94	717.22	39.10	7010.27	0.00	0.00
27	DEC 31, 2003	2362.72	515.44	28.14	4657.55	0.00	0.00	0.00	2362.72	515.44	28.14	4657.55	0.00	0.00
28	DEC 31, 2004	2373.41	314.75	16.03	2564.14	0.00	0.00	0.00	2373.41	314.75	16.03	2564.14	0.00	0.00
29	DEC 31, 2005	2084.14	78.03	4.77	0.00	0.00	0.00	0.00	2084.14	78.03	4.77	0.00	0.00	0.00

ADDITIONAL COPIES CAN BE OBTAINED FROM--

HEINIS EISEN AND ASSOCIATES

1612 AUSTIN AVENUE

ROCKVILLE, MARYLAND 20850

TEL. (301) 762-1641

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM
 --MORTGAGE MODIFICATION--

CASE NUMBER 20177 DATE REQUESTED MAY 31, 1977 DATE PRODUCED OCT 24, 1977

MORTGAGE DATA AT ORIGINATION

MORTGAGE DATA AT MODIFICATION

MORTGAGE AMOUNT	29200.00	MORTGAGE BALANCE	28891.72
INTEREST RATE	9.030	INTEREST FORQORNE	650.06
TERM (NO. OF MONTHS)	360	IMPOUNDS ADVANCED AND PAID	0.00
MONTHLY PAYMENT (P+I)	235.06	OTHER AMTS ACCRUED	0.00
DUE DATE -- FIRST PAYMENT	OCT 1, 1975	PI0 ADVANCES	609.48
		TOTAL MORTGAGE OBLIGATIONS	30151.26

DATE OF FINAL FIP PAYMENT JUN 1, 1977

DUE DATE -- FIRST PAYMENT JUL 1, 1977

LEGAL RATE -- 2ND HTGS 9.750

MONTHLY GROSS INCOME 1333.60

MONTHLY ESCROW FOR TAXES + INS 112.72

NAME OF MORTGAGOR

ADDRESS OF MORTGAGOR

FHA CASE NUMBER

SERVICER LOAN NUMBER

NAME OF SERVICER

NAME OF MORTGAGEE

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM
 --MORTGAGE MODIFICATION--
 INITIAL MONTHLY PAYMENT

MODIFIED FIRST MORTGAGE--

BALANCE RECAST \$29541.70
 NUMBER OF PAYMENTS 319
 ANNUAL INTEREST RATE 9.000 PER CENT
 PRINCIPAL AND INTEREST PER MONTH \$240.68 (FINAL PAYMENT IS \$237.53)
 INITIAL MORTGAGE INSURANCE PREMIUM 12.94
 INITIAL ESCROW FOR TAXES AND INSURANCE 112.72
 TOTAL FIRST MORTGAGE PAYMENT \$365.44

SECOND MORTGAGE--

STARTING BALANCE \$ 509.49
 NUMBER OF PAYMENTS 50
 ANNUAL INTEREST RATE 9.500 PER CENT
 PRINCIPAL AND INTEREST PER MONTH \$ 12.81 (FINAL PAYMENT IS \$ 12.00)
 TOTAL INITIAL MORTGAGE PAYMENT \$378.25

RATIO OF TOTAL INITIAL MORTGAGE PAYMENT TO GROSS INCOME IS 28.6 PER CENT

--TOTAL MONTHLY PAYMENTS--

MODIFIED FIRST MORTGAGE--

TOTAL PRINCIPAL \$29541.70
 TOTAL INTEREST 52045.59
 TOTAL PRINCIPAL AND INTEREST 81587.37
 TOTAL MORTGAGE INSURANCE PREMIUM 2813.88
 TOTAL PRINCIPAL+INTEREST+I.P. \$ 84401.25

SECOND MORTGAGE--

TOTAL PRINCIPAL \$ 609.49
 TOTAL INTEREST 158.31
 TOTAL PRINCIPAL AND INTEREST 767.79
 GRAND TOTAL -- ALL PAYMENTS \$ 85169.04

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM
--MORTGAGE MODIFICATION--
AMORTIZATION SCHEDULE
MORTGAGOR COPY

NO.	DUE DATE	FIRST MORTGAGE			SECOND MORTGAGE			TOTAL MORTGAGES				
		PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	BALANCE	
1	JUL 1, 1977	19.12	221.55	12.14	29522.66	7.98	4.01	601.50	27.10	226.39	12.04	36124.16
2	AUG 1, 1977	19.26	221.42	12.14	29563.40	8.05	4.76	593.45	27.31	226.18	12.04	35996.05
3	SEP 1, 1977	19.40	221.29	12.14	29488.00	8.11	4.73	585.34	27.51	225.98	12.04	30069.94
4	OCT 1, 1977	19.55	221.13	11.95	29426.45	8.18	4.63	577.16	27.95	225.76	11.95	30041.61
5	NOV 1, 1977	19.70	220.94	11.95	29444.75	8.24	4.57	568.92	27.94	225.55	11.95	30013.67
6	DEC 1, 1977	19.84	220.84	11.95	29428.91	8.31	4.53	560.61	28.15	225.34	11.95	29985.52
7	JAN 1, 1978	19.99	220.61	11.95	29404.92	8.37	4.44	552.24	28.36	225.13	11.95	29957.16
8	FEB 1, 1978	20.14	220.54	11.95	29368.78	8.44	4.37	543.83	28.58	224.91	11.95	29928.58
9	MAR 1, 1978	20.29	220.41	11.95	29328.49	8.50	4.31	535.30	28.79	224.70	11.95	29899.79
10	APR 1, 1978	20.45	220.23	11.95	29344.04	8.57	4.24	526.73	29.02	224.47	11.95	29870.77
11	MAY 1, 1978	20.60	220.03	11.95	29323.44	8.64	4.17	518.69	29.24	224.25	11.95	29841.53
12	JUN 1, 1978	20.75	219.93	11.95	29302.69	8.71	4.11	509.38	29.46	224.03	11.95	29812.07
13	JUL 1, 1978	20.91	219.77	11.95	29281.78	8.78	4.03	500.60	29.69	223.80	11.95	29782.38
14	AUG 1, 1978	21.07	219.61	11.95	29260.71	8.85	3.96	491.75	29.92	223.57	11.95	29752.46
15	SEP 1, 1978	21.22	219.45	11.95	29239.49	8.92	3.89	482.83	30.14	223.35	11.95	29722.32
16	OCT 1, 1978	21.38	219.31	11.95	29218.11	8.99	3.82	473.84	30.37	223.12	11.95	29691.95
17	NOV 1, 1978	21.54	219.14	11.95	29196.57	9.06	3.75	464.78	30.60	222.89	11.95	29661.35
18	DEC 1, 1978	21.71	218.97	11.95	29174.86	9.13	3.69	455.65	30.84	222.65	11.95	29630.51
19	JAN 1, 1979	21.87	218.81	11.95	29152.99	9.20	3.61	446.46	31.07	222.42	11.95	29599.44
20	FEB 1, 1979	22.03	218.65	11.95	29130.96	9.28	3.53	437.17	31.31	222.18	11.95	29568.13
21	MAR 1, 1979	22.20	218.48	11.95	29108.76	9.35	3.46	427.82	31.55	221.94	11.95	29536.58
22	APR 1, 1979	22.36	218.32	11.95	29086.40	9.42	3.39	418.40	31.78	221.71	11.95	29504.80
23	MAY 1, 1979	22.53	218.15	11.95	29063.87	9.50	3.31	408.90	32.03	221.46	11.95	29472.77
24	JUN 1, 1979	22.70	217.93	11.95	29041.17	9.57	3.24	399.33	32.27	221.22	11.95	29440.50
25	JUL 1, 1979	22.87	217.81	11.95	29018.30	9.65	3.16	389.69	32.52	220.97	11.95	29407.98
26	AUG 1, 1979	23.04	217.64	11.95	28995.26	9.73	3.09	379.95	32.77	220.72	11.95	29375.21
27	SEP 1, 1979	23.21	217.46	11.95	28972.04	9.80	3.01	370.15	33.02	220.47	11.95	29342.19
28	OCT 1, 1979	23.39	217.29	11.95	28948.65	9.88	2.93	360.27	33.27	220.22	11.95	29308.92
29	NOV 1, 1979	23.57	217.11	11.95	28925.08	9.96	2.85	350.31	33.53	219.96	11.95	29275.39
30	DEC 1, 1979	23.74	216.94	11.95	28901.34	10.04	2.77	340.27	33.78	219.71	11.95	29241.61
31	JAN 1, 1980	23.92	216.76	11.95	28877.42	10.12	2.69	330.15	34.04	219.45	11.95	29207.57
32	FEB 1, 1980	24.10	216.59	11.95	28853.32	10.20	2.61	319.95	34.30	219.19	11.95	29173.27
33	MAR 1, 1980	24.28	216.41	11.95	28829.04	10.28	2.53	309.67	34.56	218.93	11.95	29138.71
34	APR 1, 1980	24.46	216.22	11.95	28804.58	10.35	2.45	299.31	34.82	218.67	11.95	29103.89
35	MAY 1, 1980	24.65	216.03	11.95	28779.93	10.44	2.37	288.87	35.09	218.40	11.95	29068.80
36	JUN 1, 1980	24.83	215.85	11.95	28755.10	10.52	2.29	278.35	35.35	218.14	11.95	29033.45
37	JUL 1, 1980	25.02	215.65	11.95	28730.08	10.61	2.21	267.74	35.63	217.86	11.95	28997.82
38	AUG 1, 1980	25.20	215.43	11.95	28704.88	10.69	2.12	257.05	35.89	217.60	11.95	28961.93
39	SEP 1, 1980	25.39	215.21	11.95	28679.49	10.78	2.03	246.27	36.17	217.32	11.95	28925.76
40	OCT 1, 1980	25.58	215.01	11.95	28653.91	10.86	1.95	235.41	36.44	217.05	11.95	28889.32
41	NOV 1, 1980	25.74	214.91	11.95	28628.13	10.95	1.86	224.46	36.73	216.76	11.95	28852.59
42	DEC 1, 1980	25.97	214.71	11.95	28602.16	11.03	1.79	213.43	37.00	216.49	11.95	28815.59

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM
--MORTGAGE MODIFICATION--
AMORTIZATION SCHEDULE
MORTGAGOR COPY

NO.	DUE DATE	FIRST MORTGAGE			SECOND MORTGAGE			TOTAL MORTGAGES				
		PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	BALANCE	
43	JAN 1, 1981	26.16	216.52	11.60	29576.90	11.12	1.63	202.31	37.20	216.21	11.60	20778.31
44	FEB 1, 1981	26.36	216.32	11.60	29549.64	11.21	1.63	191.10	37.57	215.92	11.60	20746.74
45	MAR 1, 1981	26.56	216.12	11.60	29523.08	11.30	1.51	179.80	37.36	215.63	11.60	20702.60
46	APR 1, 1981	26.76	215.92	11.60	29496.32	11.39	1.42	168.41	38.15	215.34	11.60	20666.73
47	MAY 1, 1981	26.96	215.72	11.60	29469.36	11.48	1.33	156.93	38.44	215.05	11.60	20626.29
48	JUN 1, 1981	27.16	215.52	11.60	29442.20	11.57	1.24	145.36	38.73	214.76	11.60	20587.56
49	JUL 1, 1981	27.36	215.32	11.60	29414.84	11.66	1.15	133.70	39.02	214.47	11.60	20548.54
50	AUG 1, 1981	27.57	215.11	11.60	29387.27	11.75	1.05	121.95	39.32	214.17	11.60	20509.22
51	SEP 1, 1981	27.78	214.91	11.60	29359.49	11.84	.97	110.11	39.62	213.87	11.60	20469.60
52	OCT 1, 1981	27.99	214.71	11.60	29331.51	11.94	.87	98.17	39.92	213.57	11.47	20429.68
53	NOV 1, 1981	28.19	214.51	11.47	29303.32	12.03	.79	86.14	40.22	213.27	11.47	20389.46
54	DEC 1, 1981	28.41	214.27	11.47	29274.91	12.13	.63	74.01	40.54	212.95	11.47	20348.92
55	JAN 1, 1982	28.62	214.05	11.47	29246.29	12.22	.59	61.79	40.84	212.65	11.47	20308.18
56	FEB 1, 1982	28.81	213.85	11.47	29217.46	12.32	.43	49.47	41.15	212.34	11.47	20266.93
57	MAR 1, 1982	29.05	213.61	11.47	29188.41	12.42	.33	37.05	41.47	212.02	11.47	20225.46
58	APR 1, 1982	29.27	213.41	11.47	29159.14	12.52	.23	24.53	41.79	211.70	11.47	20183.67
59	MAY 1, 1982	29.49	213.13	11.47	29129.65	12.62	.13	11.91	42.11	211.38	11.47	20141.56
60	JUN 1, 1982	29.71	212.97	11.47	29099.94	11.91	.09	0.00	41.62	211.05	11.47	20099.94
61	JUL 1, 1982	29.91	212.75	11.47	29070.01	0.00	0.00	0.00	29.93	210.75	11.47	20070.01
62	AUG 1, 1982	30.15	212.53	11.47	29039.86	0.00	0.00	0.00	30.15	210.53	11.47	20039.86
63	SEP 1, 1982	30.38	212.31	11.47	29009.58	0.00	0.00	0.00	30.38	210.30	11.47	20009.58
64	OCT 1, 1982	30.61	212.07	11.32	29078.07	0.00	0.00	0.00	30.61	210.07	11.32	27178.07
65	NOV 1, 1982	30.84	209.84	11.32	29048.03	0.00	0.00	0.00	30.84	209.84	11.32	27948.03
66	DEC 1, 1982	31.07	209.61	11.32	29016.96	0.00	0.00	0.00	31.07	209.61	11.32	27916.96
67	JAN 1, 1983	31.30	209.39	11.32	28985.66	0.00	0.00	0.00	31.30	209.39	11.32	27885.66
68	FEB 1, 1983	31.54	209.14	11.32	28954.12	0.00	0.00	0.00	31.54	209.14	11.32	27854.12
69	MAR 1, 1983	31.77	208.91	11.32	28922.35	0.00	0.00	0.00	31.77	208.91	11.32	27822.35
70	APR 1, 1983	32.01	208.67	11.32	28890.34	0.00	0.00	0.00	32.01	208.67	11.32	27790.34
71	MAY 1, 1983	32.25	208.43	11.32	28858.09	0.00	0.00	0.00	32.25	208.43	11.32	27758.09
72	JUN 1, 1983	32.49	208.13	11.32	28825.60	0.00	0.00	0.00	32.49	208.19	11.32	27725.60
73	JUL 1, 1983	32.74	207.94	11.32	28792.86	0.00	0.00	0.00	32.74	207.94	11.32	27692.86
74	AUG 1, 1983	32.99	207.71	11.32	28759.88	0.00	0.00	0.00	32.98	207.70	11.32	27659.88
75	SEP 1, 1983	33.23	207.43	11.32	28726.65	0.00	0.00	0.00	33.23	207.45	11.32	27626.65
76	OCT 1, 1983	33.48	207.21	11.15	28759.17	0.00	0.00	0.00	33.48	207.20	11.15	27593.17
77	NOV 1, 1983	33.71	206.93	11.15	28759.44	0.00	0.00	0.00	33.73	206.95	11.15	27559.44
78	DEC 1, 1983	33.93	206.79	11.15	28755.96	0.00	0.00	0.00	33.98	206.70	11.15	27525.96
79	JAN 1, 1984	34.24	206.44	11.15	28749.12	0.00	0.00	0.00	34.24	206.44	11.15	27491.22
80	FEB 1, 1984	34.53	206.14	11.15	28745.72	0.00	0.00	0.00	34.50	206.18	11.15	27456.72
81	MAR 1, 1984	34.75	205.73	11.15	28741.97	0.00	0.00	0.00	34.75	205.93	11.15	27421.97
82	APR 1, 1984	35.12	205.65	11.15	28736.95	0.00	0.00	0.00	35.02	205.66	11.15	27386.95
83	MAY 1, 1984	35.23	205.61	11.15	28731.67	0.00	0.00	0.00	35.28	205.40	11.15	27351.67
84	JUN 1, 1984	35.54	205.14	11.15	28731.63	0.00	0.00	0.00	35.54	205.14	11.15	27316.13
85	JUL 1, 1984	35.31	205.97	11.15	28726.03	0.00	0.00	0.00	35.81	204.87	11.15	27286.03
86	AUG 1, 1984	35.14	205.63	11.15	28744.24	0.00	0.00	0.00	36.06	204.60	11.15	27244.24
87	SEP 1, 1984	35.45	204.31	11.15	28747.99	0.00	0.00	0.00	36.35	204.33	11.15	27207.99
88	OCT 1, 1984	35.62	205.05	11.15	28747.27	0.00	0.00	0.00	36.62	204.06	11.15	27171.27
89	NOV 1, 1984	35.31	204.71	11.15	28743.47	0.00	0.00	0.00	36.96	203.78	11.15	27134.47
90	DEC 1, 1984	35.17	204.51	11.15	28757.20	0.00	0.00	0.00	37.17	203.51	11.15	27097.20

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM
--MORTGAGE MODIFICATION--
AMORTIZATION SCHEDULE
MORTGAGE COPY

NO.	DUE DATE	FIRST MORTGAGE			SECOND MORTGAGE			TOTAL MORTGAGES					
		PRINCIPAL	M.I.P.	BALANCE	PRINCIPAL	INTEREST	BALANCE	PRINCIPAL	INTEREST	M.I.P.	BALANCE		
91	JAN 1, 1985	37.45	232.23	11.67	27059.75	0.00	0.00	0.00	0.00	37.45	232.23	11.67	27059.75
92	FEB 1, 1985	37.71	202.93	11.67	27022.02	0.00	0.00	0.00	0.00	37.71	202.93	11.67	27022.02
93	MAR 1, 1985	38.01	272.67	11.67	26986.01	0.00	0.00	0.00	0.00	38.01	272.67	11.67	26986.01
94	APR 1, 1985	38.33	207.33	11.67	26950.71	0.00	0.00	0.00	0.00	38.33	207.33	11.67	26950.71
95	MAY 1, 1985	38.59	252.93	11.67	26907.12	0.00	0.00	0.00	0.00	38.59	252.93	11.67	26907.12
96	JUN 1, 1985	38.88	201.80	11.67	26866.24	0.00	0.00	0.00	0.00	38.88	201.80	11.67	26866.24
97	JUL 1, 1985	39.17	251.51	11.67	26829.07	0.00	0.00	0.00	0.00	39.17	251.51	11.67	26829.07
98	AUG 1, 1985	39.46	231.22	11.67	26785.61	0.00	0.00	0.00	0.00	39.46	231.22	11.67	26785.61
99	SEP 1, 1985	39.76	201.92	11.67	26743.85	0.00	0.00	0.00	0.00	39.76	201.92	11.67	26743.85
100	OCT 1, 1985	40.06	251.62	11.67	26703.79	0.00	0.00	0.00	0.00	40.06	251.62	11.67	26703.79
101	NOV 1, 1985	40.36	201.32	11.67	26669.43	0.00	0.00	0.00	0.00	40.36	201.32	11.67	26669.43
102	DEC 1, 1985	40.66	251.02	11.67	26628.77	0.00	0.00	0.00	0.00	40.66	251.02	11.67	26628.77
103	JAN 1, 1986	40.96	199.72	11.67	26587.81	0.00	0.00	0.00	0.00	40.96	199.72	11.67	26587.81
104	FEB 1, 1986	41.27	199.41	11.67	26546.54	0.00	0.00	0.00	0.00	41.27	199.41	11.67	26546.54
105	MAR 1, 1986	41.53	199.11	11.67	26500.96	0.00	0.00	0.00	0.00	41.53	199.11	11.67	26500.96
106	APR 1, 1986	41.83	198.79	11.67	26463.07	0.00	0.00	0.00	0.00	41.83	198.79	11.67	26463.07
107	MAY 1, 1986	42.21	198.47	11.67	26420.86	0.00	0.00	0.00	0.00	42.21	198.47	11.67	26420.86
108	JUN 1, 1986	42.52	198.15	11.67	26378.34	0.00	0.00	0.00	0.00	42.52	198.15	11.67	26378.34
109	JUL 1, 1986	42.84	197.84	11.67	26335.50	0.00	0.00	0.00	0.00	42.84	197.84	11.67	26335.50
110	AUG 1, 1986	43.16	197.52	11.67	26292.34	0.00	0.00	0.00	0.00	43.16	197.52	11.67	26292.34
111	SEP 1, 1986	43.49	197.19	11.67	26248.85	0.00	0.00	0.00	0.00	43.49	197.19	11.67	26248.85
112	OCT 1, 1986	43.81	196.87	11.67	26205.04	0.00	0.00	0.00	0.00	43.81	196.87	11.67	26205.04
113	NOV 1, 1986	44.14	196.54	11.67	26160.90	0.00	0.00	0.00	0.00	44.14	196.54	11.67	26160.90
114	DEC 1, 1986	44.47	196.21	11.67	26116.43	0.00	0.00	0.00	0.00	44.47	196.21	11.67	26116.43
115	JAN 1, 1987	44.81	195.87	11.67	26071.62	0.00	0.00	0.00	0.00	44.81	195.87	11.67	26071.62
116	FEB 1, 1987	45.14	195.54	11.67	26026.48	0.00	0.00	0.00	0.00	45.14	195.54	11.67	26026.48
117	MAR 1, 1987	45.48	195.21	11.67	25981.00	0.00	0.00	0.00	0.00	45.48	195.21	11.67	25981.00
118	APR 1, 1987	45.82	194.89	11.67	25935.18	0.00	0.00	0.00	0.00	45.82	194.89	11.67	25935.18
119	MAY 1, 1987	46.17	194.56	11.67	25889.01	0.00	0.00	0.00	0.00	46.17	194.56	11.67	25889.01
120	JUN 1, 1987	46.51	194.24	11.67	25842.50	0.00	0.00	0.00	0.00	46.51	194.24	11.67	25842.50
121	JUL 1, 1987	46.86	193.92	11.67	25795.64	0.00	0.00	0.00	0.00	46.86	193.92	11.67	25795.64
122	AUG 1, 1987	47.21	193.60	11.67	25748.43	0.00	0.00	0.00	0.00	47.21	193.60	11.67	25748.43
123	SEP 1, 1987	47.57	193.28	11.67	25700.86	0.00	0.00	0.00	0.00	47.57	193.28	11.67	25700.86
124	OCT 1, 1987	47.93	192.96	11.67	25652.94	0.00	0.00	0.00	0.00	47.93	192.96	11.67	25652.94
125	NOV 1, 1987	48.28	192.64	11.67	25604.66	0.00	0.00	0.00	0.00	48.28	192.64	11.67	25604.66
126	DEC 1, 1987	48.64	192.32	11.67	25556.01	0.00	0.00	0.00	0.00	48.64	192.32	11.67	25556.01
127	JAN 1, 1988	49.01	192.00	11.67	25507.00	0.00	0.00	0.00	0.00	49.01	192.00	11.67	25507.00
128	FEB 1, 1988	49.38	191.68	11.67	25457.62	0.00	0.00	0.00	0.00	49.38	191.68	11.67	25457.62
129	MAR 1, 1988	49.75	191.36	11.67	25407.87	0.00	0.00	0.00	0.00	49.75	191.36	11.67	25407.87
130	APR 1, 1988	50.12	191.04	11.67	25357.75	0.00	0.00	0.00	0.00	50.12	191.04	11.67	25357.75
131	MAY 1, 1988	50.50	190.72	11.67	25307.25	0.00	0.00	0.00	0.00	50.50	190.72	11.67	25307.25
132	JUN 1, 1988	50.88	190.40	11.67	25256.37	0.00	0.00	0.00	0.00	50.88	190.40	11.67	25256.37
133	JUL 1, 1988	51.26	190.08	11.67	25205.11	0.00	0.00	0.00	0.00	51.26	190.08	11.67	25205.11
134	AUG 1, 1988	51.64	189.76	11.67	25153.47	0.00	0.00	0.00	0.00	51.64	189.76	11.67	25153.47
135	SEP 1, 1988	52.03	189.44	11.67	25101.44	0.00	0.00	0.00	0.00	52.03	189.44	11.67	25101.44
136	OCT 1, 1988	52.42	189.12	11.67	25049.02	0.00	0.00	0.00	0.00	52.42	189.12	11.67	25049.02
137	NOV 1, 1988	52.81	188.80	11.67	24996.21	0.00	0.00	0.00	0.00	52.81	188.80	11.67	24996.21
138	DEC 1, 1988	53.21	188.48	11.67	24943.10	0.00	0.00	0.00	0.00	53.21	188.48	11.67	24943.10

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		PRINCIPAL	INTEREST	M.I.P.	BALANCE	PRINCIPAL	INTEREST	M.I.P.	BALANCE	PRINCIPAL	INTEREST	M.I.P.	BALANCE
139	JAN 1, 1989	53.61	187.07	1.00	24009.19	0.00	0.00	0.00	0.00	53.61	187.07	10.00	24009.19
140	FEB 1, 1989	64.11	174.67	1.00	23635.38	0.00	0.00	0.00	0.00	64.01	186.67	10.00	24835.38
141	MAR 1, 1989	56.41	156.27	1.00	24780.97	0.00	0.00	0.00	0.00	54.41	186.27	10.00	24780.97
142	APR 1, 1989	54.82	175.85	1.00	24726.15	0.00	0.00	0.00	0.00	54.82	185.85	10.00	24726.15
143	MAY 1, 1989	55.24	185.45	1.00	24670.92	0.00	0.00	0.00	0.00	55.23	185.45	10.00	24670.92
144	JUN 1, 1989	56.05	185.03	1.00	24615.27	0.00	0.00	0.00	0.00	55.65	185.03	10.00	24615.27
145	JUL 1, 1989	56.07	184.61	1.00	24559.20	0.00	0.00	0.00	0.00	56.37	184.61	10.00	24559.20
146	AUG 1, 1989	56.49	184.13	1.00	24502.71	0.00	0.00	0.00	0.00	56.49	184.13	10.00	24502.71
147	SEP 1, 1989	56.91	183.77	1.00	24445.80	0.00	0.00	0.00	0.00	56.91	183.77	10.00	24445.80
148	OCT 1, 1989	57.34	183.34	1.00	24388.46	0.00	0.00	0.00	0.00	57.34	183.34	10.00	24388.46
149	NOV 1, 1989	57.77	182.91	1.00	24330.69	0.00	0.00	0.00	0.00	57.77	182.91	10.00	24330.69
150	DEC 1, 1989	58.20	182.43	1.00	24272.49	0.00	0.00	0.00	0.00	58.20	182.43	10.00	24272.49
151	JAN 1, 1990	58.64	181.94	1.00	24213.85	0.00	0.00	0.00	0.00	58.64	182.04	10.00	24213.85
152	FEB 1, 1990	59.08	181.43	1.00	24154.77	0.00	0.00	0.00	0.00	59.08	181.60	10.00	24154.77
153	MAR 1, 1990	59.52	181.15	1.00	24095.25	0.00	0.00	0.00	0.00	59.52	181.16	10.00	24095.25
154	APR 1, 1990	59.97	181.71	1.00	24035.28	0.00	0.00	0.00	0.00	59.97	180.71	10.00	24035.28
155	MAY 1, 1990	60.42	180.26	1.00	23974.86	0.00	0.00	0.00	0.00	60.42	180.26	10.00	23974.86
156	JUN 1, 1990	60.87	179.81	1.00	23913.99	0.00	0.00	0.00	0.00	60.87	179.81	10.00	23913.99
157	JUL 1, 1990	61.33	179.15	1.00	23852.66	0.00	0.00	0.00	0.00	61.33	179.35	10.00	23852.66
158	AUG 1, 1990	61.79	178.43	1.00	23790.87	0.00	0.00	0.00	0.00	61.79	178.09	10.00	23790.87
159	SEP 1, 1990	62.25	178.43	1.00	23728.52	0.00	0.00	0.00	0.00	62.25	178.43	10.00	23728.52
160	OCT 1, 1990	62.72	177.95	1.00	23665.90	0.00	0.00	0.00	0.00	62.72	177.96	10.00	23665.90
161	NOV 1, 1990	63.19	177.43	1.00	23602.71	0.00	0.00	0.00	0.00	63.19	177.49	10.00	23602.71
162	DEC 1, 1990	63.66	177.02	1.00	23539.05	0.00	0.00	0.00	0.00	63.66	177.02	10.00	23539.05
163	JAN 1, 1991	64.14	176.54	1.00	23474.91	0.00	0.00	0.00	0.00	64.14	176.54	10.00	23474.91
164	FEB 1, 1991	64.62	176.08	1.00	23410.29	0.00	0.00	0.00	0.00	64.62	176.08	10.00	23410.29
165	MAR 1, 1991	65.11	175.53	1.00	23345.19	0.00	0.00	0.00	0.00	65.10	175.56	10.00	23345.19
166	APR 1, 1991	65.59	175.03	1.00	23279.60	0.00	0.00	0.00	0.00	65.59	175.09	10.00	23279.60
167	MAY 1, 1991	66.08	174.63	1.00	23213.52	0.00	0.00	0.00	0.00	66.08	174.60	10.00	23213.52
168	JUN 1, 1991	66.57	174.13	1.00	23146.94	0.00	0.00	0.00	0.00	66.56	174.10	10.00	23146.94
169	JUL 1, 1991	67.06	173.63	1.00	23079.86	0.00	0.00	0.00	0.00	67.06	173.60	10.00	23079.86
170	AUG 1, 1991	67.55	173.13	1.00	23012.28	0.00	0.00	0.00	0.00	67.55	173.10	10.00	23012.28
171	SEP 1, 1991	68.04	172.53	1.00	22944.19	0.00	0.00	0.00	0.00	68.04	172.59	10.00	22944.19
172	OCT 1, 1991	68.53	172.04	1.00	22875.59	0.00	0.00	0.00	0.00	68.53	172.00	10.00	22875.59
173	NOV 1, 1991	69.02	171.57	1.00	22806.50	0.00	0.00	0.00	0.00	69.02	171.57	10.00	22806.50
174	DEC 1, 1991	69.51	171.05	1.00	22736.95	0.00	0.00	0.00	0.00	69.51	171.05	10.00	22736.95
175	JAN 1, 1992	70.00	170.53	1.00	22666.90	0.00	0.00	0.00	0.00	70.00	170.53	10.00	22666.90
176	FEB 1, 1992	70.49	170.10	1.00	22596.32	0.00	0.00	0.00	0.00	70.49	170.00	10.00	22596.32
177	MAR 1, 1992	70.98	169.67	1.00	22524.91	0.00	0.00	0.00	0.00	70.98	169.47	10.00	22524.91
178	APR 1, 1992	71.47	169.24	1.00	22453.07	0.00	0.00	0.00	0.00	71.47	169.04	10.00	22453.07
179	MAY 1, 1992	71.96	168.81	1.00	22380.79	0.00	0.00	0.00	0.00	71.96	168.81	10.00	22380.79
180	JUN 1, 1992	72.45	168.38	1.00	22307.97	0.00	0.00	0.00	0.00	72.45	168.38	10.00	22307.97
181	JUL 1, 1992	72.94	167.95	1.00	22234.60	0.00	0.00	0.00	0.00	72.94	167.95	10.00	22234.60
182	AUG 1, 1992	73.43	167.52	1.00	22160.60	0.00	0.00	0.00	0.00	73.43	167.52	10.00	22160.60
183	SEP 1, 1992	73.92	167.09	1.00	22086.21	0.00	0.00	0.00	0.00	73.92	167.09	10.00	22086.21
184	OCT 1, 1992	74.41	166.66	1.00	22011.40	0.00	0.00	0.00	0.00	74.41	166.66	10.00	22011.40
185	NOV 1, 1992	74.90	166.23	1.00	21935.98	0.00	0.00	0.00	0.00	74.90	166.23	10.00	21935.98
186	DEC 1, 1992	75.39	165.80	1.00	21859.42	0.00	0.00	0.00	0.00	75.39	165.80	10.00	21859.42

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		PRINCIPAL	INTEREST	H.I.P.	BALANCE	PRINCIPAL	INTEREST	H.I.P.	BALANCE	PRINCIPAL	INTEREST	H.I.P.
187	JAN 1, 1993	76.73	16.95	9.79	21782.69	0.00	3.21	6.00	76.73	16.95	9.79	21782.69
188	FEB 1, 1993	77.31	16.37	9.79	21705.38	0.00	3.21	6.00	77.31	16.37	9.79	21705.38
189	MAR 1, 1993	77.89	16.27	1.79	21627.49	0.00	3.21	6.00	77.89	16.27	1.79	21627.49
190	APR 1, 1993	78.47	16.21	9.79	21549.02	0.00	3.21	6.00	78.47	16.21	9.79	21549.02
191	MAY 1, 1993	79.05	16.16	9.79	21469.96	0.00	3.21	6.00	79.05	16.16	9.79	21469.96
192	JUN 1, 1993	79.66	16.12	9.79	21390.30	0.00	3.21	6.00	79.66	16.12	9.79	21390.30
193	JUL 1, 1993	80.25	16.04	9.79	21310.05	0.00	3.21	6.00	80.25	16.04	9.79	21310.05
194	AUG 1, 1993	80.85	15.98	9.79	21229.20	0.00	3.21	6.00	80.85	15.98	9.79	21229.20
195	SEP 1, 1993	81.46	15.92	9.79	21147.74	0.00	3.21	6.00	81.46	15.92	9.79	21147.74
196	OCT 1, 1993	82.07	15.86	9.79	21065.67	0.00	3.21	6.00	82.07	15.86	9.79	21065.67
197	NOV 1, 1993	82.69	15.79	9.79	20982.98	0.00	3.21	6.00	82.69	15.79	9.79	20982.98
198	DEC 1, 1993	83.31	15.73	9.79	20899.67	0.00	3.21	6.00	83.31	15.73	9.79	20899.67
199	JAN 1, 1994	83.93	15.67	9.79	20815.74	0.00	3.21	6.00	83.93	15.67	9.79	20815.74
200	FEB 1, 1994	84.56	15.61	9.79	20731.18	0.00	3.21	6.00	84.56	15.61	9.79	20731.18
201	MAR 1, 1994	85.20	15.54	9.79	20645.98	0.00	3.21	6.00	85.20	15.54	9.79	20645.98
202	APR 1, 1994	85.84	15.48	9.79	20560.14	0.00	3.21	6.00	85.84	15.48	9.79	20560.14
203	MAY 1, 1994	86.48	15.42	9.79	20473.66	0.00	3.21	6.00	86.48	15.42	9.79	20473.66
204	JUN 1, 1994	87.13	15.35	9.79	20386.53	0.00	3.21	6.00	87.13	15.35	9.79	20386.53
205	JUL 1, 1994	87.78	15.29	9.79	20298.75	0.00	3.21	6.00	87.78	15.29	9.79	20298.75
206	AUG 1, 1994	88.44	15.24	9.79	20210.31	0.00	3.21	6.00	88.44	15.24	9.79	20210.31
207	SEP 1, 1994	89.10	15.18	9.79	20121.21	0.00	3.21	6.00	89.10	15.18	9.79	20121.21
208	OCT 1, 1994	89.77	15.13	9.79	20031.44	0.00	3.21	6.00	89.77	15.13	9.79	20031.44
209	NOV 1, 1994	90.44	15.07	9.79	19941.00	0.00	3.21	6.00	90.44	15.07	9.79	19941.00
210	DEC 1, 1994	91.12	15.01	9.79	19849.88	0.00	3.21	6.00	91.12	15.01	9.79	19849.88
211	JAN 1, 1995	91.81	14.95	9.79	19758.07	0.00	3.21	6.00	91.81	14.95	9.79	19758.07
212	FEB 1, 1995	92.49	14.89	9.79	19665.58	0.00	3.21	6.00	92.49	14.89	9.79	19665.58
213	MAR 1, 1995	93.19	14.83	9.79	19572.39	0.00	3.21	6.00	93.19	14.83	9.79	19572.39
214	APR 1, 1995	93.89	14.77	9.79	19478.50	0.00	3.21	6.00	93.89	14.77	9.79	19478.50
215	MAY 1, 1995	94.59	14.71	9.79	19383.91	0.00	3.21	6.00	94.59	14.71	9.79	19383.91
216	JUN 1, 1995	95.31	14.65	9.79	19288.61	0.00	3.21	6.00	95.31	14.65	9.79	19288.61
217	JUL 1, 1995	96.02	14.59	9.79	19192.59	0.00	3.21	6.00	96.02	14.59	9.79	19192.59
218	AUG 1, 1995	96.74	14.53	9.79	19095.85	0.00	3.21	6.00	96.74	14.53	9.79	19095.85
219	SEP 1, 1995	97.46	14.47	9.79	18998.39	0.00	3.21	6.00	97.46	14.47	9.79	18998.39
220	OCT 1, 1995	98.19	14.41	9.79	18900.20	0.00	3.21	6.00	98.19	14.41	9.79	18900.20
221	NOV 1, 1995	98.91	14.35	9.79	18801.27	0.00	3.21	6.00	98.91	14.35	9.79	18801.27
222	DEC 1, 1995	99.67	14.29	9.79	18701.60	0.00	3.21	6.00	99.67	14.29	9.79	18701.60
223	JAN 1, 1996	100.42	14.23	9.79	18601.18	0.00	3.21	6.00	100.42	14.23	9.79	18601.18
224	FEB 1, 1996	101.17	14.17	9.79	18500.00	0.00	3.21	6.00	101.17	14.17	9.79	18500.00
225	MAR 1, 1996	101.93	14.11	9.79	18398.08	0.00	3.21	6.00	101.93	14.11	9.79	18398.08
226	APR 1, 1996	102.69	14.05	9.79	18295.39	0.00	3.21	6.00	102.69	14.05	9.79	18295.39
227	MAY 1, 1996	103.46	13.99	9.79	18191.93	0.00	3.21	6.00	103.46	13.99	9.79	18191.93
228	JUN 1, 1996	104.24	13.93	9.79	18087.69	0.00	3.21	6.00	104.24	13.93	9.79	18087.69
229	JUL 1, 1996	105.02	13.87	9.79	17982.67	0.00	3.21	6.00	105.02	13.87	9.79	17982.67
230	AUG 1, 1996	105.81	13.81	9.79	17876.86	0.00	3.21	6.00	105.81	13.81	9.79	17876.86
231	SEP 1, 1996	106.59	13.75	9.79	17770.26	0.00	3.21	6.00	106.59	13.75	9.79	17770.26
232	OCT 1, 1996	107.47	13.69	9.79	17662.86	0.00	3.21	6.00	107.47	13.69	9.79	17662.86
233	NOV 1, 1996	108.31	13.63	9.79	17554.65	0.00	3.21	6.00	108.31	13.63	9.79	17554.65
234	DEC 1, 1996	109.12	13.57	9.79	17445.63	0.00	3.21	6.00	109.12	13.57	9.79	17445.63

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		PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	BALANCE
235	JAN 1, 1997	109.54	110.84	6.95	17335.79	0.00	0.00	109.54	110.84	6.95	17335.79
236	FEB 1, 1997	110.65	110.02	6.95	17225.13	0.00	0.00	110.65	110.02	6.95	17225.13
237	MAR 1, 1997	111.49	109.13	6.95	17113.64	0.00	0.00	111.49	109.13	6.95	17113.64
238	APR 1, 1997	112.13	108.35	6.95	17001.31	0.00	0.00	112.13	108.35	6.95	17001.31
239	MAY 1, 1997	113.17	107.51	6.95	16888.14	0.00	0.00	113.17	107.51	6.95	16888.14
240	JUN 1, 1997	114.02	106.56	6.95	16774.12	0.00	0.00	114.02	106.56	6.95	16774.12
241	JUL 1, 1997	114.87	105.81	6.95	16659.25	0.00	0.00	114.87	105.81	6.95	16659.25
242	AUG 1, 1997	115.74	104.94	6.95	16543.51	0.00	0.00	115.74	104.94	6.95	16543.51
243	SEP 1, 1997	116.60	104.04	6.95	16426.91	0.00	0.00	116.60	104.04	6.95	16426.91
244	OCT 1, 1997	117.44	103.29	6.95	16309.43	0.00	0.00	117.44	103.29	6.95	16309.43
245	NOV 1, 1997	118.35	102.32	6.95	16191.07	0.00	0.00	118.35	102.32	6.95	16191.07
246	DEC 1, 1997	119.25	101.43	6.95	16071.82	0.00	0.00	119.25	101.43	6.95	16071.82
247	JAN 1, 1998	120.14	100.54	6.95	15951.68	0.00	0.00	120.14	100.54	6.95	15951.68
248	FEB 1, 1998	121.14	119.64	6.95	15830.64	0.00	0.00	121.14	119.64	6.95	15830.64
249	MAR 1, 1998	121.33	118.71	6.95	15708.69	0.00	0.00	121.33	118.71	6.95	15708.69
250	APR 1, 1998	122.85	117.82	6.95	15585.83	0.00	0.00	122.85	117.82	6.95	15585.83
251	MAY 1, 1998	123.74	116.83	6.95	15462.04	0.00	0.00	123.74	116.83	6.95	15462.04
252	JUN 1, 1998	124.71	115.97	6.95	15337.33	0.00	0.00	124.71	115.97	6.95	15337.33
253	JUL 1, 1998	125.65	115.03	6.95	15211.68	0.00	0.00	125.65	115.03	6.95	15211.68
254	AUG 1, 1998	126.59	114.91	6.95	15085.09	0.00	0.00	126.59	114.91	6.95	15085.09
255	SEP 1, 1998	127.54	113.14	6.95	14957.55	0.00	0.00	127.54	113.14	6.95	14957.55
256	OCT 1, 1998	128.50	112.10	6.95	14829.05	0.00	0.00	128.50	112.10	6.95	14829.05
257	NOV 1, 1998	129.46	111.22	6.95	14699.59	0.00	0.00	129.46	111.22	6.95	14699.59
258	DEC 1, 1998	130.43	110.25	6.95	14569.16	0.00	0.00	130.43	110.25	6.95	14569.16
259	JAN 1, 1999	131.41	109.27	6.95	14437.75	0.00	0.00	131.41	109.27	6.95	14437.75
260	FEB 1, 1999	132.49	108.23	6.95	14305.35	0.00	0.00	132.49	108.23	6.95	14305.35
261	MAR 1, 1999	133.14	107.21	6.95	14171.96	0.00	0.00	133.14	107.21	6.95	14171.96
262	APR 1, 1999	134.39	106.23	6.95	14037.57	0.00	0.00	134.39	106.23	6.95	14037.57
263	MAY 1, 1999	135.40	105.20	6.95	13902.17	0.00	0.00	135.40	105.20	6.95	13902.17
264	JUN 1, 1999	136.41	104.27	6.95	13765.76	0.00	0.00	136.41	104.27	6.95	13765.76
265	JUL 1, 1999	137.44	103.24	6.95	13628.32	0.00	0.00	137.44	103.24	6.95	13628.32
266	AUG 1, 1999	138.47	102.21	6.95	13489.85	0.00	0.00	138.47	102.21	6.95	13489.85
267	SEP 1, 1999	139.51	101.17	6.95	13350.34	0.00	0.00	139.51	101.17	6.95	13350.34
268	OCT 1, 1999	140.55	100.13	6.95	13209.79	0.00	0.00	140.55	100.13	6.95	13209.79
269	NOV 1, 1999	141.61	99.07	6.95	13068.18	0.00	0.00	141.61	99.07	6.95	13068.18
270	DEC 1, 1999	142.67	98.01	6.95	12925.51	0.00	0.00	142.67	98.01	6.95	12925.51
271	JAN 1, 2000	143.74	96.94	6.95	12781.77	0.00	0.00	143.74	96.94	6.95	12781.77
272	FEB 1, 2000	144.82	95.95	6.95	12636.95	0.00	0.00	144.82	95.95	6.95	12636.95
273	MAR 1, 2000	145.91	94.73	6.95	12491.05	0.00	0.00	145.91	94.73	6.95	12491.05
274	APR 1, 2000	147.10	93.61	6.95	12344.05	0.00	0.00	147.10	93.61	6.95	12344.05
275	MAY 1, 2000	148.19	92.53	6.95	12195.95	0.00	0.00	148.19	92.53	6.95	12195.95
276	JUN 1, 2000	149.28	91.47	6.95	12046.74	0.00	0.00	149.28	91.47	6.95	12046.74
277	JUL 1, 2000	150.34	90.35	6.95	11896.51	0.00	0.00	150.34	90.35	6.95	11896.51
278	AUG 1, 2000	151.45	89.22	6.95	11744.25	0.00	0.00	151.45	89.22	6.95	11744.25
279	SEP 1, 2000	152.54	88.03	6.95	11592.06	0.00	0.00	152.54	88.03	6.95	11592.06
280	OCT 1, 2000	153.74	86.94	6.95	11438.82	0.00	0.00	153.74	86.94	6.95	11438.82
281	NOV 1, 2000	154.84	85.73	6.95	11283.73	0.00	0.00	154.84	85.73	6.95	11283.73
282	DEC 1, 2000	155.95	84.63	6.95	11127.58	0.00	0.00	155.95	84.63	6.95	11127.58

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM
 --MORTGAGE MODIFICATION--
 AMORTIZATION SCHEDULE
 MORTGAGOR COPY

NO.	DUE DATE	FIRST MORTGAGE			SECOND MORTGAGE			TOTAL MORTGAGES				
		PRINCIPAL	INTEREST	M.I.P.	BALANCE	PRINCIPAL	INTEREST	BALANCE	PRINCIPAL	INTEREST	M.I.P.	BALANCE
283	JAN 1, 2001	157.22	87.45	4.71	10970.46	0.19	3.03	0.00	157.22	83.46	4.31	10970.46
284	FEB 1, 2001	158.43	87.23	4.31	10812.06	0.00	0.00	0.00	158.43	82.20	4.31	10812.06
285	MAR 1, 2001	159.59	81.03	4.21	10652.47	0.00	0.00	0.00	159.59	81.09	4.31	10652.47
286	APR 1, 2001	160.73	79.83	4.21	10491.68	0.00	0.00	0.00	160.73	79.89	4.31	10491.68
287	MAY 1, 2001	161.39	78.63	4.21	10329.69	0.00	0.00	0.00	161.39	78.69	4.31	10329.69
288	JUN 1, 2001	162.31	77.47	4.21	10166.48	0.00	0.00	0.00	162.31	77.47	4.31	10166.48
289	JUL 1, 2001	164.41	76.25	4.21	10002.05	0.00	0.00	0.00	164.41	76.25	4.31	10002.05
290	AUG 1, 2001	165.56	75.02	4.21	9836.39	0.00	0.00	0.00	165.56	75.02	4.31	9836.39
291	SEP 1, 2001	166.91	72.77	4.21	9669.48	0.00	0.00	0.00	166.91	72.77	4.31	9669.48
292	OCT 1, 2001	168.14	72.52	3.69	9501.32	0.00	0.00	0.00	168.14	72.52	3.49	9501.32
293	NOV 1, 2001	169.42	71.26	3.49	9331.90	0.00	0.00	0.00	169.42	71.26	3.49	9331.90
294	DEC 1, 2001	170.69	69.93	3.49	9161.21	0.00	0.00	0.00	170.69	69.93	3.49	9161.21
295	JAN 1, 2002	171.97	68.71	3.49	8989.24	0.00	0.00	0.00	171.97	68.71	3.49	8989.24
296	FEB 1, 2002	173.25	67.42	3.49	8815.98	0.00	0.00	0.00	173.25	67.42	3.49	8815.98
297	MAR 1, 2002	174.56	66.12	3.49	8641.42	0.00	0.00	0.00	174.56	66.12	3.49	8641.42
298	APR 1, 2002	175.87	64.81	3.49	8465.55	0.00	0.00	0.00	175.87	64.81	3.49	8465.55
299	MAY 1, 2002	177.19	63.49	3.49	8288.36	0.00	0.00	0.00	177.19	63.49	3.49	8288.36
300	JUN 1, 2002	178.52	62.16	3.49	8109.84	0.00	0.00	0.00	178.52	62.16	3.49	8109.84
301	JUL 1, 2002	179.16	60.82	3.49	7929.90	0.00	0.00	0.00	179.16	60.82	3.49	7929.90
302	AUG 1, 2002	181.21	59.47	3.49	7748.77	0.00	0.00	0.00	181.21	59.47	3.49	7748.77
303	SEP 1, 2002	182.56	58.12	3.49	7566.21	0.00	0.00	0.00	182.56	58.12	3.49	7566.21
304	OCT 1, 2002	183.91	56.75	2.59	7382.20	0.00	0.00	0.00	183.91	56.75	2.59	7382.20
305	NOV 1, 2002	185.31	55.37	2.59	7196.97	0.00	0.00	0.00	185.31	55.37	2.59	7196.97
306	DEC 1, 2002	186.79	53.93	2.59	7019.27	0.00	0.00	0.00	186.79	53.93	2.59	7019.27
307	JAN 1, 2003	188.11	52.53	2.59	6822.17	0.00	0.00	0.00	188.11	52.53	2.59	6822.17
308	FEB 1, 2003	189.51	51.17	2.59	6632.66	0.00	0.00	0.00	189.51	51.17	2.59	6632.66
309	MAR 1, 2003	190.94	49.74	2.59	6441.72	0.00	0.00	0.00	190.94	49.74	2.59	6441.72
310	APR 1, 2003	192.37	48.31	2.59	6249.35	0.00	0.00	0.00	192.37	48.31	2.59	6249.35
311	MAY 1, 2003	193.81	46.87	2.59	6055.54	0.00	0.00	0.00	193.81	46.87	2.59	6055.54
312	JUN 1, 2003	195.26	45.42	2.59	5860.28	0.00	0.00	0.00	195.26	45.42	2.59	5860.28
313	JUL 1, 2003	196.71	43.95	2.59	5663.55	0.00	0.00	0.00	196.71	43.95	2.59	5663.55
314	AUG 1, 2003	198.29	42.53	2.59	5465.35	0.00	0.00	0.00	198.29	42.53	2.59	5465.35
315	SEP 1, 2003	199.69	40.99	2.59	5265.66	0.00	0.00	0.00	199.69	40.99	2.59	5265.66
316	OCT 1, 2003	201.19	39.47	1.61	5064.47	0.00	0.00	0.00	201.19	39.47	1.61	5064.47
317	NOV 1, 2003	202.70	37.93	1.61	4861.77	0.00	0.00	0.00	202.70	37.93	1.61	4861.77
318	DEC 1, 2003	204.22	36.45	1.61	4657.55	0.00	0.00	0.00	204.22	36.45	1.61	4657.55
319	JAN 1, 2004	205.75	34.93	1.61	4451.80	0.00	0.00	0.00	205.75	34.93	1.61	4451.80
320	FEB 1, 2004	207.29	33.33	1.61	4244.51	0.00	0.00	0.00	207.29	33.33	1.61	4244.51
321	MAR 1, 2004	208.85	31.81	1.61	4035.66	0.00	0.00	0.00	208.85	31.81	1.61	4035.66
322	APR 1, 2004	210.41	30.27	1.61	3825.25	0.00	0.00	0.00	210.41	30.27	1.61	3825.25
323	MAY 1, 2004	211.99	28.64	1.61	3613.26	0.00	0.00	0.00	211.99	28.64	1.61	3613.26
324	JUN 1, 2004	213.59	27.01	1.61	3399.68	0.00	0.00	0.00	213.59	27.01	1.61	3399.68
325	JUL 1, 2004	215.18	25.51	1.61	3184.50	0.00	0.00	0.00	215.18	25.51	1.61	3184.50
326	AUG 1, 2004	216.80	23.25	1.61	2967.70	0.00	0.00	0.00	216.80	23.25	1.61	2967.70
327	SEP 1, 2004	218.42	21.25	1.61	2749.20	0.00	0.00	0.00	218.42	21.25	1.61	2749.20
328	OCT 1, 2004	220.16	19.62	1.61	2529.22	0.00	0.00	0.00	220.16	19.62	1.61	2529.22
329	NOV 1, 2004	221.71	18.57	1.61	2317.51	0.00	0.00	0.00	221.71	18.57	1.61	2317.51
330	DEC 1, 2004	223.17	17.31	1.61	2104.14	0.00	0.00	0.00	223.17	17.31	1.61	2104.14

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM
--MORTGAGE MODIFICATION--
AMORTIZATION SCHEDULE
MORTGAGOR COPY

NO.	DUE DATE	FIRST MORTGAGE			SECOND MORTGAGE			TOTAL MORTGAGES				
		PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	PRINCIPAL	INTEREST	M.I.P.	BALANCE	
311	JAN 1, 2005	225.15	11.61	.53	1059.09	0.00	0.00	0.00	225.05	19.63	.53	1059.09
312	FEB 1, 2005	226.74	13.94	.53	1632.35	0.00	0.00	0.00	226.74	13.94	.53	1632.35
313	MAR 1, 2005	228.44	12.24	.53	1403.91	0.00	0.00	0.00	228.44	12.24	.53	1403.91
314	APR 1, 2005	230.15	10.53	.53	1173.76	0.00	0.00	0.00	230.15	10.53	.53	1173.76
315	MAY 1, 2005	231.84	8.80	.53	941.88	0.00	0.00	0.00	231.88	8.80	.53	941.88
316	JUN 1, 2005	233.62	7.06	.53	708.26	0.00	0.00	0.00	233.62	7.06	.53	708.26
317	JUL 1, 2005	235.37	5.31	.53	472.89	0.00	0.00	0.00	235.37	5.31	.53	472.89
318	AUG 1, 2005	237.13	3.57	.53	235.76	0.00	0.00	0.00	237.13	3.55	.53	235.76
319	SEP 1, 2005	238.76	1.77	.53	0.00	0.00	0.00	0.00	238.76	1.77	.53	0.00

PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRAM
 ---MORTGAGE MODIFICATION---
 YEAR-END ANNUAL SUMMARIES
 MORTGAGOR COPY

NO.	YEAR	FIRST MORTGAGE			SECOND MORTGAGE			TOTAL MORTGAGES				
		END PRINCIPAL INTEREST	M.I.P.	BALANCE	PRINCIPAL INTEREST	BALANCE	PRINCIPAL INTEREST	M.I.P.	BALANCE			
1	DEC 31, 1977	116.87	122.21	71.07	2942.91	49.87	27.99	566.61	165.74	1355.20	71.97	29985.52
2	DEC 31, 1978	250.05	261.11	143.77	2917.96	104.96	43.75	455.65	355.31	2606.67	143.07	28630.51
3	DEC 31, 1979	273.52	284.64	141.72	2850.34	115.38	38.34	346.27	388.90	2652.90	141.72	28241.61
4	DEC 31, 1980	299.19	308.93	142.78	2860.16	126.84	20.88	213.43	426.62	2615.86	140.28	28815.59
5	DEC 31, 1981	327.25	336.09	130.81	2827.91	139.42	14.33	74.61	466.67	2575.21	130.01	28348.92
6	DEC 31, 1982	347.37	356.21	137.19	2791.96	74.61	2.34	0.00	431.96	2532.25	117.19	27916.96
7	DEC 31, 1983	391.57	400.41	123.33	2752.54	0.00	0.00	0.00	391.50	2496.66	135.33	27525.46
8	DEC 31, 1984	425.26	434.10	131.76	2707.20	0.00	0.00	0.00	425.26	2459.90	132.26	27097.20
9	DEC 31, 1985	458.43	467.27	131.17	2662.77	0.00	0.00	0.00	458.43	2419.73	131.17	26628.77
10	DEC 31, 1986	512.34	521.18	128.73	2611.64	0.00	0.00	0.00	512.34	2375.82	128.73	26116.43
11	DEC 31, 1987	560.42	569.26	126.12	2556.01	0.00	0.00	0.00	560.42	2327.74	126.12	25556.01
12	DEC 31, 1988	613.01	621.85	123.21	2494.30	0.00	0.00	0.00	613.01	2275.15	123.21	24943.00
13	DEC 31, 1989	673.51	682.35	116.77	2427.49	0.00	0.00	0.00	673.51	2217.65	120.12	24272.49
14	DEC 31, 1990	733.64	742.48	116.77	2359.85	0.00	0.00	0.00	733.64	2154.72	116.67	2359.85
15	DEC 31, 1991	822.20	831.04	112.66	2273.85	0.00	0.00	0.00	822.20	2095.96	112.86	2273.85
16	DEC 31, 1992	877.43	886.27	103.72	2185.42	0.00	0.00	0.00	877.43	2016.73	108.72	2185.42
17	DEC 31, 1993	955.75	964.59	104.20	2089.67	0.00	0.00	0.00	955.75	1928.41	104.20	2089.67
18	DEC 31, 1994	1049.73	1058.57	93.26	1984.88	0.00	0.00	0.00	1049.73	1818.37	93.16	1984.88
19	DEC 31, 1995	1145.23	1154.07	83.96	1870.60	0.00	0.00	0.00	1145.23	1739.82	93.96	1870.60
20	DEC 31, 1996	1255.97	1264.81	88.18	1744.63	0.00	0.00	0.00	1255.97	1632.19	88.08	1744.63
21	DEC 31, 1997	1373.81	1382.65	86.56	1607.82	0.00	0.00	0.00	1373.81	1514.35	81.66	1607.82
22	DEC 31, 1998	1502.65	1511.49	74.18	1456.95	0.00	0.00	0.00	1502.65	1385.50	74.50	1456.95
23	DEC 31, 1999	1637.65	1646.49	66.43	1292.51	0.00	0.00	0.00	1637.65	1244.51	66.93	1292.51
24	DEC 31, 2000	1797.81	1806.65	51.47	1127.68	0.00	0.00	0.00	1797.81	1096.33	58.47	1127.68
25	DEC 31, 2001	1966.67	1975.51	49.26	916.21	0.00	0.00	0.00	1966.67	921.69	49.26	916.21
26	DEC 31, 2002	2150.34	2159.18	35.18	730.27	0.00	0.00	0.00	2150.34	737.22	39.18	7010.27
27	DEC 31, 2003	2352.72	2361.56	23.14	465.55	0.00	0.00	0.00	2352.72	535.44	28.14	4657.55
28	DEC 31, 2004	2577.41	2586.25	15.18	208.14	0.00	0.00	0.00	2577.41	314.75	16.08	2084.14
29	DEC 31, 2005	2884.14	2892.98	4.77	0.00	0.00	0.00	0.00	2884.14	70.63	4.77	6.60

Program Listing

1	PROGRAM RECAST INPUT, OUTPUT, TAPES=INPUT, TAPES=OUTPUT)	RECAST	3
	COMMON/IX/IV	RECAST	3
	COMMON/SAVE/FA, RATE, PAY1, AMT1, PZ1, I, PEP, MK, MN, RATIO, TOTPAV, PAYZ	RECAST	4
	COMMON/INT/INT1, INT2, FPI, FP2, THEP	RECAST	5
5	COMMON/VAL/IVAL(40), RZ(360), FZ(360), DZ(360), PZ(360), RI(360),	RECAST	6
	PI(360), PL(360), P1(360), R2(360), F2(360), P2(360), I1(360),	RECAST	7
	P1(360), R1(360), F1(360), O1(360), P1(360), HUD(100)	RECAST	8
	COMMON/ADJUAL/PY(30), RLY(30), FLY(30), RZ(30), FZ(30), RZY(30),	RECAST	1
	FZY(30), RY(30), OZY(30), RZY(30), FZY(30), RZY(30)	RECAST	2
10	COMMON/NDATE/K4, K0, KY, KEY	RECAST	1
	COMMON/NDATE/K4, K0, KY, KEY	RECAST	9
	DIFENSION FOURN(12)	RECAST	1
	FOURN(12) FOURN(12)	RECAST	2
	DATA ENDHIN /3HJAN,3HEB,3HMAR,3HAPR,3HMAY,3HJUN,3HJUL,3HAUG,	RECAST	10
15	13SEP,3OCT,3NOV,3DEC7	RECAST	11
	MX=5	RECAST	12
	MX=6	RECAST	13
	MOSE=1MONTH(12)	RECAST	14
20	1 READ(IX,100) (IVAL(I), I=1,10)	RECAST	14
	100 FORCAT(15,11,215,13,15,312,312,17,315,16,17)	RECAST	15
	IF((OR(IX)) 998,999	RECAST	2
	998 STOP	RECAST	3
	999 GO 997 I=1,261	RECAST	3
	997 FORVAL(I)=0.	RECAST	4
25	REVAL	RECAST	2
	IF(IVAL(2), .EQ. 1) GO TO 2	RECAST	16
	CALL AMORT(1)	RECAST	17
	2 READ(IX,130) (IVAL(I), I=19,32)	RECAST	10
30	101 FORCAT(15,11,212,312,15,14,15,312)	RECAST	19
	39 FORCAT(11)	RECAST	20
	IF(KOPIES .EQ. 0) KOPIES=1	RECAST	21
	IF(IVAL(22), .EQ. 2) GO TO 3	RECAST	23
	CALL AMORT(2)	RECAST	24
35	3 FORVAL(1) .EQ. IVAL(19)) GO TO 4	RECAST	25
	4 MOSE=IVAL(1)	RECAST	26
	5 RATE=IVAL(1)	RECAST	27
	6 PAY=IVAL(6)/1000.	RECAST	28
40	PI=IVAL(5)/100.	RECAST	31
	PI=IVAL(5)/100.	RECAST	32
	PI=IVAL(5)/100.	RECAST	33
	PI=IVAL(5)/100.	RECAST	34
45	PI=IVAL(5)/100.	RECAST	35
	PI=IVAL(5)/100.	RECAST	36
	PI=IVAL(5)/100.	RECAST	37
	PI=IVAL(5)/100.	RECAST	38
50	PI=IVAL(5)/100.	RECAST	39
	PI=IVAL(5)/100.	RECAST	40
	PI=IVAL(5)/100.	RECAST	41
	PI=IVAL(5)/100.	RECAST	42
	PI=IVAL(5)/100.	RECAST	43
55	CALL FORCAT(IVAL(07), IVAL(08), IVAL(09), I1)	RECAST	3
	CALL FORCAT(IVAL(13), IVAL(11), IVAL(12), I2)	RECAST	4
	CALL FORCAT(IVAL(21), IVAL(22), IVAL(23), I3)	RECAST	5
	CALL FORCAT(IVAL(24), IVAL(25), IVAL(26), I4)	RECAST	6

60	CALL YDATE(I,VAL(10)), IVAL(11), IVAL(12), IVAL(15)	RECAS	7
	MOPY=0	RECAS	49
	CALL DATE(H)	RECAS	8
	CALL UNPACK(H)	RECAS	9
	4 COPY=1	FED11	1
	7 WRITE(4,102)	FED11	2
65	112 FORPA(14), IVAL(14), *PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRA	RECAS	51
	140)	RECAS	52
	WRITE(4,103)	RECAS	53
	103 FORPA(15), *--MORTGAGE MODIFICATION--)	RECAS	54
	WRITE(4,103), IVAL(13), IVAL(14), IVAL(15), IVAL(16), IVAL(17), IVAL(18)	RECAS	55
	1, IVAL(19), IVAL(20), IVAL(21), IVAL(22)	RECAS	56
	1031 FORPA(14), IVAL(14), *CASE NUMBER*, IVAL(15), *DATE REQUESTED*, IVAL(16), IVAL(17), IVAL(18), IVAL(19),	RECAS	57
	IVAL(20), *DATE PRODUCED*, IVAL(21), IVAL(22), IVAL(23), IVAL(24), IVAL(25)	RECAS	58
	WRITE(4,104)	RECAS	59
	104 FORPA(14), IVAL(14), *MORTGAGE DATA AT ORIGINATOR*, IVAL(15), *MORTGAGE DATA A	RECAS	60
	140)	RECAS	61
	WRITE(4,105) AMT, BAL	RECAS	62
75	105 FORPA(14), *MORTGAGE AMOUNT*, IVAL(15), *MORTGAGE BALANCE*, IVAL(16), *MORTGAGE BALANCE*, IVAL(17), IVAL(18),	RECAS	63
	IVAL(19)	RECAS	64
	WRITE(4,105) RATE, FINT	RECAS	65
	105 FORPA(14), *INTEREST RATE*, IVAL(15), *INTEREST FORBORNE*, IVAL(16), *INTEREST FORBORNE*, IVAL(17), IVAL(18),	RECAS	66
	IVAL(19)	RECAS	67
	WRITE(4,107) M, FIMP	RECAS	68
80	107 FORPA(14), *TERM IND. OF MONTHS*, IVAL(15), *IMPOUNDS ADVANCED A	RECAS	69
	140), IVAL(15), IVAL(16)	RECAS	70
	WRITE(4,108) PI, OTHER	RECAS	71
85	108 FORPA(14), *MONTHLY PAYMENT (P+I)*, IVAL(15), *OTHER AMTS ACCRU	RECAS	72
	IVAL(16), IVAL(17), IVAL(18), IVAL(19)	RECAS	73
	WRITE(4,109) MONTH(I,VAL(17)), IVAL(18), IVAL(19), PIP	RECAS	74
90	109 FORPA(14), *DUE DATE -- FIRST PAYMENT*, IVAL(15), *DUE DATE -- FIRST PAYMENT*, IVAL(16), *DUE DATE -- FIRST PAYMENT*, IVAL(17), IVAL(18),	RECAS	75
	IVAL(19), IVAL(20)	RECAS	76
	WRITE(4,110)	RECAS	77
	110 FORPA(17), *-----*	RECAS	78
	WRITE(4,110) TOTAL	RECAS	79
	110 FORPA(17), *TOTAL MORTGAGE OBLIGATIONS*, IVAL(18), IVAL(19), IVAL(20)	RECAS	80
	WRITE(4,110)	RECAS	81
95	3000 FORPA(11)	RECAS	82
	WRITE(4,111) MONTH(I,VAL(18)), IVAL(19), IVAL(20)	RECAS	83
	112 FORPA(16), *DATE OF FINAL PIP PAYMENT*, IVAL(17), IVAL(18), IVAL(19), IVAL(20)	RECAS	84
	WRITE(4,112)	RECAS	85
100	113 FORPA(11), *MONTH(I,VAL(24)), IVAL(25), IVAL(26)	RECAS	86
	WRITE(4,113)	RECAS	87
	113 FORPA(16), *DUE DATE -- FIRST PAYMENT*, IVAL(17), IVAL(18), IVAL(19), IVAL(20)	RECAS	88
	WRITE(4,114)	RECAS	89
105	4191 FORPA(16), *LEGAL RATE -- 2ND MTGS*, IVAL(17), IVAL(18), IVAL(19), IVAL(20)	RECAS	90
	WRITE(4,114)	RECAS	91
	114 FORPA(16), *MONTHLY GROSS INCOME*, IVAL(17), IVAL(18), IVAL(19), IVAL(20)	RECAS	92
	WRITE(4,115)	RECAS	93
	115 FORPA(15), *MONTHLY ESCROW FOR TAXES + INS.* IVAL(16), IVAL(17), IVAL(18), IVAL(19), IVAL(20)	RECAS	94
110	121 FORPA(15), *MONTHLY ESCROW FOR TAXES + INS.* IVAL(16), IVAL(17), IVAL(18), IVAL(19), IVAL(20)	RECAS	95
	WRITE(4,115)	RECAS	96
	121 FORPA(15), *MONTHLY ESCROW FOR TAXES + INS.* IVAL(16), IVAL(17), IVAL(18), IVAL(19), IVAL(20)	RECAS	97
	WRITE(4,115)	RECAS	98
	4000 FORPA(14), *NAME OF MORTGAGOR*, IVAL(15), IVAL(16), IVAL(17), IVAL(18), IVAL(19), IVAL(20)	RECAS	99
	WRITE(4,115)	RECAS	100

115	4006	FORMAT(IH)	JUN20	6
		WRITE(MX,40)	JUN20	7
	4001	FOR47(IH), ADDRESS OF MORTGAGOR*, T23,40(IH-)/1H0/T23,4J(IH-)	JUN21	2
		WRITE(MX,4006)	JUN20	9
	4002	FORMAT(IH), FIA CASE NUMBER*, T23,40(IH-)	JUN20	10
		WRITE(MX,4012)	JUN20	11
		WRITE(MX,4016)	JUN20	12
		WRITE(MX,4013)	JUN20	13
	4003	FORMAT(IH), SERVICER LOAN NUMBER*, T23,40(IH-)	JUN20	14
		WRITE(MX,4006)	JUN20	15
	4004	FORMAT(IH), NAME OF SERVICER*, T23,40(IH-)	JUN20	16
		WRITE(MX,4006)	JUN20	17
		WRITE(MX,4015)	JUN20	18
	4005	FORMAT(IH), NAME OF MORTGAGEE*, T23,40(IH-)	JUN20	20
		WRITE(MX,4006)	JUN20	19
		WRITE(MX,4014)	JUN20	18
		WRITE(MX,4015)	JUN20	19
		WRITE(MX,4016)	JUN20	20
		WRITE(MX,4017)	JUN20	21
		WRITE(MX,4018)	JUN20	22
		WRITE(MX,4019)	JUN20	23
		WRITE(MX,4020)	JUN20	24
		WRITE(MX,4021)	JUN20	25
		WRITE(MX,4022)	JUN20	26
		WRITE(MX,4023)	JUN20	27
		WRITE(MX,4024)	JUN20	28
		WRITE(MX,4025)	JUN20	29
		WRITE(MX,4026)	JUN20	30
		WRITE(MX,4027)	JUN20	31
		WRITE(MX,4028)	JUN20	32
		WRITE(MX,4029)	JUN20	33
		WRITE(MX,4030)	JUN20	34
		WRITE(MX,4031)	JUN20	35
		WRITE(MX,4032)	JUN20	36
		WRITE(MX,4033)	JUN20	37
		WRITE(MX,4034)	JUN20	38
		WRITE(MX,4035)	JUN20	39
		WRITE(MX,4036)	JUN20	40
		WRITE(MX,4037)	JUN20	41
		WRITE(MX,4038)	JUN20	42
		WRITE(MX,4039)	JUN20	43
		WRITE(MX,4040)	JUN20	44
		WRITE(MX,4041)	JUN20	45
		WRITE(MX,4042)	JUN20	46
		WRITE(MX,4043)	JUN20	47
		WRITE(MX,4044)	JUN20	48
		WRITE(MX,4045)	JUN20	49
		WRITE(MX,4046)	JUN20	50
		WRITE(MX,4047)	JUN20	51
		WRITE(MX,4048)	JUN20	52
		WRITE(MX,4049)	JUN20	53
		WRITE(MX,4050)	JUN20	54
		WRITE(MX,4051)	JUN20	55
		WRITE(MX,4052)	JUN20	56
		WRITE(MX,4053)	JUN20	57
		WRITE(MX,4054)	JUN20	58
		WRITE(MX,4055)	JUN20	59
		WRITE(MX,4056)	JUN20	60
		WRITE(MX,4057)	JUN20	61
		WRITE(MX,4058)	JUN20	62
		WRITE(MX,4059)	JUN20	63
		WRITE(MX,4060)	JUN20	64
		WRITE(MX,4061)	JUN20	65
		WRITE(MX,4062)	JUN20	66
		WRITE(MX,4063)	JUN20	67
		WRITE(MX,4064)	JUN20	68
		WRITE(MX,4065)	JUN20	69
		WRITE(MX,4066)	JUN20	70
		WRITE(MX,4067)	JUN20	71
		WRITE(MX,4068)	JUN20	72
		WRITE(MX,4069)	JUN20	73
		WRITE(MX,4070)	JUN20	74
		WRITE(MX,4071)	JUN20	75
		WRITE(MX,4072)	JUN20	76
		WRITE(MX,4073)	JUN20	77
		WRITE(MX,4074)	JUN20	78
		WRITE(MX,4075)	JUN20	79
		WRITE(MX,4076)	JUN20	80
		WRITE(MX,4077)	JUN20	81
		WRITE(MX,4078)	JUN20	82
		WRITE(MX,4079)	JUN20	83
		WRITE(MX,4080)	JUN20	84
		WRITE(MX,4081)	JUN20	85
		WRITE(MX,4082)	JUN20	86
		WRITE(MX,4083)	JUN20	87
		WRITE(MX,4084)	JUN20	88
		WRITE(MX,4085)	JUN20	89
		WRITE(MX,4086)	JUN20	90
		WRITE(MX,4087)	JUN20	91
		WRITE(MX,4088)	JUN20	92
		WRITE(MX,4089)	JUN20	93
		WRITE(MX,4090)	JUN20	94
		WRITE(MX,4091)	JUN20	95
		WRITE(MX,4092)	JUN20	96
		WRITE(MX,4093)	JUN20	97
		WRITE(MX,4094)	JUN20	98
		WRITE(MX,4095)	JUN20	99
		WRITE(MX,4096)	JUN20	100
		WRITE(MX,4097)	JUN20	101
		WRITE(MX,4098)	JUN20	102
		WRITE(MX,4099)	JUN20	103
		WRITE(MX,4100)	JUN20	104
		WRITE(MX,4101)	JUN20	105
		WRITE(MX,4102)	JUN20	106
		WRITE(MX,4103)	JUN20	107
		WRITE(MX,4104)	JUN20	108
		WRITE(MX,4105)	JUN20	109
		WRITE(MX,4106)	JUN20	110
		WRITE(MX,4107)	JUN20	111
		WRITE(MX,4108)	JUN20	112
		WRITE(MX,4109)	JUN20	113
		WRITE(MX,4110)	JUN20	114
		WRITE(MX,4111)	JUN20	115
		WRITE(MX,4112)	JUN20	116
		WRITE(MX,4113)	JUN20	117
		WRITE(MX,4114)	JUN20	118
		WRITE(MX,4115)	JUN20	119
		WRITE(MX,4116)	JUN20	120
		WRITE(MX,4117)	JUN20	121
		WRITE(MX,4118)	JUN20	122
		WRITE(MX,4119)	JUN20	123
		WRITE(MX,4120)	JUN20	124
		WRITE(MX,4121)	JUN20	125
		WRITE(MX,4122)	JUN20	126
		WRITE(MX,4123)	JUN20	127
		WRITE(MX,4124)	JUN20	128
		WRITE(MX,4125)	JUN20	129
		WRITE(MX,4126)	JUN20	130
		WRITE(MX,4127)	JUN20	131
		WRITE(MX,4128)	JUN20	132
		WRITE(MX,4129)	JUN20	133
		WRITE(MX,4130)	JUN20	134
		WRITE(MX,4131)	JUN20	135
		WRITE(MX,4132)	JUN20	136
		WRITE(MX,4133)	JUN20	137
		WRITE(MX,4134)	JUN20	138
		WRITE(MX,4135)	JUN20	139
		WRITE(MX,4136)	JUN20	140
		WRITE(MX,4137)	JUN20	141

175	41	PXIEP*(M)	RECAST	142
		TOTPAY=PAY1+PAY2+PZ1+PI	RECAST	143
		PAY1=100.	RECAST	144
		IF(LP033 .GT. 0.) RATIO=100.*TOTPAY/GROSS	RECAST	145
		IF (LON .LT. 30.) GO TO 50	FEN19	6
		IF (LON .GE. 44) GO TO 50	RECAST	147
		MM=MM+1	RECAST	148
180	50	NOTE THAT MON LOAN TERM IS INCREMENTED BY ONE MONTH AT A TIME	RECAST	149
		GO TO 43	RECAST	150
		50 CALL ANCH(IPIF, 3N, MM, PAY2, L2, F2, O2, P2, .00375, 2)	RECAST	151
		PRINTING'S PAY=(ORN * SERVICE FEE SCHEDULE ON HUD LOAN	RECAST	152
		F02=F2*(MM)*F2*(MM)	RECAST	153
		IF (F02 .LE. P1Y2) GO TO 54	RECAST	154
185		PAY2=PAY2+.01	RECAST	155
		GO TO 41	RECAST	156
		54 THIS COVERS R/R, EXCEPTIONAL CASE, WHERE DUE TO ROUNDING OF	RECAST	157
		INTERMEDIATE INTEREST CALCULATIONS, FINAL PAYMENT IS STILL GREATER	RECAST	158
		THAN REGULAR PAYMENTS.	RECAST	159
190	54	KSTAPY=IVAL(26)	RECAST	160
		TYPE=IVAL(26)	RECAST	161
		TYPE=0.	RECAST	162
		TYPE=0.	RECAST	163
		TYPE=.	RECAST	164
195		L=1	FEN19	7
		DO 50 L=1, MM	RECAST	165
		MONTH=KSTART+L-1	RECAST	166
		MONTH=MONTH+1*(MONTH=1712)	RECAST	167
		CALL=LMONTH(MONTH)	RECAST	168
200		IF (MONTH .EQ. 1 .AND. I .NE. 1) IVR=IVR+1	RECAST	169
		IVR=IVR	RECAST	170
		INDEX=INDEX+1	RECAST	171
		P(I)=P(I)*X	RECAST	172
		TYPE=TYPE+P(I)	RECAST	173
205		TYPE=TYPE+P(I)	RECAST	174
		TYPE .GT. MM GO TO 50	RECAST	175
		TYPE=TYPE+P(I)	RECAST	176
		P(I)=P(I)*X	RECAST	177
		P(I)=P(I)*X	RECAST	178
210		MM(I)=MM(I)+P(I)	RECAST	179
		MM(I)=MM(I)+P(I)+P(I)	RECAST	180
		GO TO 55	FEN19	8
		50 P(I)=P(I)	RECAST	182
		P(I)=P(I)	RECAST	183
215		P(I)=P(I)	RECAST	184
		P(I)=0.	FEN22	1
		P(I)=0.	FEN22	2
		MM(I)=0.	FEN22	3
220		MM(I)=0.	RECAST	185
		MM(I)=0.	RECAST	186
		MM(I)=P(I)+P(I)	FEN19	9
		P(I)=P(I)+P(I)	FEN19	10
		P(I)=P(I)+P(I)	FEN19	11
		P(I)=P(I)+P(I)	FEN19	12
225		P(I)=P(I)+P(I)	FEN19	13
		P(I)=P(I)+P(I)+P(I)	FEN19	14
		P(I)=P(I)+P(I)	FEN19	15
		IF (MM(I) .EQ. 12 .OK. I .EQ. MM GO TO 56	FEN19	16

230	56	GO TO 6)	FE019	17
		RY(L)=1(I)	FE019	18
		RZ(L)=8Z(I)	FE019	19
		RY(L)=1(I)	FE019	20
		PY(L)=RY(L)+RZ(L)	FE019	21
		FY(L)=FY(L)+RZ(L)	FE019	22
		RY(L)=1(I)	FE019	23
		IF(I .NE. M) L=L+1	FE019	24
	63	CONTINUE	FE019	25
		LYPS=L	FE019	26
240	C		RECAST	188
	C		RECAST	189
	C	THIS COMPLETES ALL COMPUTATIONS. PRINT TABLES.	RECAST	190
	C		RECAST	191
	C		RECAST	192
	C		RECAST	193
	C		RECAST	194
245	62	FALL PAYMENT	FE019	3
		IF(KOPY .EQ. 2) GO TO 82	FE019	3
		CALL HEAD1	FE019	3
		LINES=J	FE019	3
		NO BC=1,MM	FE019	3
250		WRITE(CHK,2000) I,IA(I),IB(I),RE(I),F1(I),P(I),B1(I),R2(I),F2(I),	RECAST	195
		I2(I),P3(I),F3(I),P4(I),B4(I)	RECAST	196
		2000 FORMAT(14,2X,F3.4H I, 16,F9.2,F9.2,F7.2,F10.2,F10.2,F9.2,F9.2,	RECAST	197
		I2.2,F3.2,F7.2,F10.2)	RECAST	198
		IF(I .EQ. MM) GO TO 81	RECAST	199
		LINES=LINES+1	RECAST	200
255		IF(I2(I) .NE. IMONTH(I2)) GO TO 80	RECAST	201
		IF(LINES .EQ. 16) GO TO 78	RECAST	202
		LINES=0	RECAST	203
		WRITE(CHK,1039)	RECAST	204
260	1099	FORMAT(14, 3I(1H-))	RECAST	205
		CALL HEAD1	RECAST	206
		GO TO 81	RECAST	207
	70	WRITE(CHK,1100)	RECAST	208
	1100	FORMAT(14H)	RECAST	209
		RY CONTINUE	RECAST	210
265	01	WRITE(CHK,1099)	RECAST	211
		CALL HEAD3	RECAST	212
		NO 20) L=1,LYFS	RECAST	213
		WRITE(CHK,2519) L,IOE(CHK),RY(L),R1V(L),F1V(L),PY(L),B1V(L),R2V(L),	FE019	20
		I2V(L),P3V(L),F3V(L),R3V(L),F3V(L),P4V(L),B4V(L)	FE019	21
270	2999	FORMAT(14,2X,F3.4H I, 16,F9.2,F9.2,F7.2,F10.2,F10.2,F9.2,F9.2,	FE019	30
		I2.2,F3.2,F7.2,F10.2)	FE019	31
	200	CONTINUE	FE019	32
		WRITE(CHK,1919)	FE019	33
		KOPY=2	FE019	3
275		GO TO 7	FE019	4
	82	FALL HEAD2	FE019	4
		LINES=0	FE019	4
		NO 09) L=1,MM	FE019	4
280		WRITE(CHK,2210) I,IA(I),IB(I),CA(I),F1(I),P1(I),O1(I),R2(I),F2(I),	RECAST	216
		I2(I),P3(I),F3(I),P4(I),B4(I),R5(I),R6(I),P2(I)	RECAST	217
		2210 FORMAT(14,2X,F3.4H I, 16,F9.2,F9.2,F7.2,F10.2,F10.2,F9.2,F9.2,	RECAST	218
		I2.2,F3.2,F7.2,F10.2,F10.2,F9.2,F9.2)	RECAST	219
		IF(I .EQ. MM) GO TO 96	RECAST	220
		LINES=LINES+1	RECAST	221
285			RECAST	222
			RECAST	223

290	707A(1) *NEG MONTH(12) GO TO 95 IF(LINES .LE. 36) GO TO 90 CJRC=0 WRITE(MX,10*0) FORMAT(1H,13(1H-)) CALL HEAD2 GO TO 93 90 WRITE(MX,1100) 95 CONTINUE 96 WRITE(MX,10*0) CALL HEAD3 DO 211 L=1,LVKS WRITE(MX,36) L,LOECER,IOVIC,PIVIC,FIV(L),FIV(L),PIV(L),R2V(L), F2V(L),B3V(L),B3V(L),F3V(L),F3V(L),B3V(L),H3V(L),H3V(L), 3001 FORMAT(11,2X,3,5H 31, 14,58,2,F9.2,F7.2,F10.2,F10.2,F9.2,F9.2, F10.2,F10.2,F7.2,F7.2) 211 CONTINUE WRITE(MX,10*0) WRITE(MX,10*0) 1097 FORMAT(1H, *ADDITIONAL COPIES CAN BE OBTAINED FROM--*) 176, *DENTIS FISH AND ASSOCIATES* 311, *1612 AUBURN AVENUE* 317, *ROCKVILLE, MARYLAND 20850* 411, *TEL. (301) 762-1441* 310 RECOVER COPY IF (NCOPY .LT. KOPIES) GO TO 7 GO TO 1 END	RECAST 229 RECAST 229 RECAST 226 RECAST 227 RECAST 228 RECAST 229 RECAST 230 RECAST 231 RECAST 232 RECAST 233 FE19 35 FE19 36 FE21 6 FE19 30 FE19 39 FE19 40 FE21 41 FE21 7 RECAST 234 RECAST 235 RECAST 236 RECAST 237 RECAST 238 RECAST 239 RECAST 240 JUN21 22 FE21 4 RECAST 243
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SYMBOLIC REFERENCE MAP (7=1)

ENTRY POINTS	411 RECAST	SN	TYPE	RELLOCATION	3	4HT1	REAL	PAY12
6164	AMT	REAL					REAL	PAY12
6170	TOTAL	REAL			1370	BZ	REAL	TRIN
4230	H1	REAL	ARRAY	MAIN	322	DIV	REAL	ANNUAL
6321	U2	REAL	ARRAY	MAIN	360	DIV	REAL	ANNUAL
13250	H3	REAL	ARRAY	MAIN	416	DIV	REAL	ANNUAL
0	COU1V	REAL	ARRAY	ANNUAL	6172	FTRP	REAL	ANNUAL
6171	FINT	REAL			2	FPA	REAL	TRIN
3	FP2	REAL			623	FZ	REAL	TRIN
3660	F1	REAL	ARRAY	MAIN	74	F1V	REAL	ANNUAL
7070	F2	REAL	ARRAY	MAIN	170	F2V	REAL	ANNUAL
12500	F3	REAL	ARRAY	MAIN	264	F3V	REAL	ANNUAL
6235	GROSS	REAL			6207	H	REAL	ANNUAL
14973	H00	REAL	ARRAY	MAIN	454	H00V	REAL	ANNUAL
6161	I	INTEGER			10410	IA	INTEGER	TRIN
11163	I9	INTEGER	ARRAY	MAIN	550	I1V	INTEGER	ANNUAL
6160	LOECER	INTEGER			6224	IMONTH	INTEGER	ANNUAL
6221	INDEX	INTEGER			0	IVAL	INTEGER	ANNUAL
6216	LYR	INTEGER			1	KO	INTEGER	ANNUAL

VARIABLES	SN	TYPE	RELOCATION	0	KH	KOPIES	NDATE
3 KEY		INTEGER	NDATE				
8163	KEY	INTEGER		8162			
6210	KOPY	INTEGER		6215	KSTART		
2 KY		INTEGER	NDATE	6217	L		
6223	LINES	INTEGER		6222	LYKS		
8166	M	INTEGER		J	M		PAY12
7 MN		INTEGER	PAY12	6220	MONTH		
0 MX		INTEGER	MK	6206	KCOPY		
6157	MX	INTEGER		6211	M		
6212	M2	INTEGER		6213	M3		
6214	M4	INTEGER		6173	OTHER		
14025	P	REAL	ARRAY	2	PAY1		PAY12
13	PAY2	REAL	PAY12	6167	P1		REAL
6	PIP	REAL	PAY12	0	P2		REAL
2140	P2	REAL	ARRAY	4	P21		REAL
5006	P1	REAL	ARRAY	7640	P2		REAL
512	P2Y	REAL	ARRAY	6165	R		REAL
1	RATE	REAL	PAY12	6176	RATEL		REAL
11	RATIO	REAL	PAY12	6177	RL		REAL
10	RN	REAL	PAY12	50	RZ		REAL
2710	R1	REAL	ARRAY	36	R1Y		REAL
5550	R2	REAL	ARRAY	132	R2Y		REAL
11730	R3	REAL	ARRAY	226	R3Y		REAL
6175	SUH	REAL		5	T1		REAL
6	TINT1	REAL	TINT	1	TINT2		REAL
4	TIMP	REAL	TINT	6174	TOTAL		REAL
12	TOTPAY	REAL	PAY12	6201	T1		REAL
6202	T2	REAL		6203	T3		REAL
6204	T4	REAL		6205	T5		REAL

FILE NAMES HOOF 2041 OUTPUT 0 TAPES 2041 TAPE6

EXTERNALS	TYPE	ARGS	AHORY	EOF	REAL
ADJORY	1				10
DATE	1				0
HEAD1	1		HEAD2		0
HEAD3	0		PAYINT		0
LIMP	4		YDATE		4
UNPACK	1				4

INLINE FUNCTIONS TYPE AFCS I INTRIF

STATEMENT LABELS	4116	2	4126	2	4150	3
4154	4	0	0	6	6232	7
4267	12	4417	20		4422	30
4333	34	4522	41		4544	41
4463	50	4474	54		4556	55
4577	56	4547	58		4613	60
4620	62	4667	70		4671	90
4674	91	4733	82		5012	90
5004	95	5007	96		5224	99
5201	100	5213	101	FHY	5231	102
5244	103	5311	104	FMT	5317	105
5334	106	5351	107	FHT	5367	108

STATEMENT LABELS

5437	109	FMT	5423	110	FMT	5432	111	FMT
5451	112	FMT	5472	113	FMT	5524	114	FMT
5540	115	FMT	5660	120	FMT	0	121	
5676	122	FMT	0	200		0	210	
0	997		0	996	INACTIVE	4124	999	
5263	1031	FMT	6115	1097	FMT	6041	1093	FMT
5731	1099	FMT	5737	1130	FMT	5567	1131	FMT
5715	2103	FMT	6024	2200	FMT	5765	2939	FMT
5443	3079	FMT	6075	3061	FMT	5554	4090	FMT
5574	4001	FMT	5606	4002	FMT	5621	4003	FMT
5634	4104	FMT	5647	4005	FMT	5564	4006	FMT

LOOPS LABEL INDEX FFOR=TO LENGTH PROPERTIES

4127	937	I	23	24	20	INSTACK
4322	121	I	110	111	59	EXT REFS
4511	60	I	136	237	1048	OPT
4626	80	I	749	265	469	EXT REFS EXITS
4766	200	L	268	273	308	EXT REFS
4736	95	I	279	234	518	EXT REFS EXITS
5013	213	L	297	302	330	EXT REFS

COMMON BLOCKS LENGTH

PK	1
PAY12	12
TIME	5
MAIN	6300
ANNUAL	330
HODATE	4

STATISTICS

PROGRAM LENGTH	21358	1117
BUFFER LENGTH	41078	2115
CH-LABELLED COMMON LENGTH	161740	7292

```

1 SUBROUTINE LAMP(P,R,M,PI)
  COMMON/XX/MX
  C M IS TERM IN MONTHS
  C P IS ANNUAL INTEREST RATE (EXPRESSED AS A FRACTION)
  C PI WILL BE MONTHLY DEBT SERVICE REQUIRED
  P=2/12.0
  M=1.-(1.-PI)**(-M)
  IF(M .LE. 0.1 CALL ABORT(7))
  PI=P**M/M
  YPI=PI*100.11.0
  PI=PI/133.
  C PI IS ROUNDED UP TO NEXT HIGHEST CENT SO THAT FINAL MONTHLY
  C PAYMENT WILL NOT BE GREATER THAN ANY PREVIOUS PAYMENT
  RETURN
  END
  
```

SYMBOLIC REFERENCE MAP (R=1)

ENTRY POINTS
3 LAMP

VARIABLES	SH	TYPE	RELLOCATION
36 A		REAL	40 YPI
0 M		INTEGER	0 MX
0 P		REAL	0 PI
37 0		REAL	0 R

EXTERNALS TYPE AFGS
ABORT 1

COMMON BLOCKS LENGTH
MX 1

STATISTICS
PROGRAM LENGTH 418 J3
CM LABELED COMMON LENGTH 18 1

1	SUBROUTINE AMORT (P, R, H, PI, PRIH, FINI, DAL, FHIP, PREH, KODE)	AMORT	2
	COMMON/14/MK	AMORT	3
	FORMON /NDATE/K4, K0, K1, KEY	UC122	13
5	DIMENSION PRI (360), FINI (360), DAL (360), FHIP (360)	AMORT	4
	A=PI/12.0	AMORT	5
	P2=PEEM/12.0	AMORT	6
	NO 50 I=1, H	AMORT	7
	DEP	AMORT	8
10	IF (I .GT. 1) GO TO 11	AMORT	9
	FI=4.0	AMORT	10
	IF (FI .GT. 4.5)	AMORT	11
	FINI (I) = FI / 100.	AMORT	12
0	TO NEAREST ONE IS ROUNDED TO NEAREST CENT	AMORT	13
	IF (KODE .EQ. 0) GO TO 40	AMORT	14
15	PI=PI*PI	AMORT	15
	FM=FM*10.4.5	AMORT	16
	FHIP(I)=IFHIP(I)	AMORT	17
0	IF 07 FEE IS ROUNDED TO NEAREST CENT	AMORT	18
40	IF (I .EQ. H) GO TO 51	AMORT	19
	PI=PI*(1+PI-FINI(I))	AMORT	20
	DAL(I)=PI-PRINT(I)	AMORT	21
50	CONTINUE	AMORT	22
51	PRINT(4)=DAL(I)	AMORT	23
	DAL(H)=3.	AMORT	24
25	IF (PRINT(4) .GT. 0.) GO TO 52	AMORT	25
	PRINT(4)=3.	AMORT	26
	DAL(H)=3.	AMORT	27
	PRINT(4)=1.	AMORT	28
52	IF (KODE .EQ. 1) RETURN	AMORT	29
30	IF (H .NE. 12) CALL AMORT(0)	AMORT	30
	J1=1	AMORT	31
55	J2=J1+11	AMORT	32
	SJ=0.	AMORT	33
60	60 J=J1, J2	AMORT	34
63	SUM=SUM+FHIP(J)	AMORT	35
	SUM=SUM/12.	AMORT	36
	FINI=SUM/100.4.5	AMORT	37
	SUM=ISUM/100.	AMORT	38
0	PI=PI*PI*PI TO NEAREST CENT	AMORT	39
70	PI=PI*PI*PI	AMORT	40
	IF (K1 .EQ. 1 .OR. J2 .LT. H) GO TO 60	AMORT	41
	PRINT(4)	AMORT	42
80	J1=J2+1	AMORT	43
60	GO TO 35	AMORT	44
	END	AMORT	45
		AMORT	46

SYMBOLIC REFERENCE MAP (R=0)

ENTRY POINTS
3 AMORT

VARIABLES	SH	TYPE	DECLARATION
143 A		REAL	
147 FI		REAL	
151 F4I		REAL	
145 I		INTEGER	
152 IFH		INTEGER	
156 J		INTEGER	
154 J2		INTEGER	
3 KEY		INTEGER	
6 KODE		INTEGER	
0 H		INTEGER	
0 P		REAL	
144 PR		REAL	
0 PRIN		REAL	
0 R		REAL	

EXTERNALS	TYPE	ARGS
AMORT		1

STATEMENT LABELS	50	51
43	0	50
62	73	55
0	127	60

LCOPS LABEL	INDEX	FROM-TO	LENGTH	PROPERTIES	EXIT
22	50	7	22	309	OPT
191	67	34	35	30	INSTACK
117	70	40	41	28	INSTACK

CORRON BLOCKS	LENGTH
HX	1
NDATE	4

STATISTICS	PROGRAM LENGTH	2068	134
CH LABELED	CORRON LENGTH	5H	5

```

1      SUBROUTINE YRDATE(MON, IDAY, IYR, IYHE)
      COMMON /X/MX
      IF(IYR .LE. 47 .OR. IYR .GT. 70) CALL ABORT(9)
      IF(IDAY .LE. 1 .OR. IDAY .GT. 31) CALL ABORT(10)
5     IF(IYR .LE. 1 .OR. IYR .GT. 12) CALL ABORT(11)
      TIME=IYR*(MON-1)/12.0+(IDAY-1)/360.
      YR=IYR-1970
      CETUP4
      END
      DATE
      DATE
      DATE
      DATE
      DATE
      DATE
      DATE
      DATE
      DATE
      DATE
  
```

SYMBOLIC REFERENCE MAP (R=1)

ENTRY POINTS
3 YRDATE

VARIABLES	SH	TYPE	RELOCATION	F.P.	INTEGER	F.P.	INTEGER	MX
0	IDAY	INTEGER			0	IRON		
1	IYR	INTEGER			0	MX		
6	TIME	REAL						

EXTERNALS TYPE ARGS
ABORT 1

COMMON BLOCKS	LENGTH
MX	1

STATISTICS

PROGRAM LENGTH	528	42
CH LABELED COMMON LENGTH	18	1

1	SUBROUTINE PAYMNT	PAYMNT	2
	COMMON/IX/MK	PAYMNT	3
	COMMON/II/III/IIII, I, IIN12, FPI, FP2, THIP	PAYMNT	4
5	COMMON/PAY12/PM, RATE, PAY1, AM11, PZ1, I1, PIP, MM, RN, RATIO, TOTPAY, PAY2	PAYMNT	5
	WRITE (MK, 102)	PAYMNT	6
102	FORCH(I1H174), *PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PMOGR	PAYMNT	7
	(M)	PAYMNT	8
	WRITE (MK, 103)	PAYMNT	9
103	FORMAT(I51, *-MORTGAGE MODIFICATION--*)	PAYMNT	10
	WRITE (MK, 104)	PAYMNT	11
104	FORHE(I54, *INITIAL MONTHLY PAYMENT*)	PAYMNT	12
	WRITE (MK, 105)	PAYMNT	13
105	FORHAI(110, *MODIFIED FIRST MORTGAGE--*)	PAYMNT	14
106	FORHAI(106, *AMT1	PAYMNT	15
	WRITE (MK, 107) MH	PAYMNT	16
107	FORHAI(105, *NUMBER OF PAYMENTS*, I4)	PAYMNT	17
	WRITE (MK, 108) RATE	PAYMNT	18
108	FORHAI(109, *ANNUAL INTEREST RATE*, F6.3, * PER CENT*)	PAYMNT	19
	WRITE (MK, 109) PAY1, FPI	PAYMNT	20
109	FORHAI(110, *PRINCIPAL AND INTEREST PER MONTH*, I53, IHS, F6.2, I65,	PAYMNT	21
	*INITIAL PAYMENT IS * IHS, F6.2, IHS)	PAYMNT	22
	WRITE (MK, 110) PZ1	PAYMNT	23
110	FORHAI(119, *INITIAL MORTGAGE INSURANCE PREMIUM*, I50, F10.42)	PAYMNT	24
	WRITE (MK, 111) II	PAYMNT	25
111	FORHAI(113, *INITIAL ESCROW FOR TAXES AND INSURANCE*, I50, F10.2)	PAYMNT	26
	WRITE (MK, 112) *****	PAYMNT	27
112	FORHAI(150, *****)	PAYMNT	28
	WRITE (MK, 113) 0	PAYMNT	29
113	FORHAI(120, *ACTUAL FIRST MORTGAGE PAYMENT*, I33, IHS, F6.2)	PAYMNT	30
	WRITE (MK, 114)	PAYMNT	31
114	FORHAI(110, *SECOND MORTGAGE--*)	PAYMNT	32
	WRITE (MK, 115) PIP	PAYMNT	33
115	FORHAI(115, *STARTING BALANCE*, I24, F6.2)	PAYMNT	34
	WRITE (MK, 107) MH	PAYMNT	35
	WRITE (MK, 108)	PAYMNT	36
	WRITE (MK, 109) RATE	PAYMNT	37
	WRITE (MK, 109) PAY1	PAYMNT	38
	WRITE (MK, 101) PAY2, FP2	PAYMNT	39
	WRITE (MK, 112)	PAYMNT	40
40	FORHAI(116, *TOTPAY	PAYMNT	41
	WRITE (MK, 117)	PAYMNT	42
116	FORHAI(123, *ACTUAL INITIAL MORTGAGE PAYMENT*, I53, IHS, F6.2)	PAYMNT	43
	WRITE (MK, 118)	PAYMNT	44
119	FORHAI(117)	PAYMNT	45
	WRITE (MK, 120) RATIO	PAYMNT	46
120	FORHAI(110, *RATIO OF TOTAL INITIAL MORTGAGE PAYMENT TO GROSS IN	PAYMNT	47
	FORMS I5, F6.1, * PER CENT*)	PAYMNT	48
	WRITE (MK, 119)	PAYMNT	49
	WRITE (MK, 120)	PAYMNT	50
50	FORHAI(117, *INITIAL MORTGAGE PAYMENT TO GROSS IN	PAYMNT	51
	FORMS I5, F6.1, * PER CENT*)	PAYMNT	52
	WRITE (MK, 119)	PAYMNT	53
	WRITE (MK, 121)	PAYMNT	54
121	FORHAI(152, *--TOTAL MONTHLY PAYMENTS--*)	PAYMNT	55
	WRITE (MK, 122) AMT1	PAYMNT	56
122	FORHAI(115, *TOTAL PRINCIPAL*, I51, IHS, F6.2)	PAYMNT	57
	WRITE (MK, 123)	PAYMNT	58

60	WRITE(MX,123) YINT1	PAYMNT	59
	123 FOPMNT(15)*TOTAL INTEREST*,150,F10.2)	PAYMNT	60
	WRITE(MX,112)	PAYMNT	61
	WRITE(MX,124) TPI1	PAYMNT	62
	124 FOPMNT(13)*TOTAL PRINCIPAL AND INTEREST*,150,F10.2)	PAYMNT	63
	WRITE(MX,125) T4IP	PAYMNT	64
65	125 COSMNT(10)*TOTAL MORTGAGE INSURANCE PREMIUM*,150,F10.2)	PAYMNT	65
	WRITE(MX,112)	PAYMNT	66
	WRITE(MX,126) TPI1	PAYMNT	67
	126 FOPMNT(15)*TOTAL PRINCIPAL+INTEREST*H.I.P.*,150,1+3,F9.12)	PAYMNT	68
	WRITE(MX,114)	PAYMNT	69
	WRITE(MX,123) PIP	PAYMNT	70
70	WRITE(MX,123) YINT2	PAYMNT	71
	WRITE(MX,112)	PAYMNT	72
	WRITE(MX,127) TPI2	PAYMNT	73
	WRITE(MX,127)	PAYMNT	74
	127 FOPMNT(11)	PAYMNT	75
75	WRITE(MX,112)	PAYMNT	76
	WRITE(MX,120) TPIIMP	PAYMNT	77
	128 FOPMNT(120)*GFAND TOTAL -- ALL PAYMENTS*,150,1HS,F9.2)	PAYMNT	78
	STOP	PAYMNT	79
	END	PAYMNT	80

SYMBOLIC REFERENCE MAP (P=1)

ENTRY POINTS	VARIABLES	SN	TYPE	RELOCATION
1 PAYMNT	3 ANTI	REAL	PAY12	
	4 FP2	REAL	TINT1	
	7 MI	INTEGER	PAY12	
	2 PAY1	REAL	PAY12	
	6 PIP	REAL	PAY12	
	571 0	REAL	1 RATE	
	572 FATEN	REAL	11 RATIO	
	10 F4	REAL	5 T1	
	0 TINT1	REAL	1 TINT2	
	4 TPI	REAL	TINT1	
	575 TPI1	REAL	12 TOTPAY	
	573 TPI1	REAL	576 TPIIMP	
		REAL	574 TPI2	

STATEMENT LABELS	137 102	172 175	224 108	271 111	323 114	376 113	449 122	577 125	562 124
	FMT	FMT	FMT	FMT	FMT	FMT	FMT	FMT	FMT
	152 103	203 106	237 109	303 112	333 115	404 121	451 123	515 126	
	FMT	FMT	FMT	FMT	FMT	FMT	FMT	FMT	
	162 104	214 107	256 110	312 113	364 116	424 121	465 124	551 127	
	FMT	FMT	FMT	FMT	FMT	FMT	FMT	FMT	

COMMON BLOCKS LENGTH
HX 1
TIME 5
PAY12 12

STATISTICS
PROGRAM LENGTH 5778 383
CM LABELED COMMON LENGTH 228 16


```

1 SUPPLYING HEAD1 HEAD1 2
COMMON/PR/MX HEAD1 3
WRITE(MX,102) HEAD1 4
102 FORMAT(1H1/740,*,PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRA HEAD1 5
*) HEAD1 6
5 WRITE(MX,103) HEAD1 7
103 FORMAT(15,*,--MORTGAGE MODIFICATION--*) HEAD1 8
WRITE(MX,104) HEAD1 9
104 FORMAT(15,*,APPORTIZATION SCHEDULE*) HEAD1 10
10 WRITE(MX,105) HEAD1 11
105 FORMAT(15,*,*(RIGOR COPY*)) HEAD1 12
11 WRITE(MX,110) HEAD1 13
110 FORMAT(110,*,FIRST MORTGAGE*,157,*,SECOND MORTGAGE*,109,*,TOTAL M HEAD1 14
ORTGAGES*) HEAD1 15
15 WRITE(MX,115) HEAD1 16
115 FORMAT(117,*,14(1H-),157,15(1H-),109,15(1H-)) HEAD1 17
WRITE(MX,111) HEAD1 18
111 FORMAT(112,*,40,*,18,*,DUE DATE*,117,*,PRINCIPAL*,127,*,INTEREST*,137,*, HEAD1 19
P.I.P.,*,145,*,BALANCE*,153,*,PRINCIPAL*,163,*,INTEREST*,173,*,BALANCE*, HEAD1 20
P.I.P.,*,PRINCIPAL*,191,*,INTEREST*,1101,*,M.I.P.,*,1108,*,BALANCE*) HEAD1 21
20 WRITE(MX,112) HEAD1 22
112 FORMAT(11H,*,11C(1H-)) HEAD1 23
RETURN HEAD1 24
END HEAD1 25

```

SYMBOLIC REFERENCE MAP (9=1)

```

ENTRY POINTS
1 HEAD1
VARIABLES SM TYPE RELOCATION
0 MX INTEGER MX
STATEMENT LABELS
26 102 FMT 41 103 FMT 51 104 FMT
61 105 FMT 70 110 FMT 114 111 FMT
145 112 FMT 104 115 FMT
COMMON BLOCKS LENGTH
MX 1
STATISTICS
PROGRAM LENGTH 157H 164
CM LABELED COMMON LENGTH 10 1

```

LINE	CODE	TEXT	HEADING
1		SUBROUTINE HEAD2	HEAD2 2
		COMMON/4X/4X	HEAD2 3
		WRITE (4X,102)	HEAD2 4
5	102	FORMAT(1H1/14C,*,PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRA	HEAD2 5
		14*)	HEAD2 6
		WRITE (4X,103)	HEAD2 7
		103 FORMAT(5I,*,*MORTGAGE MODIFICATION=*)	HEAD2 8
		WRITE (4X,104)	HEAD2 9
10	104	FORMAT(5I,*,*MORTGAGE MODIFICATION SCHEDULE*)	HEAD2 10
		WRITE (4X,105)	HEAD2 11
		105 FORMAT(5I,*,*MORTGAGE COPY*)	HEAD2 12
		WRITE (4X,110)	HEAD2 13
15	110	FORMAT(1H3,126,*,*FIRST MORTGAGE*,157,*,*SECOND MORTGAGE*,189,*,*TOTAL H	HEAD2 14
		ORTGAGES*,111P,*,*2ND HIG PAYOUT*)	HEAD2 15
		WRITE (4X,115)	HEAD2 16
		115 FORMAT(12I,14(1H-),157,15(1H-),189,15(1H-),1110,14(1H-))	HEAD2 17
		WRITE (4X,111)	HEAD2 18
		111 FORMAT(12I,*,*NO.**,18,*,*DUE DATE**,117,*,*PRINCIPAL**,127,*,*INTEREST**,137,*,	HEAD2 19
20		14,*,*I. P.**,145,*,*BALANCE**,153,*,*PRINCIPAL**,163,*,*INTEREST**,173,*,*BALANCE**,	HEAD2 20
		2,121,*,*PRINCIPAL**,191,*,*INTEREST**,11J1,*,*I. P.**,11J8,*,*BALANCE**,1119, HEAD2	HEAD2 21
		3,*,*NO HUD**,1124,*,*FEES*)	HEAD2 22
		WRITE (4X,112)	HEAD2 23
25	112	FORMAT(1H,131(1H-))	HEAD2 24
		RETURN	HEAD2 25
		END	HEAD2 26

SYMBOLIC REFERENCE MAP (REI)

ENTRY POINTS	SYMBOLIC REFERENCE MAP (REI)	
1 HEAD2		
VARIABLES	SN TYPE RELOCATION	
4X	4X	
INTEG	INTEG	
STATEMENT LABELS	SN TYPE RELOCATION	
26 102	FMT 41 103	FMT 51 104
61 105	FMT 70 110	FMT 117 111
152 112	FMT 166 115	FMT
COMMON BLOCKS	LENGTH	
4X	1	
STATISTICS	PROGRAM LENGTH	
CH LABELED COMMON LENGTH	1559 109	
	1	

```

1 SUBROUTINE APOST(IX)
  COMMON/IX/MX
  WRITE(IX,100) IX
  100 FORMAT(1H)*PROGRAM APOST AT LOCATION*,I3)
  STOP
  RETURN
END
      APOST      2
      APOST      3
      APOST      4
      APOST      5
      APOST      6
      APOST      7
      APOST      8
  
```

CARD NR. SEVERITY DETAILS DIAGNOSIS OF PROBLEM

6 I THERE IS NO PATH TO THIS STATEMENT.

SYMBOLIC REFERENCE MAP (R=1)

ENTRY POINTS
3 APOST

VARIABLES	SM TYPE	RELOCATION	F.P.	0 MX	INTEGER	MX
0 IX	INTEGER			0	INTEGER	MX

STATEMENT LABELS
15 100 FRY

CORRUM BLOCKS LENGTH
1 IX 1

STATISTICS
PROGRAM LENGTH 239 19
CH LABELED COMMON LENGTH 1A 1

```

1  SUBROUTINE HEAD1
   COMMON/14/HP
   WRITE(4,102)
102 FORMAT(1H1/14,*,PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRA
103)
   WRITE(4,103)
103 FORMAT(1F5,*,--MORTGAGE MODIFICATION--*)
   WRITE(4,104)
104 FORMAT(1F5,*,YEAR-END ANNUAL SUMMARIES*)
   WRITE(4,105)
105 FORMAT(1F5,*,MORTGAGOR COPY*)
   WRITE(4,106)
106 FORMAT(1H1,1?,*,FIRST MORTGAGE*,157,*,SECOND MORTGAGE*,159,*,TOTAL M
107)
   WRITE(4,107)
107 FORMAT(1F5,14(1H-),157,15(1H-),159,15(1H-))
   WRITE(4,108)
108 FORMAT(1H1,111)
109 FORMAT(1H1,12,*,NO. 1A,*,YEAR END*,117,*,PRINCIPAL*,127,*,INTEREST*,137,*,
110)
110 FORMAT(1H1,13,*,PRINCIPAL*,163,*,INTEREST*,173,*,BALANCE*,
111)
111 FORMAT(1H1,14,*,PRINCIPAL*,191,*,INTEREST*,1101,*,4.I.P.,*,1100,*,BALANCE*)
   WRITE(4,112)
112 FORMAT(1H1,111(1H-))
   RETURN
   END

```

SYMBOLIC REFERENCE MAP (R-1)

ENTRY POINTS
1 HEAD1

VARIABLES	SN	TYPE	RELLOCATION
0 HK	INTEG	SP	HK
STATEMENT LABELS			
26	102	FMT	41 103 FMT
61	105	FMT	70 110 FMT
145	112	FMT	104 115 FMT
COMMON BLOCKS LENGTH			
HK	1		

STATISTICS

PROGRAM LENGTH	1500	104
CH LABELED COMMON LENGTH	18	1
51	104	FMT
114	111	FMT

LINE	CODE	TEXT	HEADING
1		SUBROUTINE HEADS	HEAD4 2
		COMMON/4474	HEAD4 3
		WRITE(4,102)	HEAD4 4
5		102 FORMAT(1H1/14,*,PROTECTIVE INSURANCE PAYMENTS DEMONSTRATION PROGRA	HEAD4 5
		1)*)	HEAD4 6
		WRITE(4,103)	HEAD4 7
		103 FORMATT(5,*,*HOMIAGE MODIFICATION=*)	HEAD4 8
		WRITE(4,104)	HEAD4 9
10		104 FORMAT(15,*,*YEAR-END ANNUAL SUMMARIES*)	HEAD4 10
		WRITE(4,105)	HEAD4 11
		105 FORMAT(15,*,*MORTGAGE COPY*)	HEAD4 12
		WRITE(4,110)	HEAD4 13
		110 FORMATT(10,12,*,*FIRST MORTGAGE*,157,*,*SECOND MORTGAGE*,159,*,*TOTAL M	HEAD4 14
		ORTGAGES*,111,*,*2ND HTG PAYOUT*)	HEAD4 15
		WRITE(4,115)	HEAD4 16
		115 FORMATT(25,14(1H-),157,15(1H-),109,15(1H-),1110,14(1H-))	HEAD4 17
		WRITE(4,111)	HEAD4 18
		111 FORMATT(12,*,*10,*,*10,*,*YEAR END*,117,*,*PRINCIPAL*,127,*,*INTEREST*,137,*,	HEAD4 19
		137,*,*145,*,*BALANCE*,153,*,*PRINCIPAL*,163,*,*INTEREST*,173,*,*BALANCE*,	HEAD4 20
20		2,161,*,*PRINCIPAL*,191,*,*INTEREST*,1401,*,*I.P.*,1100,*,*BALANCE*,1119,	HEAD4 21
		*,*1000,*,1129,*,*FEES*)	HEAD4 22
		WRITE(4,112)	HEAD4 23
		112 FORMATT(11,13(1H-))	HEAD4 24
		RETURN	HEAD4 25
25		END	HEAD4 26

SYMBOLIC REFERENCE MAP (TEXT)

ENTRY POINTS
1 HEAD4

VARIABLES SP TYPE RELOCATION
V MX INTEGER MX

STATEMENT LABELS

LINE	CODE	TEXT	START	END	TYPE
26	132		41	103	FMT
51	105		70	110	FMT
152	112		106	115	FMT
51	104		51	104	FMT
117	111		117	111	FMT

COMMON BLOCKS LENGTH
MX 1

STATISTICS

PROGRAM LENGTH 1958 109
CH LABELED COMMON LENGTH 18 1

```

1 SUBROUTINE UNPACK(H)
  C CONVERTS HOLLERITH DATE FROM -MM/DD/YY- TO INTEGER
  COMMON /NDATE/KN,KO,KV,REV
  DIMENSION H(10)
  DECODE(H,1,H) (HJ(I),I=1,10)
  1 FORMAT(LOA)
  CALL PACK(H,2,KH)
  CALL PACK(HJ,2,KO)
  CALL PACK(HJ,2,KV)
  KY=KY+100
  ESTHPI
  FHO
  UNPACK 3
  UNPACK 4
  UNPACK 5
  UNPACK 6
  UNPACK 7
  UNPACK 8
  UNPACK 9
  UNPACK 10
  UNPACK 11
  UNPACK 12
  UNPACK 13
  
```

SYMBOLIC REFERENCE MAP (3=4)

ENTRY POINTS
 3 UNPACK

VARIABLES	SN	TYPE	RELOCATION	F.P.	47	HJ	REAL	ARRAY	NDATE	NDATE
0 H		REAL								
46 I		INTEGER			1	KO	INTEGER		NDATE	NDATE
3 KY		INTEGER			0	KH	INTEGER			
2 KY		INTEGER								

EXTERNALS TYPE ARPS
 PACK 3

STATEMENT LABELS
 40 1 FHT

COMMON BLOCKS LENGTH
 NDATE 4

STATISTICS
 PROGRAM LENGTH 619 49
 CH LABELED COMMON LENGTH 40 4

```

1 SUBROUTINE PACK(HJ,INDEX,KK)
  COMMON ZNDATE,KH,KD,KY,KEY
  DIMENSION H(10),HH(10)
  DATA HHH/100,101,102,103,104,105,106,107,108,109/
  DO I=1,10
  10 CONTINUE
  CALL ADDR(12)
  20 KK=I
  DO 10 I=1,10
  30 CONTINUE
  CALL ADDR(10)
  40 KK=10*KK+I-1
  15 IF(KK.GT.70) REV=1
  RETURN
  END
  
```

SYMBOLIC REFERENCE MAP (R=I)

ENTRY POINTS

3	PACK
---	------

VARIABLES	SN	TYPE	RELOCATION	F.P.	REAL	ARRAY	INDEX	KEY	KH	NDATE	F.P.
0 HJ	1	REAL	55	HH(0)	REAL	ARRAY	0	KEY	0	NDATE	NDATE
1 KD	0	INTEGER	3	KEY	INTEGER	INTEGER	3	KEY	0	NDATE	NDATE
0 KK	0	INTEGER	0	KH	INTEGER	INTEGER	0	KH	0	NDATE	NDATE
2 KY	0	INTEGER	0	NDATE	INTEGER	INTEGER	0	KH	0	NDATE	NDATE

EXTERNALS

TYPE	AFGS
1	1

STATEMENT LABELS

0	10	25	20	0	30
37	40				

LOCOPS LABEL INDEX FROM-TO LENGTH PROPERTIES

LOCOPS LABEL	INDEX	FROM-TO	LENGTH	PROPERTIES
16 17	1	5 7	50	INSTACK EXITS
36 30	1	10 12	50	INSTACK EXITS

COMMON BLOCKS LENGTH

NDATE	6
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STATISTICS

PROGRAM LENGTH	778	63
COMMON LENGTH	68	4

EHA OF THE LOAD 101
LHA+1 OF THE LOAD 4121

TRANSFER ADDRESS -- RECAST 22406

PROGRAM AND BLOCK ASSIGNMENTS.

BLOCK	ADDRESS	LENGTH	FILE	DATE	PROCESSOR	LEVEL	HARDWARE	COMMENTS
/MIX/	101	1						
/PAY12/	102	16						
/FIN1/	115	5						
/MATH/	123	15340						
/ANNUAL/	15451	605						
/DATE/	16271	6						
RECAST	15275	5240	LGO	10/24/77	FTN	4.5	410A	665X I OPT=1
LAMP	24535	41	LGO	10/24/77	FTN	4.5	410A	665X I OPT=1
ADJUST	34576	205	LGO	10/24/77	FTN	4.5	410A	665X I OPT=1
YRDATE	25304	52	LGO	10/24/77	FTN	4.5	410A	665X I OPT=1
PAYRNT	25045	577	LGO	10/24/77	FTN	4.5	410A	665X I OPT=1
HEAD1	25655	150	LGO	10/24/77	FTN	4.5	410A	665X I OPT=1
HEAD2	26325	155	LGO	10/24/77	FTN	4.5	410A	665X I OPT=1
ADDET	26202	23	LGO	10/24/77	FTN	4.5	410A	665X I OPT=1
HEAD3	26225	150	LGO	10/24/77	FTN	4.5	410A	665X I OPT=1
HEAD4	26175	155	LGO	10/24/77	FTN	4.5	410A	665X I OPT=1
UNPACK	26502	61	LGO	10/24/77	FTN	4.5	410A	665X I OPT=1
PACK	26573	77	LGO	10/24/77	FTN	4.5	410A	665X I OPT=1
/FCL.C./	2572	23						
/05.10./	2655	111						
031275	27176	0	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	FCL INITIALIZATION ROUTINE.
CON10	27176	64	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	COMMON CODED I/O ROUTINES AND CONSTANTS.
DECODE	27172	73	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	FORATTED READ FROM CORE.
EOF	27245	16	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	TEST FOR END OF FILE STATUS.
FLFIN	27371	154	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	COMMON FLOATING INPUT CONVERTER.
FLTAP	27447	352	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	COMMON APLIST AND FORMAT FOR KOEER/KKAKER.
INCHE	31771	277	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	COMMON INPUT FORMATTING CODE
INPC	31379	160	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	FORATTED READ FORTRAN RECORD.
KOMER	30519	455	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	COMMON OUTPUT CODE
OUTCOH	31165	154	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	COMMON OUTPUT CODE
CLOCK	31162	31	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	ACCESS SYSTEM CLOCKS FOR FORTRAN.
SYSALO	31371	1	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	LINK BETWEEN SYS=AD AND INITIALIZATION CODE.
FORSYS	31774	601	SL-FORTRAN	03/01/77	COMPASS	3.	2-410	FORTRAN OBJECT LANGUAGE UTILITIES.
FECUSK	32175	41	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	INITIALIZE CONSTANTS.
FLTOU	32276	317	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	COMMON FLOATING OUTPUT CODE
FORUL	32546	16	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	FCL MISC. UTILITIES.
GETIF	32544	42	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	LOCATE AN FIT GIVEN A FILE NAME.
KRAKER	32626	405	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	PROCESS FORMATTED FORTRAN INPUT.
OUTC	31776	172	SL-FORTRAN	01/06/77	COMPASS	3.	2-410	FORATTED WRITE FORTRAN RECORD.
XTOF	33476	10	SL-FORTRAN	03/01/77	COMPASS	3.	2-410	FCL TO INTEGER EXPONENTIATION.
SYS=PR	33476	37	SL-SYS10	03/12/75	COMPASS	3.	75010	PROCESS SYSTEM REQUEST.
CON.FH/	33475	6						
CGO.RH	33573	46	SL-SYS10	03/02/77	COMPASS	3.	2-410	
A93.FH/	33543	10						
HOVE.FH	33543	64	SL-SYS10	03/02/77	COMPASS	3.	2-410	

7HGRM	33577	227	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7HPS-RH/	34066	11				
7HERC-RH/	36377	3				
7OPES-F0/	36102	1				
7OPEN-F0/	36103	1				
7OPEN-FH	34112	233	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7TERM-RH/	34345	1				
7PUT-F0/	34346	7				
7UT-SC	36365	1374	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7HLS-S0	35751	260	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7CLSF-F0/	36771	7				
7CLSF-S0	36740	133	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7CLSV-F0/	36373	7				
7CLSV-S0	36682	125	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7GET-RT/	36727	11				
7-S0	36560	101	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7SU-S0	36561	105	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7GET-F0/	36747	7				
7GET-RT/	36756	5				
7GET-S0	36763	1046	SL-SYSIO	03/29/77	COMPASS	J. 2-410
7ERR-RH	43111	404	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7CHM-R-S0	43435	7	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7OSUP-RH	47464	65	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7OPEX-S0	40571	14	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7PUT-RT/	40515	11				
7LEQ-RH	40556	42	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7CLSF-RH	43520	23	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7URT-S0	40563	114	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7SKFL-F0/	40757	7				
7SKFL-S0	40766	51	SL-SYSIO	03/02/77	COMPASS	J. 2-410
7OPEN-S0	41037	262	SL-SYSIO	03/29/77	COMPASS	J. 2-410

363 CP SECONDS

54400 CH STORAGE USED

51 TABLE MOVES

APPENDIX H
TMAP LEGISLATION

1980 TMAP LEGISLATION*

Temporary Mortgage Assistance Payments

SEC. 341. Section 230 of the National Housing Act is amended to read as follows:

"TEMPORARY MORTGAGE ASSISTANCE PAYMENTS AND ACQUISITION OF
MORTGAGES TO AVOID FORECLOSURE

"SEC. 230. (a)(1) Upon receiving notice of the default of any mortgage covering a one-, two-, three-, or four-family residence insured under this Act, the Secretary (for the purpose of avoiding foreclosure of the mortgage, and notwithstanding the fact that the Secretary has previously approved a request of the mortgagee for an extension of the time for curing the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property or has approved a modification of the mortgage for the purpose of changing the amortization provisions by recasting the unpaid balance) may make all or part of the monthly payments due under the mortgage directly to the mortgagee on behalf of the mortgagor, if such default was caused by circumstances which are beyond the mortgagor's control and render the mortgagor temporarily unable to correct a mortgage delinquency and to resume full mortgage payments. Payments may be made only in accordance with the provisions of this subsection and shall be subject to any additional requirements the Secretary may prescribe.

"(2) No payments may be provided under this subsection unless the Secretary has determined that such payments are necessary to avoid foreclosure and that there is a reasonable prospect that the mortgagor will be able--

"(A) to resume full mortgage payments within thirty-six months after the beginning of the period for which such payments are provided or upon termination of assistance under this subsection;

"(B) to commence repayment of the payments made under this subsection at a time designated by the Secretary; and

"(C) to pay the mortgage in full by its maturity date or by a later date established by the Secretary for completing the mortgage payments.

"(3) Payments under this subsection may be in an amount determined by the Secretary up to the amount of the principal, interest, taxes, assessments, ground rents, hazard insurance, mortgagee's expenses in connection with payments or repayments under this subsection, and mortgage insurance premiums due under the mortgage, and the initial payment may include an amount necessary to make the payments on the mortgage current. Payments may not exceed amounts which the Secretary determines to be necessary to supplement the amounts, if any, which the mortgagor is capable of contributing toward the mortgage payments.

*Section 341 of the Housing and Community Development Act of 1980 (PL 96-399) enacted effective October 8, 1980.

"(4) Payments under this subsection may be provided for a period for not to exceed eighteen months, inclusive of any period of default for which payments are provided. Such period may be extended, in the Secretary's discretion, for not to exceed eighteen months where the Secretary has determined that such extension is necessary to avoid foreclosure and that there is a reasonable prospect that the mortgagor will be able to make the payments and repayments specified in paragraph (2) of this subsection. The Secretary shall establish procedures for periodic review of the mortgagor's financial circumstances for the purpose of determining the necessity for continuation, termination, or adjustment in the amount of the payments. Payments shall be discontinued at any time when the Secretary determines that because of changes in the mortgagor's financial circumstances, the payments are no longer necessary to avoid foreclosure or that there is no longer a reasonable prospect that the mortgagor will be able to make the payments and repayments specified in paragraph (2) of this subsection.

"(5) All payments shall be secured by a lien on the property and by such other obligation as the Secretary may require. Payments shall be repayable upon terms and conditions prescribed by the Secretary, and such terms and conditions may include requirements for repayment of any amount paid by the Secretary toward a mortgagee's expenses in connection with the payment or repayments made under this subsection. The Secretary may establish interest charges on payments made under this subsection; except that such charges shall not exceed a rate which is more than the maximum interest rate applicable with respect to level payment mortgages insured pursuant to section 203(b) of this Act at the time assistance under this section is approved by the Secretary. Such charges shall be payable notwithstanding any provision of any State constitution or law or local law which limits the rate of interest on loans or advances of credit.

"(6) Payments under this subsection may be made without regard to whether the Secretary has previously taken action to avoid mortgage acquisition or foreclosure, except that payments may be provided on behalf of a mortgagor previously assisted under this section only in cases in which full mortgage payments (and any repayments to the Secretary which may have been requested) have been made by such mortgagor for at least 12 months from the time such previous assistance under this section was terminated.

"(b)(1) When the Secretary receives notice of a default described in subsection (a)(1) and makes a determination that assistance under subsection (a) would be inappropriate in the case of the mortgagor, the Secretary (for the purpose of avoiding foreclosure of the mortgage, and notwithstanding the facts described in the parenthetical material contained in subsection (a)(1) and the fact that payments have been made under subsection (a) with respect to the mortgage) shall, if determined necessary by the Secretary, acquire the mortgage and security therefor upon payment of the insurance benefits in an amount equal to the unpaid principal balance of the mortgage plus any unpaid mortgage interest and reimbursement for such costs and attorney's fees as the Secretary finds were properly incurred in connection with the defaulted mortgage and its assignment to the Secretary, and for any proper advances theretofore made by the mortgagee under the provisions of the mortgage. After the acquisition of such mortgage by the Secretary, the mortgagee shall have no further rights, liabilities, or obligations with respect thereto. The provisions of section 204 relating to the issuance of debentures incident to the acquisition of foreclosed properties shall apply with respect to debentures issued under this subsection, and the provisions of section 204 relating to the rights, liabilities, and obligations of a mortgagee shall apply

with respect to the Secretary when the Secretary has acquired an insured mortgage under this section, in accordance with and subject to regulations (modifying such provisions to the extent necessary to render their application for such purpose appropriate and effective) which shall be prescribed by the Secretary.

"(2) The Secretary may provide assistance, to a mortgagor whose mortgage has been acquired under paragraph (1) of this subsection, through forbearance of interest or principal, or both, or through other means, for a period of not more than eighteen months after the acquisition of the mortgage, if the mortgagor has not been assisted under subsection (a) within twelve months of the date of such acquisition and if the Secretary determines that there is a reasonable prospect that the mortgagor will be able to meet the conditions described in subsection (a)(2). Such period may be extended, in the Secretary's discretion, for not to exceed eighteen months where the Secretary has determined that such extension is necessary to avoid foreclosure and that there is a reasonable prospect that the mortgagor will be able to meet the conditions described in subsection (a)(2). Such assistance (which may include any expenses of the Secretary incurred in connection with providing such assistance) shall be repayable upon terms and conditions prescribed by the Secretary, except that in no event shall any interest rate charged on such repayments exceed the interest rate chargeable for repayments of assistance made under subsection (a). Such rate shall be payable notwithstanding any provision of any State constitution or law or local law which limits the rate of interest on loans or advances of credit.

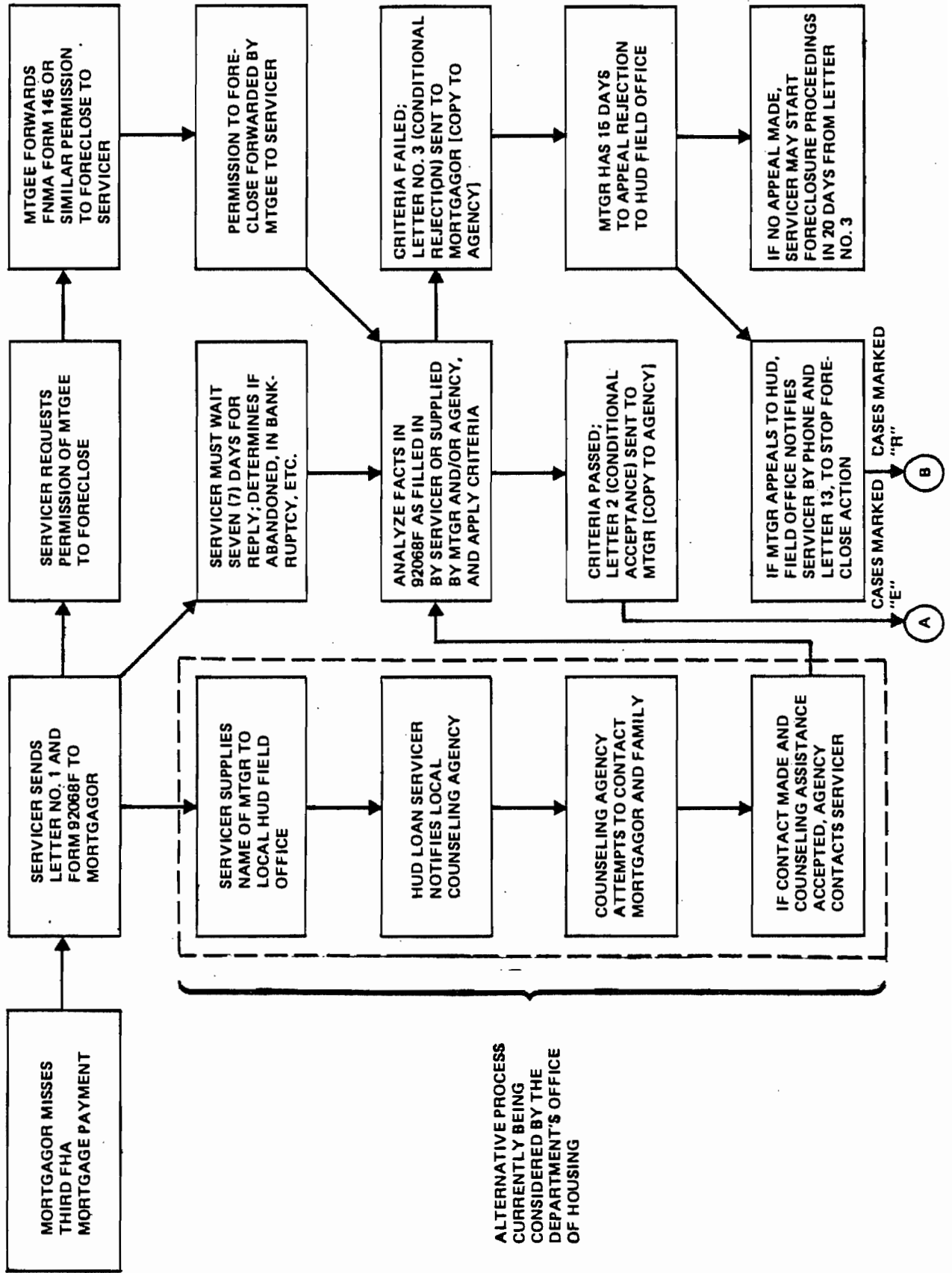
"(3) In carrying out paragraph (1), the Secretary shall, if determined necessary by the Secretary, acquire a mortgage, with respect to which assistance was being provided under subsection (a) immediately prior to such acquisition, for the sole purpose of extending the term of repayment under the mortgage so that the mortgagor will be able to make the full payments on the mortgage.

"(c) All expenditures made under this section shall be made from the insurance fund chargeable for insurance benefits on the mortgage covering the property to which the payments made relate, and any payments received under this section shall be credited to such fund; except that payments made pursuant to subsection (a) of this section may only be made to the extent approved in appropriation Acts.

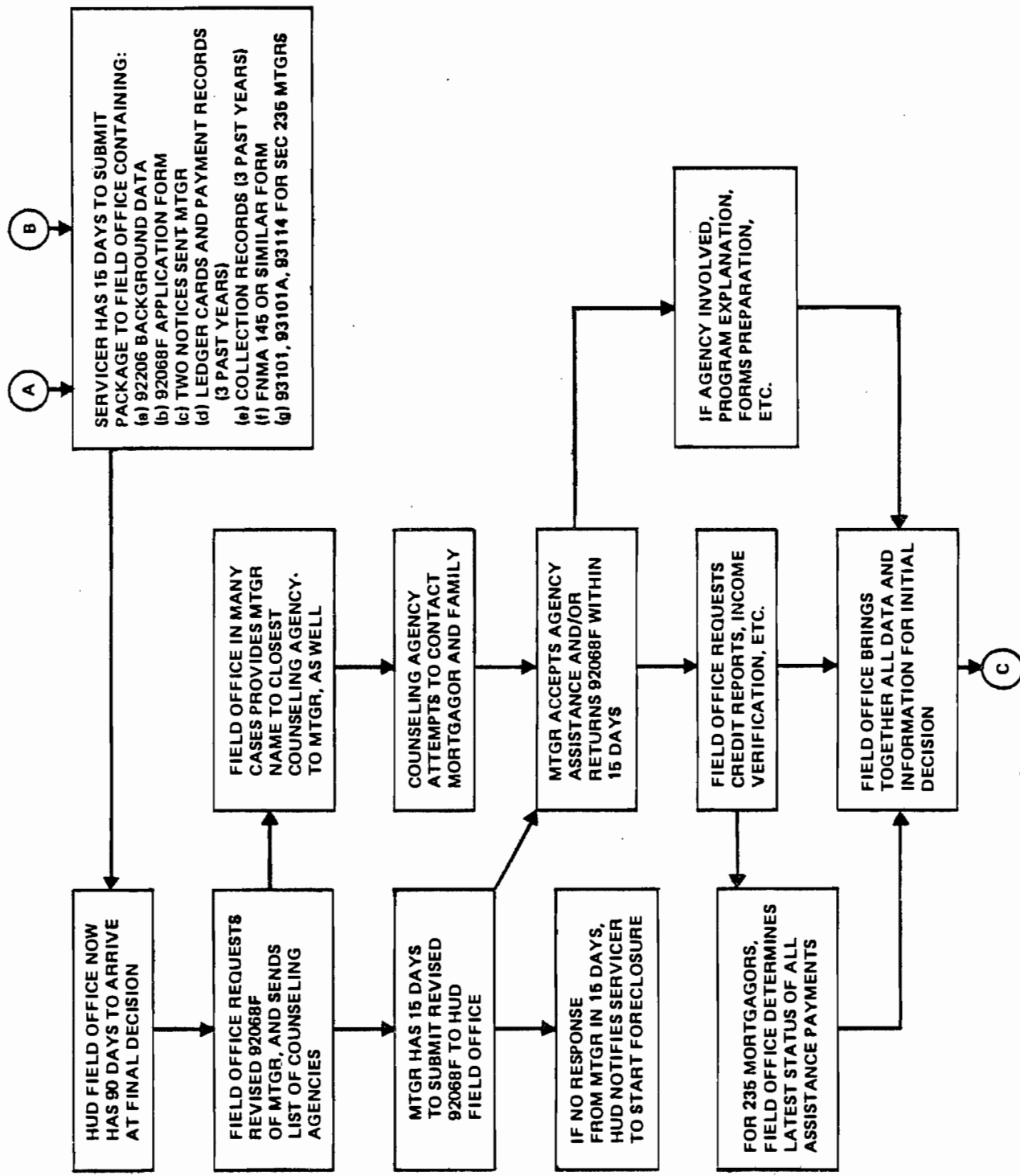
"(d) The Secretary shall, to the extent practicable, provide homeownership counseling to persons assisted under this section."

APPENDIX I
FLOW DIAGRAM OF THE TMAP/ASSIGNMENT PROGRAM

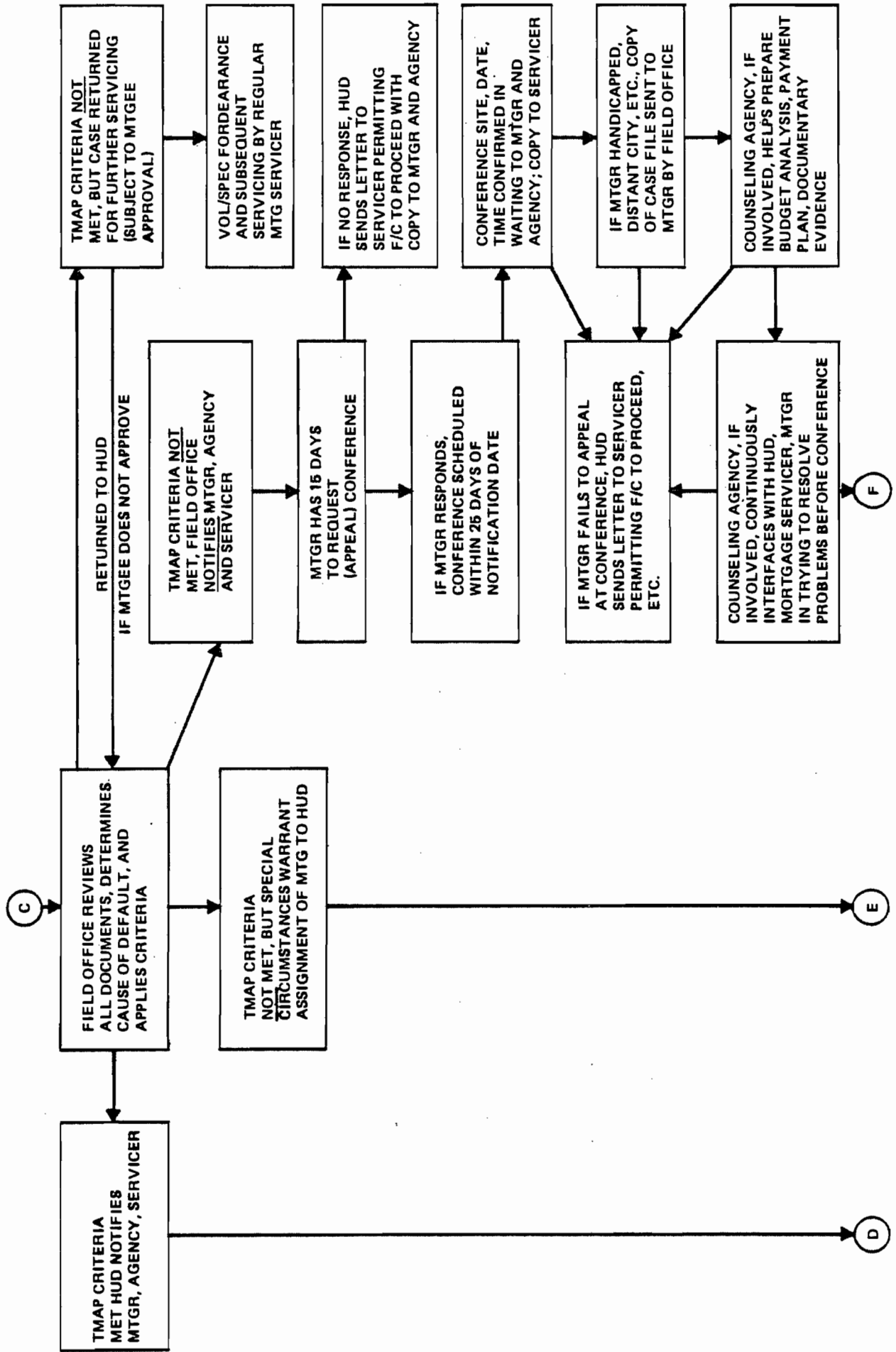
FLOW DIAGRAM OF THE TMAP/ASSIGNMENT PROGRAM



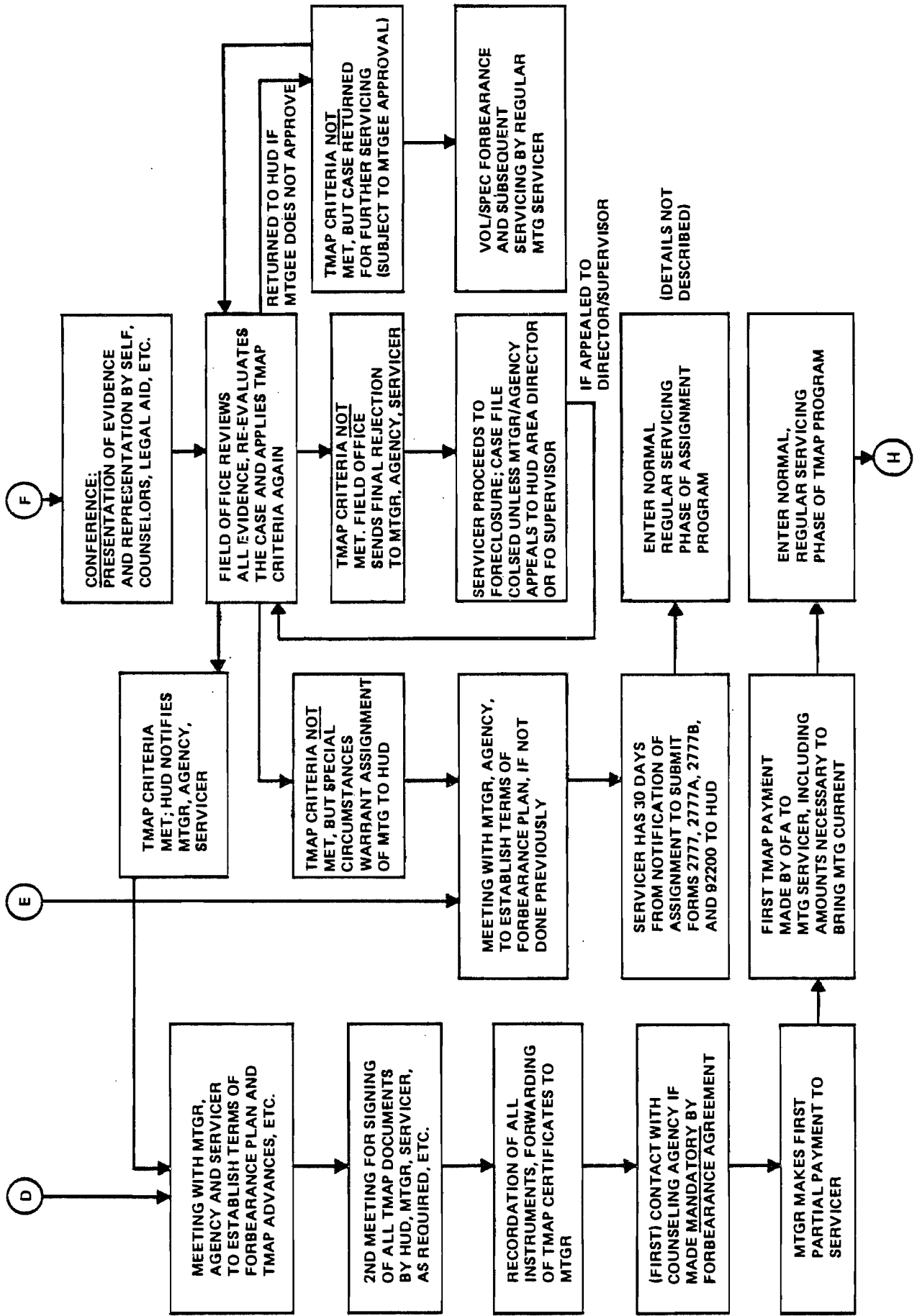
FLOW DIAGRAM OF THE TMAP/ASSIGNMENT PROGRAM (Continued)



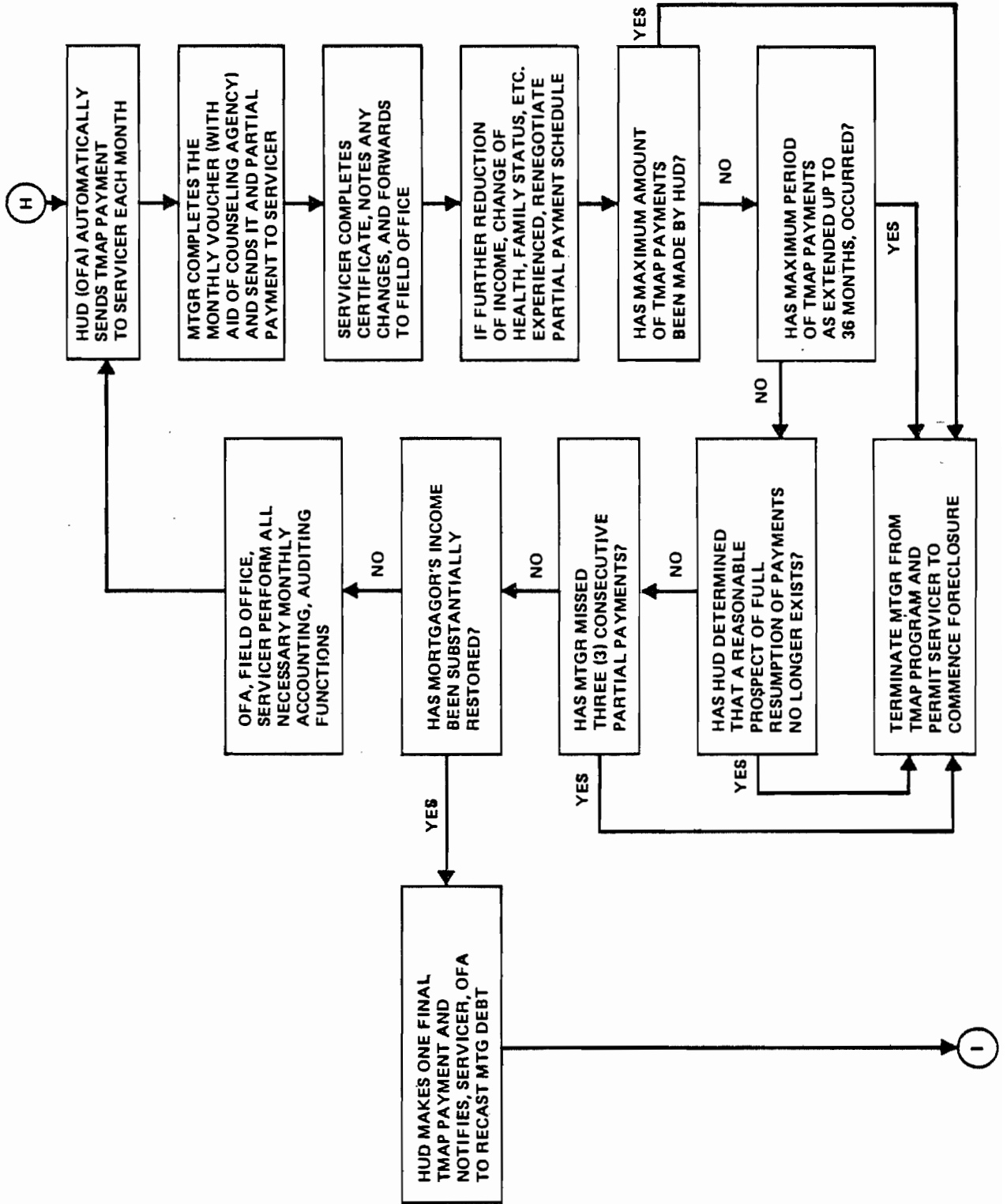
FLOW DIAGRAM OF THE TMAP/ASSIGNMENT PROGRAM (Continued)



FLOW DIAGRAM OF THE TMAP/ASSIGNMENT PROGRAM (Continued)



FLOW DIAGRAM OF THE TMAP/ASSIGNMENT PROGRAM (Continued)



FLOW DIAGRAM OF THE TMAP/ASSIGNMENT PROGRAM

