



201402200052


Skagit County Auditor

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9 11:28AM

**When recorded mail to: #8514451**First American Title 

Loss Mitigation Title Services 1315.2 :

P.O. Box 27670

Santa Ana, CA 92799

RE: AYALA - PROPERTY REPORT

Property Tax Parcel Number: P79461

Loan No. 444370

(Space Above This Line For Recording Data)

Data ID: 396

Borrower: ULISES MORALES AYALA

Original Recorded Date: June 26, 2009

Original Principal Amount: \$193,019.00

Investor Loan No.: 601-902-000044

FHA CASE NO.: 561-9195758 703

**FHA HOME AFFORDABLE MODIFICATION AGREEMENT**

(Step Two of Two-Step Documentation Process)

MIN: 100272200004443706

Borrower ("I")<sup>1</sup>: ULISES MORALES AYALA, AN UNMARRIED INDIVIDUAL AND JAZMIN M. PEDROZA, AN UNMARRIED INDIVIDUAL, whose address is 503 KENKIRK PL, BURLINGTON, WASHINGTON 98233

Lender ("Lender"): HOMESTREET BANK, as servicer for GNMA, 601 UNION STREET, SUITE 2000, SEATTLE, WA 98101

Date of First Lien Security Instrument ("Mortgage") and Note ("Note"): June 19, 2009

Loan Number: 444370

Property Address: 503 KENKIRK PL, BURLINGTON, WASHINGTON 98233 ("Property")

"MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, (888) 679-MERS.

TRACT 12, KENKIRK PLACE, ACCORDING TO THE PLAT THEREOF, more fully described on Legal Description attached on Page 8

Recorded in INSTRUMENT NO. 200906260113 of the Official Records of the County Recorder's or Clerk's Office of SKAGIT COUNTY, WASHINGTON.

<sup>1</sup> If there is more than one Borrower or Mortgagor executing this document, each is referred to as "I". For purposes of this document words signifying the singular (such as "I") shall include the plural (such as "we") and vice versa where appropriate.

**FHA HOME AFFORDABLE MODIFICATION AGREEMENT**

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If my representations in Section 1 continue to be true in all material respects, then this Home Affordable Modification Agreement ("Agreement") will, as set forth in Section 3, amend and supplement (1) the First Lien Mortgage on the Property, and (2) the Note secured by the First Lien Mortgage. The First Lien Mortgage and Note together, as they may previously have been amended, are referred to as the "Loan Documents." Except for the Subordinate Note and Security Instrument, capitalized terms used in this Agreement and not defined have the meaning given to them in Loan Documents; I previously entered into the Trial Period Plan and the Loan Workout Plan with Lender.

I understand that after I sign and return the Subordinate Note and Security Instrument and two copies of this Agreement to the Lender, the Lender will send me a signed copy of this Agreement. This Agreement will not take effect unless the preconditions set forth in Section 2 have been satisfied.

**1. My Representations.** I certify, represent to Lender and agree:

- A. I am experiencing a financial hardship, and as a result, (i) I am in default under the Loan Documents, and (ii) I do not have sufficient income or access to sufficient liquid assets to make the monthly mortgage payments now or in the near future;
- B. I live in the Property as my principal residence, and the Property has not been condemned;
- C. There has been no change in the ownership of the Property since I signed the Loan Documents;
- D. I have provided documentation for all income that I receive (and I understand that I am not required to disclose child support or alimony unless I chose to rely on such income when requesting to qualify for the FHA Home Affordable Modification program ("Program"));
- E. Under penalty of perjury, all documents and information I have provided to Lender in connection with this Agreement, including the documents and information regarding my eligibility for the Program, are true and correct;
- F. If Lender requires me to obtain credit counseling in connection with the Program, I will do so; and
- G. I have timely made or will make all payments required under a Trial Period Plan or Loan Workout Plan.

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2. **Acknowledgements and Preconditions to Modification.** I understand and acknowledge that:

- A. TIME IS OF THE ESSENCE under this Agreement;
- B. If prior to the Modification Effective Date as set forth in Section 3 the Lender determines that my representations in Section 1 are no longer true and correct, the Loan Documents will not be modified and this Agreement will terminate and the Subordinate Note and Security Instrument will not be in effect. In this event, the Lender will have all of the rights and remedies provided by the Loan Documents; and
- C. I understand that the Loan Documents will not be modified unless and until (i) I receive from the Lender a copy of this Agreement signed by the Lender, and (ii) the Modification Effective Date (as defined in Section 3) has occurred. I further understand and agree that the Lender will not be obligated or bound to make any modification of the Loan Documents if I fail to meet any one of the requirements under this Agreement.

3. **The Modification.** If my representations in Section 1 continue to be true in all material respects and all preconditions to the modification set forth in Section 2 have been met, the Loan Documents will automatically become modified on **February 1, 2014** (the "Modification Effective Date") and all unpaid late charges that remain unpaid are waived. The Loan Documents will be modified and the first modified payment will be due on **February 1, 2014**.

- A. The new Maturity Date will be: **January 1, 2044**.
- B. The modified Principal balance of my First Lien Note will include all amounts and arrearages that will be past due (excluding unpaid late charges) less any amounts paid to the Lender but not previously credited to my Loan. The new Principal balance of my First Lien Note will be **\$203,607.64** (the "New Principal Balance").
- C. **\$44,906.55** of the New Principal Balance will be the amount of the Subordinate Note ("Subordinate Note") and I will not pay interest or make monthly payments on this amount. The New Principal Balance less the amount of the Subordinate Note shall be referred to as the "Interest Bearing Principal Balance" and this amount is **\$158,701.09**. Interest at the rate of **4.750%** will begin to accrue on the Interest Bearing Principal Balance as of **February 1, 2014** and the first new monthly payment on the Interest Bearing Principal Balance will be due on **February 1, 2014**. My payment schedule for the modified Loan is as follows:

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Loan No: 444370

Data ID: 396

Years	Interest Rate	Interest Rate Change Date	Monthly Principal and Interest Payment Amount	Monthly Escrow Payment Amount	Total Monthly Payment	Payment Begins On	Number of Monthly Payments
30	4.750	02/01/14	\$827.86	\$452.14, adjusts annually after year 1	\$1,280.00, adjusts annually after year 1	02/01/14	360

The above terms in this Section 3.C. shall supersede any provisions to the contrary in the Loan Documents, including but not limited to, provisions for an adjustable or step interest rate.

- D. I will be in default if I do not comply with the terms of the Loan Documents, as modified by this Agreement.
- E. If a default rate of interest is permitted under the Loan Documents, then in the event of default under the Loan Documents, as amended, the interest that will be due will be the rate set forth in Section 3.C.
- F. I agree to pay in full the Subordinate Note and any other amounts still owed under the Loan Documents by the earliest of : (i) the date I sell or transfer an interest in the Property, (ii) the date I pay the entire Interest Bearing Principal Balance, or (iii) the new Maturity Date.

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**4. Additional Agreements.** I agree to the following:

- A. That all persons who signed the Loan Documents or their authorized representative(s) have signed this Agreement, the Subordinate Note and the Security Instrument, unless a borrower or co-borrower is deceased or the Lender has waived this requirement in writing.
- B. That this Agreement, the Note and Security Instrument shall supersede the terms of any modification, forbearance, Trial Period Plan or Workout Plan that I previously entered into with Lender.
- C. To comply, except to the extent that they are modified by this Agreement, the Note and the Security Instrument, with all covenants, agreements, and requirements of Loan Documents including my agreement to make all payments of taxes, insurance premiums, assessments, Escrow Items, impounds, and all other payments, the amount of which may change periodically over the term of my Loan.
- D. That I have been advised of the amount needed to fully fund my Escrow Account.
- E. That the Loan Documents are composed of duly valid, binding agreements, enforceable in accordance with their terms and are hereby reaffirmed. The Loan Documents constitute a first lien on the Property and are in no way prejudiced by this Agreement.
- F. That all terms and provisions of the Loan Documents, except as expressly modified by this Agreement, the Subordinate Note and the Security Instrument, remain in full force and effect; nothing in this Agreement or the Subordinate Note or the Security Instrument shall be understood or construed to be a satisfaction or release in whole or in part of the obligations contained in the Loan Documents; and that except as otherwise specifically provided in, and as expressly modified by, this Agreement, the Subordinate Note and the Security Instrument, the Lender and I will be bound by, and will comply with, all of the terms and conditions of the Loan Documents.
- G. That, as of the Modification Effective Date, a buyer or transferee of the Property will not be permitted, under any circumstance, to assume the Loan. This Agreement may not, under any circumstances, be assigned to, or assumed by, a buyer of the Property.
- H. I have no right of set-off or counterclaim, or any defense to the obligations of the Note or Mortgage.
- I. That MERS holds only legal title to the interests granted by the Borrower in the mortgage, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling the mortgage Loan.

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Loan No: 444370

Data ID: 396

In Witness Whereof, the Lender and I have executed this Agreement.

Date: 01-20-14

Ulises Morales (Seal)  
ULISES MORALES AYALA —Borrower

Jazmin Pedroza (Seal)  
JAZMIN M. PEDROZA —Borrower

- Individual Acknowledgment -

STATE OF WASHINGTON  
COUNTY OF SKAGIT

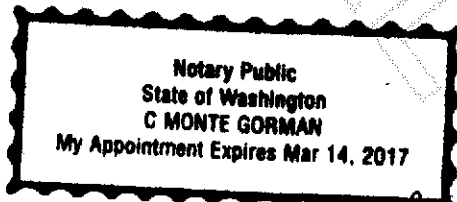
§  
§

On this day personally appeared before me ULISES MORALES AYALA AND JAZMIN M. PEDROZA

to me known to be the persons described in and who executed the within and foregoing instrument, and acknowledged that they executed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 20th day of JANUARY, 2014

[Seal]



C. Monte Gorman  
Notary Public in and for the State of WASH.  
residing at WACONNE, WA  
C. MONTE GORMAN  
(Printed Name)

My commission expires: 14 MARCH 2017

FHA HOME AFFORDABLE MODIFICATION AGREEMENT

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Loan No: 444370

Data ID: 396

Date: 1.28.14

Lender: HOMESTREET BANK, as servicer for GNMA

By: [Signature]

Its: Martin Morlatt ASST VICE PRESIDENT  
(Printed Name and Title)

Date: 1.28.14

Beneficiary: MORTGAGE ELECTRONIC REGISTRATION  
SYSTEMS, INC. by  
HOMESTREET BANK, as servicer for GNMA

By: [Signature]

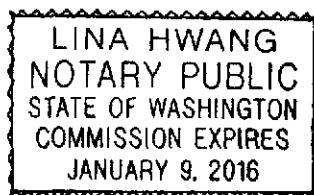
Its: Martin Morlatt ASST SECRETARY  
(Printed Name and Title)

- Lender/Beneficiary Acknowledgment -

STATE OF WASHINGTON  
COUNTY OF KING

On this 28th day of January, 2014, before me personally appeared Martin Morlatt to me known to be the Asst. Vice President of the entity that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said entity, for itself and for MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument and that the seal affixed is the seal of said entity.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



Lina Hwang  
Notary Public

Lina Hwang  
(Printed Name)

Notary Public in and for the State of  
Washington, residing at  
King County

My commission expires: January 9, 2016

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Loan No: 444370

Data ID: 396

Borrower: ULISES MORALES AYALA

Property Address: 503 KENKIRK PL, BURLINGTON, WASHINGTON 98233

### LEGAL DESCRIPTION

TRACT 12, KENKIRK PLACE, ACCORDING TO THE PLAT THEREOF, RECORDED IN  
VOLUME 11 OF PLATS, PAGE 39, RECORDS OF SKAGIT COUNTY, WASHINGTON.

FHA HOME AFFORDABLE MODIFICATION AGREEMENT

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Loan No. 444370  
Borrower: ULISES MORALES AYALA

Data ID: 396

## WASHINGTON ORAL AGREEMENT DISCLOSURE

ULISES MORALES AYALA AND JAZMIN M. PEDROZA ("Borrower") is obtaining a mortgage loan modification on property located at 503 KENKIRK PL, BURLINGTON, WASHINGTON 98233 ("Property"). Lender is required to provide Borrower with this Washington Oral Agreement Disclosure.

**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

By signing below, Borrower acknowledges receipt of this Washington Oral Agreement Disclosure.

Date: 01-20-2014

  
ULISES MORALES AYALA —Borrower

  
JAZMIN M. PEDROZA —Borrower



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