

## MORTGAGE OF REAL ESTATE

(a) If this mortgage and the said note secured hereby are reported for insurance under the provisions of Title I of the National Housing Act, one-twelfth (1/12) of one-half of one per centum ( $\frac{1}{2}\%$ ) of the original principal amount of the said note for the purpose of putting the Mortgagee in funds with which to discharge its obligation to the Federal Housing Administrator for mortgage insurance premiums pursuant to the provisions of Title I of the National Housing Act, as amended, and regulations thereunder. The Mortgagee shall, on the termination of its obligation to pay mortgage insurance premiums, credit to the account of the Mortgagor all payments made under the provisions of this subsection which the Mortgagee has not become obligated to pay to the Federal Housing Administrator.

(b) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due on the mortgaged property (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes, and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes, and special assessments.

(c) A sum equal to one-twelfth (1/12) of one-half of one per centum ( $\frac{1}{2}\%$ ) of the amount of principal then remaining unpaid under the said note as a service charge, which sum is more particularly to cover the expenses of handling the monthly payments on account of taxes, assessments, and fire and other hazard insurance hereinafter provided for, and to cover the other servicing costs in connection with this mortgage and the note secured hereby.

(d) All payments mentioned in three preceding subsections of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid by the Mortgagor each month in a single payment to be applied by the Mortgagee to the following items in the order set forth:

- (I) Insurance charges due the Federal Housing Administrator;
- (II) Service charge as set forth in subsection (c) above;
- (III) Ground rents, taxes, special assessments, fire and other hazard insurance premiums;
- (IV) Interest on the note secured hereby; and
- (V) Amortization of the principal of said note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the Mortgagor prior to the due date of the next such payment, constitute an event of default under this Mortgage. The Mortgagee may collect a "late charge" not to exceed two cents (2¢) for each dollar (\$1) of each payment more than fifteen (15) days in arrears to cover the extra expense involved in handling delinquent payments.

3. If the total payments made by the Mortgagor under (b) of Paragraph 2 preceding shall exceed the amount of payments actually made by the Mortgagee for ground rents, taxes, assessments, or insurance premiums, as the case may be, such excess shall be credited by the Mortgagee on subsequent payments to be made by the Mortgagor. If, however, the monthly payments made by the Mortgagor under (b) of paragraph 2 preceding shall not be sufficient to pay ground rents, taxes, assessments, or insurance premiums, as the case may be, when the same shall become due and payable, then the Mortgagor shall pay to the Mortgagee any amount necessary to make up the deficiency, on or before the date when payment of such ground rents, taxes, assessments, or insurance premiums shall be due. If at any time the Mortgagor shall tender to the Mortgagee, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the

Mortgagee shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor any balance remaining in the funds accumulated under the provisions of (b) of paragraph 2 hereof. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby or if the Mortgagee acquires the property otherwise after default, the Mortgagee shall apply, at the time of commencement of such proceedings or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (b) of paragraph 2 preceding, as a credit against the amount of principal then remaining unpaid under said note.

4. Mortgagor will pay, when due and payable, all taxes, assessments and other governmental charges, fines or impositions, for which provision has not been made hereinbefore, and will promptly deliver the official receipts therefor to the Mortgagee. In default of such payment by Mortgagor, the Mortgagee may pay the same and Mortgagor hereby waives any irregularities or defects in the levy or assessment and agrees that a receipt by the proper officer shall be conclusive evidence both as to the amount and validity of taxes or other governmental charges paid by Mortgagee.

5. Mortgagor will keep the improvements now existing or hereafter erected on the mortgaged property, 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 for payment of which provisions has not been made hereinbefore. All insurance shall be carried in companies approved by Mortgagee and the policies and renewals thereof shall be held by Mortgagee and have attached