

2007-012679

Klamath County, Oregon



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07/17/2007 01:54:59 PM

Fee: \$31.00

Prepared by and Return To:
Jo Anne Vlaun
American Home Mortgage
538 Broadhollow Road
Melville, New York 11747

_____(Space Above This Line For Recording Data)_____

Loan Number: **1152158**

LOAN MODIFICATION AGREEMENT

(Providing for Conversion of Construction Loan to Permanent Loan)

This Loan Modification Agreement ("Agreement"), made this **1st** day of **August, 2006**, between **Scott D. McKay and Julie M. McKay, as tenants by the entirety** ("Borrower/s") and **American Home Mortgage, as successor in interest to Union Federal Bank of Indianapolis**, ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument"), dated **August 22, 2005** and recorded **on August 25, 2005**, as Instrument number **M05-62773**, in the Land Records of **Klamath** County, State of **Oregon**, and (2) the Note executed by Borrower(s) in favor of Lender in the face amount **\$292,500.00**, and bearing the same date as, and secured by, the Security Instrument, which covers the real and personal property described in the Security Instrument and defined therein as the "Property", located at:

5577 Sturdivant Avenue, Klamath Falls, Oregon, 97603

The Construction Loan Agreement, Note, Security Instrument and all other addenda and riders attached thereto, as applicable, will be called the "Loan Documents." Capitalized terms used in this Agreement and not defined herein, will have the meanings given to those terms in the applicable Loan Documents. In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note and Security Instrument):

1. As of **August 1, 2006**, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. **\$292,500.00** consisting of the amount(s) loaned to Borrower by Lender and any interest added to the principal of the Loan to date, and other charges.

2. Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of Lender. Interest will be charged on the Unpaid Principal Balance at the rate of **6.25%** per annum, beginning on **August 1, 2006**. Borrower promises to make monthly payments of principal and interest of U.S. **\$1,800.97**, beginning on the 1st day of **September, 2006**, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. The rate of interest of **6.25%** per annum will remain in effect until principal and interest is paid in full. If on **August 1, 2036** (the "Maturity Date"), Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, Borrower will pay these amounts in full on the Maturity Date.

Borrower will make such payments at: American Home Mortgage Servicing, Inc.
Attn: Payment Processing P.O. Box 660029 Dallas, TX 75266-0029, or at such other place as Lender may require.

3. If all or any part of the Property or any Interest in the Property is sold or transferred without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by the Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 of the Security Instrument within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

4. Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that Borrower is obligated to make under the Security Instrument.

5. Nothing in this Agreement shall be understood or construed to be a satisfaction, payment, refinance or release in whole or in part of the Note and the Security Instrument. Except as otherwise specifically provided in this Agreement, the Note and the Security Instrument will remain unchanged, and Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement.

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**American Home Mortgage (Seal)**  
-Lender-

By: [Signature]  
**Jo Anne Vlaun, Vice President**

[Signature] (Seal)  
- Scott D. McKay -

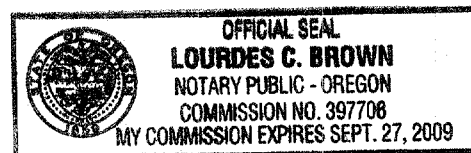
[Signature] (Seal)  
- Julie M. McKay

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(Space Below This Line For Acknowledgments)~~~~~

State/District of Oregon, County of Klamath ss:
I, Loures Brown a Notary Public for said County and State/District,
do hereby certify that **Scott D. McKay and Julie M. McKay** personally
appeared before me this day, and acknowledged the due execution of the
foregoing instrument.

Witness my hand and Official Seal, this 22 day of June, 2007

[Signature] Notary Seal
Borrower/Notary Public
My Commission Expires: 9-27-2009



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State of New York, County of Suffolk ss:

On the 22 day of June in the year 2007 before me, the  
undersigned personally appeared Jo Anne Vlaun, Vice President of  
American Home Mortgage, personally known to me or proved to me on the  
basis of satisfactory evidence to be the individual(s) whose name(s) is (are)  
subscribed to the within instrument and acknowledged to me that  
he/she/they executed the same in his/her/their capacity(ies), and that by  
his/her their signature(s) on the instrument, the individual(s), or the person  
upon behalf of which the individual(s) acted, executed the instrument.

[Signature]  
Lynn DeMartino, Notary Public

LYNN DEMARTINO  
Notary Public, State of New York  
No. 52-4987067  
Qualified in Suffolk County  
Commission Expires Oct. 7, ~~1998~~ 2009

