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04-29-94P01:04 RCVD

OREGON



Department of Veterans' Affairs

Vol. Sn 94 Page 13573

RECORDING MEMORANDUM

This cover sheet is being attached to bring the following document into compliance with ORS 205.125.

Type of Document (Mortgage, Contract, Trust Deed, Deed, etc.)	
Assumption Agreement	
County Tax Account Number	ODVA Account Number
R 562518	P15055
First Party(s)	
Sharolyn Gallagher	<input type="checkbox"/> Grantee <input type="checkbox"/> Mortgagor
	<input checked="" type="checkbox"/> Buyer
	<input type="checkbox"/> Other
Second Party(s)	
Patrick Gallagher	<input type="checkbox"/> Grantor <input type="checkbox"/> Mortgagee
	<input checked="" type="checkbox"/> Seller
	<input type="checkbox"/> Other
Consideration	Court Order/Warrant Amt. (if applicable)
\$	\$
Property Address:	
3626 Lamarada, Klamath Falls, OR 97603	
After recording, return to:	
OREGON DEPARTMENT OF VETERANS' AFFAIRS OREGON VETERANS BUILDING 700 Summer St NE Salem, Oregon 97310-1201	
Until a change is requested, all tax statements shall be sent to the following address: Sharolyn Gallagher 3626 Lamarada Klamath Falls, OR 97603	
Attn: Transfer Unit	

Oregon Department of Veterans' Affairs
700 Summer Street NE
Salem, OR 97310-1201

DISCLOSURE STATEMENT

(The following disclosures are required by the federal Truth in Lending Act.)

13574

LENDER/SELLER:

OREGON DEPARTMENT OF VETERANS' AFFAIRS
700 Summer Street NE
Salem, Oregon 97310-1201

BORROWER: (1)

BUYER: (2) Sharolyn Gallagher

Address: X 3626 Lamarada Way
Klamath Falls, OR 97603

Account Number: P15055

This disclosure is based on data as of April 6, 1994

ANNUAL PERCENTAGE RATE (4) The cost of your credit as a yearly rate.	FINANCE CHARGE (3) The dollar amount the credit will cost you.	AMOUNT FINANCED The amount of credit provided to you or on your behalf.	TOTAL OF PAYMENTS (3) The amount of principal and interest you will have paid after you have made all payments as scheduled.
7.2 %	\$ 26,635.61	Amount being Reamortized \$ 40,891.39 Uncollected Taxes (5) \$ Uncollected Taxes (6) \$ -0- Total Financed (7) \$ 40,891.39	\$ 67,527.00

Your payment schedule will be ☒ Monthly ☐ Annual

ODVA's Service Fee \$

PAYMENT			AMOUNT OF PAYMENT					WHEN PAYMENTS ARE DUE	
Number of Payments	Interest % (4)	Type L,U,F (4)	Principal & Interest (3)	Taxes (8)	LCLI (9)	Hazard (10)	Total Payment	Date of First Payment	Maturity Date
183	7.2	L	369	103	17		183	5-15-94	7-15-09

SECURITY: Lender's evidence of a security interest in this transaction is a loan agreement on property located at:

3626 Lamarada, Klamath Falls, OR 97603
more particularly described in the recorded security instrument. Said security instrument will also secure any future advances that the Director of the Oregon Department of Veterans' Affairs (ODVA) may, at his discretion, make to the borrower.

INTEREST RATE INCREASES: The loan payment will increase by the amount necessary to pay the additional interest if any of the following occur:

1. If any interest in the property securing the loan is transferred to anyone other than those permitted by Oregon Law (ORS 407.275 & ORS 407.305) to have the veteran's interest rate. If the interest rate is increased to the rate required by the provisions of ORS 407.335, it will be effective on the date of the transfer.
2. If any interest in property being purchased from the State of Oregon on Contract is transferred to anyone else, the interest rate will increase to the rate required by the provisions of Oregon Administrative Rule 274-21-005(3), effective on the date of the transfer.
3. The annual percentage rate may increase or decrease during the term of this loan. The current rate of interest on your account is 7.2 %. If the interest rate is increased by 1%, the principal and interest portion of your payment would increase to \$ 393 1% increase

PREPAYMENT: If you pay off your loan early, you will not have to pay a penalty. You will not receive a refund of the lender's fee or any portion of the payments collected to pay taxes, except for any amount remaining in a Reserve Account, if applicable.

HAZARD INSURANCE: Hazard insurance covering the property is required. It may be obtained by the borrower through any insurance company of his/her choice that is qualified to do business in the State of Oregon. In the event hazard insurance is not provided/maintained by the borrower, ODVA will place such insurance, add the premium to the balance of the loan, and increase the standard payment, in order to collect the interest and premium over the next 12 months.

LOAN CANCELLATION LIFE INSURANCE: Loan cancellation life insurance (LCLI) is optional. The borrower and/or spouse, and/or co-borrower, must complete an application for coverage which must be approved by the insurance carrier before coverage is in effect. A premium is collected only after the insurance has been approved. To cancel LCLI the insured borrower must send ODVA a signed request. LCLI will be canceled effective the last day of the calendar month in which the request is received. LCLI is automatically terminated when the loan account becomes four months past due or when there is a transfer of ownership. Acceptance of this offer will NOT alter the status of your present LCLI coverage.

13574A

DEFAULT CHARGE: If any collection action becomes necessary, the borrower shall be liable for incurred collection cost plus attorney's fees whether a law suit is started or not. See the security instrument for additional information about nonpayment, default, and any required repayment in full before the scheduled date.

DUE ON SALE: Only one sale or transfer of all or any part of the property described by this document is permitted after July 20, 1983. In the event of a second sale or transfer of all or any part of this property, the unpaid balance of the loan may become immediately due and payable. This will be at the discretion of the Director of the Oregon Department of Veterans' Affairs as prescribed by Oregon Administrative Rule. This due on sale clause does not apply to those permitted by Oregon Law (ORS 407.275 & 407.305) to have the veteran's interest rate. (Does not apply to state-owned property contracts.)

NOTES:

- (1) **BORROWER** — Includes all persons who obtained the loan.
- (2) **BUYER** — Includes all persons who assumed the loan.
- (3) **FINANCE CHARGE/TOTAL OF PAYMENTS/PRINCIPAL AND INTEREST** — This amount is **ESTIMATED**. It is subject to change due to:
- (a) Changes in property tax.
 - (b) Changes in variable interest rate. (Review Variable Interest Rate Increase History, Form 824-M, before signing this form.)
 - (c) Changes in loan cancellation life insurance premium.
 - (d) Changes in hazard insurance premium.
 - (e) Possible annual recalculations to ensure that the loan is paid in full by the maturity date.
- (4) **ANNUAL PERCENTAGE RATE** — (See L,U,F under PAYMENTS for types of interest rates.)
- (L)—**LIMITED VARIABLE INTEREST** — This percentage rate may increase or decrease on this portion of the loan during the term of the loan pursuant to ORS 407.325 and 407.335.
- (U)—**UNLIMITED VARIABLE INTEREST** — This percentage rate may increase or decrease on this portion of the loan during the term of the loan without limitations.
- (F)—**FIXED INTEREST** — This percentage rate cannot increase or decrease during the term of the loan as long as you do not transfer any interest in the property securing the loan to anyone other than those permitted by Oregon Law to have the veteran's interest rate.

All statements regarding interest rates are subject to change by future changes in applicable laws.

The Director has the authority to increase the interest rate to preserve the solvency of the Oregon Department of Veterans' Affairs per ORS 407.335(4) "The director may fix the variable interest rate to be paid by the transferee at a rate greater than the rate described in subsection (1) of this section, but only to the extent necessary to avoid invoking the provisions of section 4, Article XI-A of the Oregon Constitution." and ORS 407.325(3) "The director may fix the variable interest rates to be paid by the applicant at a rate greater than the rates described in subsection (2) of this section, but only if the director determines, at the sole discretion of the director, that such action reduces the probability that invoking the provisions of section 4, Article XI-A of the Oregon Constitution will become necessary."

- (5) **UNCOLLECTED TAXES** — This is the amount of taxes paid to the county by ODVA and included in the principal balance for the next payment year, which has not been repaid by the borrower.
- (6) **UNCOLLECTED TAXES** — This is the amount of taxes paid to the county by ODVA and included in the principal balance for the current payment year, which has not been repaid by the borrower.
- (7) **TOTAL FINANCED** — This amount includes the amount being reamortized, plus the uncollected taxes, and (if applicable) the hazard insurance amount. This is the amount plus the earned interest that you will repay during the term of the loan.
- (8) **TAXES** — Estimated tax constant may be subject to change.
- (9) **LCLI** — Loan Cancellation Life Insurance constant is based on the balance and age of the insured and is subject to change.
- (10) **HAZARD** — Hazard constant may be subject to change.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT AND A COPY OF THE:

- | | | |
|---|--|--|
| <input type="checkbox"/> Note and Mortgage | <input type="checkbox"/> Trust Deed | <input type="checkbox"/> Closing Report/Statement |
| <input type="checkbox"/> Security Agreement | <input checked="" type="checkbox"/> Assumption Agreement | <input type="checkbox"/> Contract of Sale |
| <input type="checkbox"/> Note | <input type="checkbox"/> Property Improvement Agreement | <input type="checkbox"/> Variable Interest Rate Increase History |

All borrowers must sign this acknowledgement.

Signature of Borrower	Date Signed	Signature of Co-Borrower	Date Signed
X <i>Sharon K. Gallagher</i>	4/27/94	X <i>NA</i>	



Department of Veterans' Affairs

13575

P15055

Loan Number

ASSUMPTION AGREEMENT

DATE: April 25, 1994

PARTIES: Sharolyn Gallagher

BUYER

Patrick Gallagher

SELLER

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

LENDER

Until a change is requested, all tax statements are to be sent to: Sharolyn Gallagher
(Tax Account No. R 562518)

Name of Buyer

3625 Lamarada

Mailing Address

Klamath Falls, OR 97603

City State Zip

THE PARTIES STATE THAT:

1. Seller owes Lender the debt shown by:

(a) A note in the sum of \$ 53,200.00 dated June 29, 1979, 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 Book 79 Page 15503 on June 29, 1979.

(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 Assumption Agreement recorded at Klamath County on
July 16, 1982 in Vol. M 82

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:

Lot 14, Block 14 SEVENTH ADDITION TO SUNSET VILLAGE, 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:

13576

SECTION 1. UNPAID BALANCE OF SECURED OBLIGATION

The unpaid balance on the loan being assumed is \$ 40,891.39 as of April 6, 19 94

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 7.2 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 \$ 369 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, unmarried 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 Sharolyn K. Gallagher
Sharolyn Gallagher

BUYER _____

SELLER Patrick Gallagher
Patrick Gallagher

SELLER _____

P15055

Loan Number

STATE OF OREGON

COUNTY OF KLAMATH) ss

April 27, 1994

13577

Personally appeared the above named SHARON K GALLAGHER
and acknowledged the foregoing instrument to be his (their) voluntary act and deed.



OFFICIAL SEAL
LINDA MORRIS
NOTARY PUBLIC-OREGON
COMMISSION NO. 029055
MY COMMISSION EXPIRES OCT. 25, 1997

Before me:

Linda Morris
Notary Public For Oregon
My Commission Expires: 10-25-97

STATE OF OREGON) ss

COUNTY OF KLAMATH) ss

April 27, 1994

Personally appeared the above named PATRICK L. GALLAGHER
and acknowledged the foregoing instrument to be his (their) voluntary act and deed.



OFFICIAL SEAL
LINDA MORRIS
NOTARY PUBLIC-OREGON
COMMISSION NO. 029055
MY COMMISSION EXPIRES OCT. 25, 1997

Before me:

Linda Morris
Notary Public For Oregon
My Commission Expires: 10-25-97

Signed this 25th day of April, 19 94

DIRECTOR OF VETERANS' AFFAIRS - Lender

By:

Curt R. Schnepf
Curt R. Schnepf
Manager, Accounts Services

STATE OF OREGON)

COUNTY OF Marion) ss

April 25, 1994

Personally appeared the above named Curt R. Schnepf
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.



OFFICIAL SEAL
JUDY WILLEMS
NOTARY PUBLIC-OREGON
COMMISSION NO. 023057
MY COMMISSION EXPIRES MAY 22, 1997

Before me:

Judy Willem
Judy Willem
My Commission Expires: 5-22-97
Notary Public For Oregon

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 29th day
of April, A.D., 19 94 at 1:04 o'clock P.M., and duly recorded in Vol. M94,
of Mortgages on Page 13573.

FEE \$35.00

Evelyn Biehn County Clerk
By Annette Mueller

AFTER SIGNING/RECORDING, RETURN TO:

P15055

Loan Number