



Department of Veterans Affairs

ATCH 05033606

P56768  
Loan Number

ASSUMPTION AGREEMENT

DATE: August 7, 1989

PARTIES: Cecil A. Low & JoAnn C. Low, husband and wife

BUYER

Aulcy C. Reeder & Dorothy I. Reeder, husband and wife

SELLER

The State of Oregon By And Through The Director Of Veterans' Affairs

LENDER

1989 AUG 11 AM 10 54

Until a change is requested, all tax statements are to be sent to: Cecil A. Low  
(Tax Account No. 0479084) Name of Buyer

620 East Main Street  
Mailing Address

THE PARTIES STATE THAT:

1. Seller owes Lender the debt shown by: Klamath Falls, OR 97601  
City State Zip

(a) A note in the sum of \$ 15,910.00 dated July 14, 19 81, which note is secured by a mortgage of the same date, and recorded in the office of the county recording officer of Klamath county, Oregon, in Volume/Reel/Book M81 and page 12681 on July 15, 19 81.

(b) A note in the sum of \$ \_\_\_\_\_ dated \_\_\_\_\_, 19 \_\_\_\_\_, which note is secured by a Trust Deed of the same date and recorded in the office of the county recording officer of \_\_\_\_\_ county, Oregon, in Volume/Reel/Book \_\_\_\_\_ on \_\_\_\_\_, 19 \_\_\_\_\_.

(c) A note in the sum of \$ \_\_\_\_\_ dated \_\_\_\_\_, 19 \_\_\_\_\_, which note is secured by a Security Agreement of the same date.

(d) and further shown by \_\_\_\_\_

In this agreement the items mentioned in (a), (b), (c), and (d) will be called "security document" from here on.

2. Seller has sold and conveyed (or is about to sell and convey) to Buyer, all, or a portion, of the property described in the security document. Both Seller and Buyer have asked Lender to release Seller from further liability under or on account of the security document. The property being sold by Seller and bought by Buyer is specifically described as follows:

The South 41.4 feet of Lot 412 and the South 41.4 feet of the East 20 feet of Lot 413, Block 101, MILLS ADDITION IN THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.



FOR THE REASONS SET FORTH ABOVE, AND IN CONSIDERATION OF THE MUTUAL AGREEMENTS OF THE PARTIES, SELLER, LENDER, AND BUYER AGREE AS FOLLOWS:

**SECTION 1. UNPAID BALANCE OF SECURED OBLIGATION**

The unpaid balance on the loan being assumed is \$ 13,552.61 as of July 14, 19 89

**SECTION 2. RELEASE FROM LIABILITY**

Seller is hereby released from further liability under or on account of the security document.

**SECTION 3. ASSUMPTION OF LIABILITY**

Except as specifically changed by this Agreement, Buyer agrees to pay the debt shown by the security document. Buyer agrees to perform all of the obligations provided in the security document that were to be performed by Seller when the security document was executed. Buyer agrees to perform those obligations at the time, in the manner, and in all respects as are provided in the security document. Buyer agrees to be bound by all of the terms of such security document.

**SECTION 4. INTEREST RATE AND PAYMENTS**

The interest rate is variable (indicate whether variable or fixed) and will be 10.750 percent per annum. If this is a variable interest rate loan, the Lender can periodically change the interest rate by Administrative Rule. Changes in the interest rate will change the payment on the loan.

The initial principal and interest payments on the loan are \$ 143 to be paid monthly. (The payment will change if interest rate is variable and the interest rate changes.)

The payments on the loan being assumed by this agreement may be periodically adjusted by Lender to an amount that will cause the loan to be paid in full on the due date of the last payment.

**SECTION 5. DUE ON SALE**

Except for a sale or transfer to the original borrower, the surviving spouse, unremarried former spouse, surviving child or stepchild of the original borrower, or to a veteran eligible for a loan under this chapter and Article XI-A of the Oregon Constitution, only one sale or transfer of the property referred to in ORS 407.275 (2) is permitted after July 20, 1983. In the event of a second sale or transfer of the property, or any part thereof, the entire unpaid balance of the loan for the property may become immediately due and payable at the discretion of the Director as prescribed by rule.

**SECTION 6. TAX AND INSURANCE RESERVES**

Subject to any limitations set by applicable law, at the Lender's discretion, or by Oregon Revised Statute, the Buyer shall maintain—with Lender—reserves for payment of taxes, assessments, and insurance if applicable. Such reserves shall be created by Buyer's advance payment or monthly payments of a sum estimated by Lender to be sufficient to produce, at least 15 days before due, amounts at least equal to the taxes and assessments to be paid. The amount of such monthly payment would be approximately 1/12 of the annual property taxes. Buyer shall pay on demand any additional amount which may be deemed necessary for the payment of such taxes, assessments, and insurance premiums. If, 15 days before payment is due, the reserve funds are insufficient, Buyer shall, upon demand, pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit from Buyer and shall constitute a non-interest bearing debt from Lender to Buyer, which Lender may satisfy by payment of the taxes and assessments and insurance premiums required to be paid by Buyer as they become due. Lender does not hold the reserve funds in trust for Buyer, and Lender is not the agent of Buyer for payment of the taxes, assessments, and insurance premiums required to be paid by Buyer.

**SECTION 7. LATE PAYMENT**

If the Lender has not received the full amount of any payment by the end of 30 calendar days after the date it is due, he may impose a late charge to the Buyer. The amount of the charge will be not more than 5 percent of the overdue payment of principal and interest. The late charge may be charged only once on any late payment.

**SECTION 8. AMORTIZATION**

The Lender may increase payments of principal and other payment terms of the loan when the balance of the loan will not amortize within the terms of the security document.

**SECTION 9. INTERPRETATION**

In this agreement, the singular number includes the plural and the plural number includes the singular. If this agreement is executed by more than the person, firm, or corporation as Buyer, the obligations of each such person, firm, or corporation shall be joint and several.

**SECTION 10. LIMITATIONS**

To the full extent permitted by law, Buyer waives the right to plead any statute of limitations as a defense to any obligations and demands secured by or mentioned in the security document. Failure to exercise any of these rights shall not constitute a waiver.

BUYER Cecil A Low  
CECIL A. LOW

BUYER JoAnn C Low  
JOANN C. LOW

SELLER Aulcy C Reeder  
AULCY C. REEDER

SELLER Dorothy I. Reeder  
DOROTHY I. REEDER

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Loan Number



STATE OF OREGON )  
COUNTY OF KLAMATH ) ss AUGUST 10 19 89

Personally appeared the above named AULCY C. REEDER AND DOROTHY I. REEDER  
and acknowledged the foregoing instrument to be his (their) voluntary act and deed.

Before me: [Signature]  
Notary Public For Oregon  
My Commission Expires: MARCH 4, 1992

STATE OF OREGON )  
COUNTY OF Klamath ) ss AUGUST 10 19 89

Personally appeared the above named Cecil A. Low and Jo Ann C. Low  
and acknowledged the foregoing instrument to be his (their) voluntary act and deed.

Before me: [Signature]  
Notary Public For Oregon  
My Commission Expires: March 4, 1992

Signed this 7th day of August 19 89

DIRECTOR OF VETERANS' AFFAIRS - Lender

By: [Signature]  
JOYCE D. EMERSON  
Accounts Services Leadworker

STATE OF OREGON )  
COUNTY OF Marion ) ss August 7 19 89

Personally appeared the above named Joyce D. Emerson  
and, being duly sworn, did say that he (she) is authorized to sign the foregoing instrument on behalf of the Director of Veterans' Affairs, and that his (her) signature was his (her) voluntary act and deed.

Before me: [Signature]  
Notary Public For Oregon  
My Commission Expires: 11-1-91

FOR COUNTY RECORDING INFORMATION ONLY

STATE OF OREGON: COUNTY OF KLAMATH: ss.  
Filed for record at request of Aspen Title Co. the 11th day  
of Aug. A.D. 19 89 at 10:54 o'clock AM., and duly recorded in Vol. M89  
of Mortgages on Page 14876  
FEE \$18.00  
Evelyn Biehn County Clerk  
By [Signature]

AFTER SIGNING/RECORDING, RETURN TO: DEPARTMENT OF VETERANS' AFFAIRS  
OREGON VETERANS BUILDING  
700 Summer St. NE  
Salem, Oregon 97310-1201

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