

Record and Return to:
Fidelity National Title Group
6500 Pinecrest Drive, Suite 600
Plano, TX 75024

2021-017800
Klamath County, Oregon
12/01/2021 08:08:01 AM
Fee: \$152.00

Requested by ~~and returned to:~~
PHH Mortgage Corporation dba Liberty Reverse Mortgage
10951 White Rock Road, Suite 200
Rancho Cordova, CA 95670

FHA Case Number: 431-7405567/962-255
Loan Number: 144174
MIN: 1000200-9000144174-5
FNC-ARS-60917

State of Oregon

**ADJUSTABLE RATE
LINE OF CREDIT DEED OF TRUST
(HOME EQUITY CONVERSION)
THIS DEED SECURES A REVERSE MORTGAGE LOAN**

THIS DEED OF TRUST ("Security Instrument") is made on **November 10, 2021** The trustor is **Gary Allen Ferguson and Susan Lee Ferguson, husband and wife** whose address is **10510 Washburn Way, KLAMATH FALLS, OR 97603** ("Borrower") The term "Borrower" does not include the Borrower's successors and assigns The trustee is **CHICAGO TITLE INSURANCE COMPANY, 6500 Pinecrest Drive, Ste 600, Plano, CA 75024** ("Trustee") The lender is **PHH Mortgage Corporation dba Liberty Reverse Mortgage** which is organized and existing under the laws of **New Jersey**, and whose address is **1 Mortgage Way, Mount Laurel, NJ 08054** ("Lender") Lender is the beneficiary under this Security Instrument. The term "Lender" includes any successors and assigns of Lender "MERS" is Mortgage Electronic Registration Systems, Inc MERS is a separate corporation that is the Nominee for Lender and is acting solely for Lender 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, tel (888) 679-MERS Borrower has agreed to repay to Lender amounts which Lender is obligated to advance, including future advances, under the terms of a Home Equity Conversion Mortgage Adjustable Rate Loan Agreement dated the same date as this Security Instrument ("Loan Agreement") The agreement to repay is evidenced by Borrower's Adjustable Rate Note dated the same date as this Security Instrument ("Note") This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, including all future advances, with interest at a rate subject to adjustment, and all renewals, extensions and modifications of the Note, up to a maximum principal amount of **Five Hundred Eight Thousand Five Hundred and 00/100 Dollars (U S \$508,500.00)**, (b) the payment of all other sums, with interest, advanced under Paragraph 5 to protect the security of this Security Instrument or otherwise due under the terms of this Security Instrument, and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note and Loan Agreement. The full debt, including all amounts described in (a), (b), and (c) above, if not paid earlier, is due and payable on **June 16, 2100** For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in **Klamath County, Oregon**, which has the address of

10510 Washburn Way, KLAMATH FALLS, OR 97603, and is described more fully on Exhibit A attached to and hereby incorporated into this Deed of Trust ("Property Address")

Originator PHH Mortgage Corporation dba Liberty Reverse Mortgage
Company - NMLS # 1866508 Order No 2563988

Loan Originator Wright, Chris
Loan Originator NMLS # 1374836

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, and fixtures now or hereafter a part of the property All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property "

Lender, as the beneficiary under this Security Instrument, designates MERS as the Nominee for Lender Any notice required by applicable law or this Security Instrument to be served on Lender must be served on MERS as the designated Nominee for Lender Borrower understands and agrees that MERS, as the designated Nominee for Lender, has the right to exercise any or all interests granted by Borrower to Lender, 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, assigning and releasing this Security Instrument, and substituting a successor trustee

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property

UNIFORM COVENANTS Borrower and Lender covenant and agree as follows

1. Payment of Principal and Interest. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note

2. Payment of Property Charges. Borrower shall pay all property charges consisting of property taxes, hazard insurance premiums, flood insurance premiums, ground rents, condominium fees, planned unit development fees, homeowner's association fees, and any other special assessments that may be required by local or state law in a timely manner, and shall provide evidence of payment to Lender, unless Lender pays property charges by withholding funds from monthly payments due to the Borrower or by charging such payments to a line of credit as provided for in the Loan Agreement.

3. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including but not limited to fire and flood for which Lender requires insurance Such insurance shall be maintained in the amounts and for the periods that Lender requires, Lender has the discretion to increase or decrease the amount of any insurance required at any time provided the amount is equal to or greater than any minimum required by the Secretary of Housing and Urban Development ("Secretary") Whether or not Lender imposes a flood insurance requirement, Borrower shall at a minimum insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary If the Lender imposes insurance requirements, all insurance shall be carried with companies approved by Lender, and the insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of and in a form acceptable to Lender

In the event of loss, Borrower shall give Lender immediate notice by mail Lender may make proof of loss if not made promptly by Borrower Each insurance company concerned is hereby authorized and directed to make payment for such loss to Lender, instead of to Borrower and Lender jointly Insurance proceeds shall be applied to restoration or repair of the damaged Property, if the restoration or repair is economically feasible and Lender's security is not lessened If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied first to the reduction of any indebtedness under a Second Note and Second Security Instrument (as described in Paragraph 15) held by the Secretary on the Property and then to the reduction of the

indebtedness under the Note and this Security Instrument. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

4. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's Principal Residence after the execution of this Security Instrument and Borrower (or at least one Borrower, if initially more than one person are Borrowers) shall continue to occupy the Property as Borrower's Principal Residence for the term of the Security Instrument.

Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a Principal Residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to merger in writing.

5. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in Paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument in the manner provided in Paragraph 14(C).

If Borrower fails to make these payments or pay the property charges required by Paragraph 2, or fails to perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of property taxes, hazard insurance and other items mentioned in Paragraph 2.

To protect Lender's security in the Property, Lender shall advance and charge to Borrower all amounts due to the Secretary for the Mortgage Insurance Premium ("MIP") as defined in the Loan Agreement as well as all sums due to the loan servicer for servicing activities ("Servicing Fee") as defined in the Loan Agreement. Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower as provided for in the Loan Agreement and shall be secured by this Security Instrument.

6. Inspection. Lender or its agent may enter on, inspect or make appraisals of the Property in a reasonable manner and at reasonable times provided that Lender shall give the Borrower notice prior to any inspection or appraisal specifying a purpose for the inspection or appraisal which must be related to Lender's interest in the Property. If the Property is vacant or abandoned or the loan is in default, Lender may take reasonable action to protect and preserve such vacant or abandoned Property without notice to the Borrower.

7. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any

condemnation, or other taking of any part of the Property or for conveyance in place of condemnation shall be paid to Lender. The proceeds shall be applied first to the reduction of the indebtedness under the Second Note and Second Security Instrument (as described in Paragraph 15) held by the Secretary on the Property, and then to the reduction of the indebtedness under the Note and this Security Instrument. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

8. Fees. Lender may collect fees and charges authorized by the Secretary.

9 Non-Borrowing Spouse. Borrower, N/A, is married under the laws of N/A to N/A ("Non-Borrowing Spouse"), who is not a Borrower under the terms of the "Note," "Loan Agreement" or this Security Instrument.

(A) Eligible Non-Borrowing Spouse A Non-Borrowing Spouse identified by the Borrower who meets, and continues to meet, the Qualifying Attributes requirements established by the Secretary that the Non-Borrowing Spouse must satisfy in order to be eligible for the Deferral Period.

(B) Ineligible Non-Borrowing Spouse A Non-Borrowing Spouse who does not meet the Qualifying Attributes requirements established by the Secretary that the Non-Borrowing Spouse must satisfy in order to be eligible for the Deferral Period.

10. Grounds for Acceleration of Debt.

(A) Due and Payable – Death.

(i) Except as provided in Paragraph 10(A)(ii), Lender may require immediate payment in full of all sums secured by this Security Instrument if a Borrower dies and the Property is not the Principal Residence of at least one surviving Borrower.

(ii) Lender shall defer the Due and Payable requirement under Paragraph 10(A)(i) above for any period of time ("Deferral Period") in which a Non-Borrowing Spouse identified in Paragraph 9 qualifies as an Eligible Non-Borrowing Spouse and certifies all of the following conditions are, and continue to be, met:

- a Such Eligible Non-Borrowing Spouse remained the spouse of the identified Borrower for the duration of such Borrower's lifetime,
- b Such Eligible Non-Borrowing Spouse has occupied, and continues to occupy, the Property as [his/her] Principal Residence,
- c All other obligations of the Borrower under the Note, the Loan Agreement and this Security Instrument continue to be satisfied, and
- d The Note is not eligible to be called due and payable for any other reason.

This sub-paragraph (ii) is inapplicable or null and void if an Eligible Non-Borrowing Spouse is or becomes an Ineligible Non-Borrowing Spouse at any time. Further, during a deferral of the due and payable status, should any of the conditions for deferral cease to be met, such a deferral shall immediately cease and the Note will become immediately due and payable in accordance with the provisions of Paragraph 7 (A)(i) of the Note.

(B) Due and Payable - Sale. Lender may require immediate payment in full of all sums secured by this Security Instrument if all of a Borrower's title in the Property (or his or her beneficial interest in a trust owning all or part of the Property) is sold or otherwise transferred and no other Borrower retains title to the Property in fee simple, or retains a leasehold under a lease for not less than 99 years which is renewable or a lease having a remaining period of not less than 50 years beyond the date of the 100th birthday of the youngest Borrower, or retains a life estate in the Property (or retaining a beneficial interest in a trust with such an interest in the Property). A deferral of due and

payable status is not permitted when a Lender requires immediate payment in full under this paragraph.

(C) Due and Payable with Secretary Approval. Lender may require immediate payment in full of all sums secured by this Security Instrument, upon approval of the Secretary, if

- (i) The Property ceases to be the Principal Residence of a Borrower for reasons other than death and the Property is not the Principal Residence of at least one other Borrower; or
- (ii) For a period of longer than twelve (12) consecutive months, a Borrower fails to occupy the Property because of physical or mental illness and the Property is not the Principal Residence of at least one other Borrower; or
- (iii) An obligation of the Borrower under this Security Instrument is not performed

A deferral of due and payable is permitted under Paragraph 10(C) if the Property ceases to be the Principal Residence of the Borrower for a period longer than twelve (12) consecutive months due to physical or mental illness. The Property must remain the Principal Residence of an Eligible Non-Borrowing Spouse and all Qualifying Attributes and all other FHA requirements must continue to be satisfied.

(D) Notice and Certification to Lender. Borrower shall complete and provide to the Lender on an annual basis a certification, in a form prescribed by the Lender, stating whether the Property remains the Borrower's Principal Residence and, if applicable, the Principal Residence of his or her Non-Borrowing Spouse. Where a Borrower has identified a Non-Borrowing Spouse in Paragraph 9 and the identified Non-Borrowing Spouse qualifies as an Eligible Non-Borrowing Spouse the Borrower shall also complete and provide to the Lender on an annual basis an Eligible Non-Borrowing Spouse certification, in a form prescribed by the Lender, certifying that all requirements for the application of a Deferral Period continue to apply and continue to be met. During a Deferral Period, the annual Principal Residence certification must continue to be completed and provided to the Lender by the Eligible Non-Borrowing Spouse. The Borrower shall also notify Lender whenever any of the events listed in Paragraph 10(B) and (C) occur.

(E) Notice to Secretary and Borrower. Lender shall notify the Secretary and Borrower whenever the loan becomes due and payable under Paragraph 10(B) and (C). Lender shall not have the right to commence foreclosure until Borrower has had thirty (30) days after notice to either:

- (i) Correct the matter which resulted in the Security Instrument coming due and payable, or
- (ii) Pay the balance in full, or
- (iii) Sell the Property for the lesser of the balance or ninety five percent (95%) of the appraised value and apply the net proceeds of the sale toward the balance, or
- (iv) Provide the Lender with a deed in lieu of foreclosure

(F) Notice to Secretary and Eligible Non-Borrowing Spouse. Lender shall notify the Secretary and any Eligible Non-Borrowing Spouse whenever any event listed in Paragraph 10(B) and (C) occurs during a Deferral Period.

(G) Trusts. Conveyance of a Borrower's interest in the Property to a trust which meets the requirements of the Secretary, or conveyance of a trust's interests in the Property to a Borrower, shall not be considered a conveyance for purposes of this Paragraph 10. A trust shall not be considered an occupant or be considered as having a Principal Residence for purposes of this Paragraph 10.

(H) Mortgage Not Insured. Borrower agrees that should this Security Instrument and the Note not be eligible for insurance under the National Housing Act within sixty (60) days from the date hereof, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to sixty (60) days from the date hereof, declining to insure this Security Instrument and the Note, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

11. No Deficiency Judgments. Borrower shall have no personal liability for payment of the debt secured by this Security Instrument. Lender may enforce the debt only through sale of the Property. Lender shall not be permitted to obtain a deficiency judgment against Borrower if the Security Instrument is foreclosed. If this Security Instrument is assigned to the Secretary upon demand by the Secretary, Borrower shall not be liable for any difference between the mortgage insurance benefits paid to Lender and the outstanding indebtedness, including accrued interest, owed by Borrower at the time of the assignment.

12. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full. This right applies even after foreclosure proceedings are instituted. To reinstate this Security Instrument, Borrower shall correct the condition which resulted in the requirement for immediate payment in full. Foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding shall be added to the principal balance. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two (2) years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the Security Instrument.

13. Deferral Period Reinstatement. If a Deferral Period ceases or becomes unavailable because a Non-Borrowing Spouse no longer satisfies the Qualifying Attributes for a Deferral Period and has become an Ineligible Non-Borrowing Spouse, neither the Deferral Period nor the Security Instrument may be reinstated. In the event a Deferral Period ceases because an obligation of the Note, the Loan Agreement or this Security Instrument has not been met or the Note has become eligible to be called due and payable and is in default for a reason other than death, an Eligible Non-Borrowing Spouse may have a Deferral Period and this Security Instrument reinstated provided that the condition which resulted in the Deferral Period ceasing is corrected within thirty(30) days. A Lender may require the Eligible Non-Borrowing Spouse to pay for foreclosure costs and reasonable and customary attorney's fees and expenses properly associated with the foreclosure proceeding, such costs may not be added to the Principal Balance. Upon reinstatement by an Eligible Non-Borrowing Spouse, the Deferral Period and this Security Instrument and the obligations that it secures shall remain in effect as if the Deferral Period had not ceased and the Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if (i) the Lender has accepted a reinstatement of either the Deferral Period or this Security Instrument within the past two (2) years immediately preceding the current notification to the Eligible Non-Borrowing Spouse that the mortgage is due and payable, (ii) reinstatement of either the Deferral Period or this Security Instrument will preclude foreclosure in the future, or (iii) reinstatement of either the Deferral Period or Security Instrument will adversely affect the priority of the Security Instrument.

14. Lien Status.

(A) Modification. Borrower agrees to extend this Security Instrument in accordance with this Paragraph 14(A). If Lender determines that the original lien status of the Security Instrument is jeopardized under state law (including

but not limited to situations where the amount secured by the Security Instrument equals or exceeds the maximum principal amount stated or the maximum period under which loan advances retain the same lien priority initially granted to loan advances has expired) and state law permits the original lien status to be maintained for future loan advances through the execution and recordation of one or more documents, then Lender shall obtain title evidence at Borrower's expense. If the title evidence indicates that the Property is not encumbered by any liens (except this Security Instrument, the Second Security Instrument described in Paragraph 15(A) and any subordinate liens that the Lender determines will also be subordinate to any future loan advances), Lender shall request the Borrower to execute any documents necessary to protect the lien status of future loan advances. Borrower agrees to execute such documents. If state law does not permit the original lien status to be extended to future loan advances, Borrower will be deemed to have failed to have performed an obligation under this Security Instrument.

(B) Tax Deferral Programs. Borrower shall not participate in a real estate tax deferral program, if any liens created by the tax deferral are not subordinate to this Security Instrument.

(C) Prior Liens. Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property, or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to all amounts secured by this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within ten (10) days of the giving of notice.

15. Relationship to Second Security Instrument

(A) Second Security Instrument. In order to secure payments which the Secretary may make to or on behalf of Borrower pursuant to Section 255(i)(1)(A) of the National Housing Act and the Loan Agreement, the Secretary has required Borrower to execute a Second Note and a Second Security Instrument on the Property.

(B) Relationship of First and Second Security Instruments. Payments made by the Secretary shall not be included in the debt under the Note unless

(i) This Security Instrument is assigned to the Secretary, or

(ii) The Secretary accepts reimbursement by the Lender for all payments made by the Secretary.

If the circumstances described in (i) or (ii) occur, then all payments by the Secretary, including interest on the payments, but excluding late charges paid by the Secretary, shall be included in the debt under the Note.

(C) Effect on Borrower. Where there is no assignment or reimbursement as described in (B)(i) or (ii) and the Secretary makes payments to Borrower, then Borrower shall not

(i) Be required to pay amounts owed under the Note, or pay any rents and revenues of the Property under Paragraph 23 to Lender or a receiver of the Property, until the Secretary has required payment in full of all outstanding principal and accrued interest under the Second Note, or

(ii) Be obligated to pay interest or shared appreciation under the Note at any time, whether accrued before or after the payments by the Secretary, and whether or not accrued interest has been included in the principal balance under the Note.

(D) No Duty of the Secretary. The Secretary has no duty to Lender to enforce covenants of the Second Security Instrument or to take actions to preserve the value of the Property, even though Lender may be unable to collect amounts owed under the Note because of restrictions in this Paragraph 15

16. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of, or preclude the exercise of, any right or remedy

17. Successors and Assigns Bound; Joint and Several Liability. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender. Borrower may not assign any rights or obligations under this Security Instrument or under the Note, except to a trust that meets the requirements of the Secretary. Borrower's covenants and agreements shall be joint and several

Notwithstanding anything to the contrary herein, upon the death of the last surviving Borrower, the Borrower's successors and assigns will be bound to perform Borrower's obligations under this Security Instrument.

18. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address all Borrowers jointly designate. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any address Lender designates by notice to Borrower. Any notice to a Non-Borrowing Spouse provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address. Borrower and Non-Borrowing Spouse acknowledge that any notice Borrower or Non-Borrowing Spouse provides to Lender must also be provided to MERS as Nominee for Lender until MERS' Nominee interest is terminated. Any notice provided by Borrower or Non-Borrowing Spouse in connection with this Security Instrument will not be deemed to have been given to MERS until actually received by MERS. Any notice given in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower, Lender, Non-Borrowing Spouse or MERS when given as provided in this Paragraph 18

19. Governing Law; Severability. This Security Instrument shall be governed by Federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable

20. Borrower's Copy. Borrower shall be given one conformed copy of the Note and this Security Instrument.

21. Third-Party Beneficiary. Except as set forth in Paragraph 10(A)(11) and only for an Eligible Non-Borrowing Spouse the Security Instrument does not and is not intended to confer any rights or remedies upon any person other than the parties. Borrower agrees that it is not a third-party beneficiary to the Contract of Insurance between HUD and Lender

22. Capitalized Terms. Capitalized terms not defined in this Security Instrument shall have the meanings ascribed to them in the Loan Agreement

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows

23. Assignment of Rents. Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each

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tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by this Security Instrument, (b) Lender shall be entitled to collect and receive all of the rents of the Property, and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this Paragraph 23.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by this Security Instrument is paid in full.

24. Foreclosure Procedure. If Lender requires immediate payment in full under Paragraph 10, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Paragraph 24, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall give notice of sale in the manner prescribed by applicable law to Borrower and to other persons prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

25. Lien Priority. The full amount secured by this Security Instrument shall have the same priority over any other liens on the Property as if the full amount had been disbursed on the date the initial disbursement was made, regardless of the actual date of any disbursement. The amount secured by this Security Instrument shall include all direct payments by Lender to Borrower and all other loan advances permitted by this Security Instrument for any purpose. This lien priority shall apply notwithstanding any State constitution, law or regulation, except that this lien priority shall not affect the priority of any liens for unpaid State or local governmental unit special assessments or taxes.

If Lender invokes the power of sale, Lender shall give notice of sale to Borrower in the manner provided in Paragraph 18. Lender shall publish and post the notice of sale, and the Property shall be sold in the manner prescribed by

applicable law Lender or its designee may purchase the Property at any sale The proceeds of the sale shall be applied in the following order (a) to all expenses of the sale including but not limited to, reasonable attorney's fees, (b) to all sums secured by this Security Instrument and (c) any excess to the person or persons legally entitled to it.

26. Adjustable Rate Feature. Under the Note, the initial stated interest rate of **One and 900/1000's percent (1.900%)** which accrues on the unpaid principal balance ("Initial Interest Rate") is subject to change, as described below When the interest rate changes, the new adjusted interest rate will be applied to the total outstanding principal balance Each adjustment to the interest rate will be based upon the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year ("Index") plus a margin. The Index is published in the Federal Reserve Board's Data Download Program (DDP) and made available by the Board of Governors of the Federal Reserve System in Statistical Release H 15 (519) If the Index is no longer available, Lender will be required to use any index prescribed by the Department of Housing and Urban Development. The new index will have a historical movement substantially similar to the original index, and the new index and margin will result in an annual percentage rate that is substantially similar to the rate in effect at the time the original index becomes unavailable

Lender will perform the calculations described below to determine the new adjusted interest rate The interest rate may change on the first day of **January, 2022 and on the first day of each succeeding month**, ("Change Date") until the loan is repaid in full "Change Date" means each date in which the interest rate could change

The value of the Index will be determined, using the most recent Index figure available thirty (30) days before the Change Date ("Current Index") Before each Change Date, the new interest rate will be calculated by adding a margin to the Current Index, subject to the rate limitations below, then rounded to the nearest one-eighth of one percentage point (0.125%) This rounded sum of the margin plus the Current Index will be called the "Calculated Interest Rate" for each Change Date The Calculated Interest Rate will be compared to the interest rate in effect immediately prior to the current Change Date (the "Existing Interest Rate")

The interest rate the Borrower is required to pay will never increase above 6.900%.

The Calculated Interest Rate will be adjusted if necessary to comply with the rate limitation(s) described above and will be in effect until the next change date At any change date, if the Calculated Interest Rate equals the Existing Interest Rate, the interest rate will not change

27. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it Such person or persons shall pay any recordation costs Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third-party (such as the Trustee) for services rendered and the charging of the fee is permitted under applicable law

28. Substitute Trustee. In accordance with applicable law, Lender or MERS may from time to time appoint a successor trustee to any Trustee appointed hereunder who has ceased to act. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law

29. Attorneys' Fees. As used in this Security Instrument and in the Note, "attorneys' fees" shall include any attorneys' fees awarded by an appellate court

30. Obligatory Loan Advances. Lender's responsibility to make Loan Advances under the terms of the Loan Agreement, including Loan Advances of principal to Borrower as well as Loan Advances for interest, MIP, Servicing

Fees, and other charges shall be obligatory

31. Protective Advances. This Security Instrument secures any advances Lender, at its discretion, may make under Paragraph 5 of this Security Instrument to protect Lender’s interest in the Property and rights under this Security Instrument

32. Nominee Capacity of MERS. “Nominee” means one designated to act for another as its representative for a limited purpose MERS is appointed as the Nominee for Lender to exercise the rights, duties and obligations of Lender as Lender may from time to time direct, including but not limited to appointing a successor trustee, assigning, or releasing, in whole or in part this Security Instrument, foreclosing or directing Trustee to institute foreclosure of this Security Instrument, or taking such other actions as Lender may deem necessary or appropriate under this Security Instrument The term “MERS” includes any successors and assigns of MERS This appointment shall inure to and bind MERS, its successors and assigns, as well as Lender, until MERS’ Nominee interest is terminated

33. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.
[Check all riders that are applicable]

	Condominium Rider		PUD Rider
	Shared Appreciation Rider	X	Other Manufactured Home Rider

WARNING

Unless you provide us with evidence of the insurance coverage as required by our contract or loan agreement, we may purchase insurance at your expense to protect our interest. This insurance may, but need not, also protect your interest. If the collateral becomes damaged, the coverage we purchase may not pay any claim you make or any claim made against you. You may later cancel this coverage by providing evidence that you have obtained property coverage elsewhere.

You are responsible for the cost of any insurance purchased by us. The cost of this insurance may be added to your contract or loan balance. If the cost is added to your contract or loan balance, the interest rate on the underlying contract or loan will apply to this added amount. The effective date of coverage may be the date your prior coverage lapsed or the date you failed to provide proof of coverage.

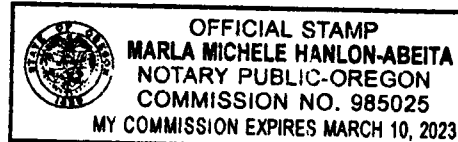
The coverage we purchase may be considerably more expensive than insurance you can obtain on your own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses _____

Gary Allen Ferguson
Gary Allen Ferguson (Borrower)

Susan Lee Ferguson
Susan Lee Ferguson (Borrower)



STATE OF OREGON

County of Klamath

This instrument was acknowledged before me on **November 10, 2021** by

Gary Allen Ferguson & Susan Lee Ferguson

Marla M
Notary Public - State of Oregon

My commission expires 3/10/2023

Originator: PHH Mortgage Corporation dba Liberty Reverse Mortgage
Company - NMLS # 1866508 Order No 2563988

Loan Originator: Wright, Chris
Loan Originator NMLS # 1374836

**MANUFACTURED HOME RIDER
TO MORTGAGE, DEED OF TRUST OR OTHER SECURITY INSTRUMENT**

FHA Case Number: 431-7405567/962-255
MIN Number: 1000200-9000144174-5

Loan Number: 144174

THIS MANUFACTURED HOME RIDER is made this **November 10, 2021** is incorporated into and shall be deemed to amend and supplement that certain Mortgage, Deed of Trust or Other Security Instrument (the "Security Instrument") of the same date hereof given by the undersigned (the "Borrower(s)") to secure Borrower's Promissory Note) to **PHH Mortgage Corporation dba Liberty Reverse Mortgage** (the "Note Holder")

of the same date hereof (the "Note"), and relating to the property described in the Security Instrument and located at: **10510 Washburn Way, KLAMATH FALLS, OR 97603**

The following provisions are applicable to the Security Instrument, including those marked and completed (where applicable)

1. ☒ DESCRIPTION OF REAL PROPERTY. The description of the real property set forth in the Security Instrument is amended by the addition of the following

"Together with all improvements constructed upon, affixed to or located upon the above described real property, including without limitation any residential dwelling located upon or to be located thereon, which dwelling is or may be a manufactured home, as herein below described, which manufactured home is or upon placement and affixation shall be conclusively deemed to be real estate (the "Manufactured Home")

Make Redman Homes, Inc.	Model 7OU3BD	Serial Number 11820744
	Mfd HUD Label	
Year Built 1995	Width and Length See Plat Map	

☐ No Certificate of Title has been issued ☐ Certificate of Title No **Has Been Issued**

2. ☐ MANUFACTURED HOME AS PERSONAL PROPERTY SECURITY. The Note is also secured by a security interest in favor of Note Holder in the following described manufactured home ("Manufactured Home"), which is real property described in the Security Instrument

Make	Model	Serial Number
	Mfd HUD Label	
Year Built	Width and Length	

☐ No Certificate of Title has been issued ☐ Certificate of Title No

3. ADDITIONAL COVENANTS OF BORROWER(S) RELATING TO MANUFACTURED HOME.
If Paragraph 1 has been marked and completed, Borrower(s) agree(s) to comply with all State and local laws and regulations relating to the affixation of the Manufactured Home to the real property described herein including, but not limited to, surrendering the Certificate of Title (if required), obtaining any governmental approval and executing any documentation necessary to classify the Manufactured Home as real property under State and local law

The Manufactured Home shall be at all times and for all purposes permanently affixed to and part of the real property described herein and shall not be removed from said real property. Borrower(s) covenant(s) that affixing the Manufactured Home to the real property described herein does not violate any zoning laws or other local requirements applicable to manufactured homes.

If Paragraph 2 has been marked and completed, Borrower(s) agree(s) and covenant(s) that the Manufactured Home is and shall remain personal property, severable and separate from the real property described in the Security Instrument, and agree(s) and covenant(s) not to take any action, or fail to take any action, which would result in a change in such status.

4. SECURITY AGREEMENT AND FINANCING STATEMENT. This Security Instrument shall be a security agreement granting Lender a first and prior security interest in all of Borrower's right, title and interest in, to and under any personal property ("Personal Property") which under and within the meaning of the applicable State laws is and cannot be classified and considered real property, if any. Personal Property shall also include the Manufactured Home described in Paragraph 2 hereof, if applicable. In the event of any foreclosure sale, whether made by Trustee or a substitute trustee, or under judgment of the court or pursuant to a power of sale, all of the property and Personal Property may, at the option of Lender, sold as a whole or any part thereof. It shall not be necessary to have present at the place of such sale the Personal Property or any part thereof. Lender, as well as Trustee or any substitute trustee on Lender's behalf, shall have all the rights, remedies and recourses with respect to the Personal Property afforded to a "Secured Party" by the applicable state laws in addition to and not in limitation of the other rights and recourse afforded Lender and/or Trustees or any substitute trustee under this Security Instrument. Borrower(s) shall, upon demand, pay to Lender the amount of any and all expenses, including the fees and disbursements of Lender's legal counsel and of any experts and agents which Lender may incur in connection with (i) the making and/or administration of this Security Instrument, (ii) the custody, preservation, use or operation of, or the sale or collection from, or other realization upon any property, real and/or personal described in this Security Instrument, (iii) the exercise or enforcement of any of the rights of Lender under this Security Instrument, or (iv) the failure by Borrower(s) to perform or observe any provisions or covenant in this Security Instrument.

Lender may, at its election, at any time after the delivery of this Security Instrument, sign one or more copies of this Security Instrument in order that such copies may be used as a financing statement under the applicable State laws. Lender's signature need not be acknowledged, and is not necessary to the effectiveness hereof as a deed of trust, a security agreement, or (unless otherwise required by applicable law) a financing statement.

5. RESPONSIBILITY FOR IMPROVEMENTS. Lender shall not be responsible for any improvements made or to be made, or for their completion relating to the real property, and shall not in any way be considered a guarantor of performance by any person or party providing or effecting such improvements.

6. INVALID PROVISIONS. If any provision of this Security Instrument is declared invalid, illegal or unenforceable by a court of competent jurisdiction, then such invalid, illegal or unenforceable provisions shall be severed from this Security Instrument and the remainder enforced as if such invalid, illegal or unenforceable provision is not a part of this Security Instrument.



Gary Allen Ferguson (Borrower)



Susan Lee Ferguson (Borrower)

Exhibit A

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE
COUNTY OF KLAMATH, STATE OF OREGON, AND IS DESCRIBED AS
FOLLOWS:

Lot 1 in Block 2 of Tract No. 1018, according to the official Plat thereof on file
in the office of the County Clerk of Klamath County.

Manufactured/Mobile Home:

Name: Redman Homes

Model No.: 70663bd

New/Used/Year: n/a

Serial No.: 11820744

Length and Width: n/a

Manufactured/Mobile Home:

Name: Wyndham

Model No.: n/a

New/Used/Year: 1995

Serial No.: 11820744abc

Length and Width: 70X42.

Parcel ID:586798

Commonly known as 10510 Washburn Way, Klamath Falls, OR 97603
However, by showing this address no additional coverage is provided