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MODIFICATION AND ASSUMPTION AGREEMENT
WITH RELEASE

MAW# 311784

FNMA# 1010045381

THIS AGREEMENT is made this 9th day of September, 1985, between
J. Wayne Houston and Judy E. Houston-----,
 (here "BORROWER"),
W. Lanier Gates and Sylvia J. Gates-----,
 (here "ASSUMER"), and

FEDERAL NATIONAL MORTGAGE ASSOCIATION, a corporation organized and existing under the laws of the United States, whose address is 100 Peachtree Street, N.W., Atlanta, Georgia 30303 (here "LENDER"),

for a modification, assumption, and release with respect to that promissory note dated December 30, 1977, in the original amount of \$ 45,000.00, bearing interest at the rate of 8.875% percent per annum, secured by a Mortgage of the same date, made by BORROWER to Molton, Allen & Williams, Inc. recorded in Book 373, page 487 secured by the following described property located in the County of Shelby State of Alabama:

Lot 7, according to Map of Woodland Hills, Second Phase, First Sector, as recorded in Map Book 6, page 138, in the Probate Office of Shelby County, Alabama. Situated in Shelby County, Alabama.

which has the address of 612 Hackberry Lane, Alabaster, Alabama 35007
 (herein "Property Address"); (street) (city) (State and zip code)

WHEREAS, LENDER acquired the Note and Mortgage described above by an assignment dated January 13, 1978 and recorded in the Office of the Judge of Probate in Book 1552, Page 893, Shelby County, Alabama.

WHEREAS, BORROWER is indebted to LENDER under the Note and Mortgage described above payable in 270 monthly installments of \$ 360.90 due on the 1st day of each month, and

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WHEREAS, BORROWER desires to sell and ASSUMER desires to purchase such property subject to such indebtedness and to assume the unpaid principal owing to LENDER, but such Mortgage requires the written consent of LENDER prior to any sale or transfer of all or any part of such property, and a sale or transfer without consent of LENDER would constitute a default under such Mortgage, and BORROWER and ASSUMER wish to obtain the consent of LENDER to such sale or transfer;

NOW THEREFORE, for an in consideration of the granting of such consent by LENDER and of the benefits flowing to each of the parties hereto, they do agree as follows:

1. STATUS OF LOAN. As of the date of the transfer of the property on September 9, 1985, or as a result of such transfer, payments of principal and interest on the indebtedness are current, and the unpaid principal balance of the indebtedness to LENDER is \$ 41,426.55 as of such date, subject to payment of all checks in process of collection.

2. NEW TERMS. The terms of the note evidencing such indebtedness are hereby modified by increasing the rate of interest payable thereunder to N.A. percent per annum, effective on N.A.. Such indebtedness shall, beginning on August 1, 1985 and continuing thereafter, be payable in monthly installments of \$ 360.90 per month together with any amounts required for escrow deposits. The dates on which payments are due shall remain unchanged. Interest will remain at 8.875%.

3. ASSUMPTION. ASSUMER hereby assumes such indebtedness as modified in paragraph 2 above, and shall hereafter make all monthly payments as called for therein. If this agreement is entered into after the date of the transfer of the property, ASSUMER agrees and tenders herewith an amount necessary to make the loan current as modified in paragraph 2 as of the date of this agreement. Further, ASSUMER agrees to abide by all described above, excepting as specifically modified by this agreement. In the event of any default by ASSUMER under the terms of such note or such Mortgage, LENDER may exercise all remedies available to it under the terms of such note or Mortgage including an action at law against ASSUMER to collect any monies due under the note, and exercise of the remedies contained in NON-UNIFORM COVENANT 18 of the Mortgage. ASSUMER hereby acknowledges that LENDER has made all disclosures to ASSUMER as may be required under the Consumer Credit Protection Act of 1968 and Regulation Z (Title 12, part 226, Code of Federal Regulations).

4. FUNDS FOR TAXES AND INSURANCE. BORROWER hereby relinquishes and transfers to ASSUMER all BORROWER'S interest in any monies which may be held by LENDER as escrow deposits, for the purposes of application to taxes, assessments, fire or other insurance premiums, or any other purposes for which deposits are being required by LENDER. ASSUMER assumes the liability for payment of any unpaid taxes, assessments, fire, or other insurance and agrees to continue making monthly deposits for such purposes if required by LENDER.

5. LENDER CONSENT AND RELEASE. LENDER hereby consents to the sale and transfer of such property to ASSUMER by BORROWER, hereby accepts ASSUMER as its obligor, and shall amend its records to indicate the transfer of such indebtedness from the name of BORROWER to the name of ASSUMER, and LENDER shall henceforth in all respects treat ASSUMER as its borrower. LENDER hereby releases BORROWER from all obligations or liabilities under such Note of Mortgage. All other terms of this agreement to the contrary notwithstanding, the remedies contained in NON-UNIFORM COVENANT 18 of the Mortgage shall remain in full force and effect in accordance with their terms.

6. FURTHER TRANSFER OF PROPERTY. ASSUMER agrees that the granting on consent by LENDER to this transfer shall not constitute a waiver of the restrictions on transfer contained in such Mortgage, and such restriction shall continue in full force and any future transfer or sale by ASSUMER without the written consent of LENDER shall constitute a default of the terms of such Mortgage, and LENDER, at its option, may exercise all remedies available to it under the terms of such Note and Mortgage.

7. Wherever, the words "BORROWER" or "ASSUMER" are used in this agreement, they shall represent the plural as well as the singular, the feminine and neuter genders as well as the masculine, and shall include heirs, successors or assigns.

IN WITNESS, WHEREOF, the parties have executed this agreement on the day and year first above written.

BORROWER:

STATE OF ALABAMA
COUNTY OF Jefferson } ss.

Mildred Sherr
J. Wayne Houston (SEAL)
J. Wayne Houston
Mildred Sherr
Judy E. Houston (SEAL)
Judy E. Houston

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that J. Wayne Houston and Judy E. Houston whose name(s) are signed to the foregoing agreement, and who are known to me, acknowledged before me on this day that, being informed of the contents of the agreement, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 9th day of Sept, 1985.

Judith Zuckerman (SEAL)
As Notary Public

ASSUMER:

STATE OF ALABAMA
COUNTY OF Jefferson } ss.

W. Lanier Gates (SEAL)
W. Lanier Gates
Sylvia J. Gates (SEAL)
Sylvia J. Gates

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that W. Lanier Gates and Sylvia J. Gates whose name(s) are signed to the foregoing agreement, and who are known to me, acknowledged before me on this day that, being informed of the contents of the agreement, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 9th day of September, 1985.

Judith Zuckerman (SEAL)
As Notary Public

STATE OF GEORGIA
COUNTY OF FULTON) ss.

LENDER:

FEDERAL NATIONAL MORTGAGE ASSOCIATION (SEAL)

BY: J. J. Bacchus
J.J. BACCHUS ASSISTANT Vice President

I, SUZANNE H. LANGFORD, a Notary Public in and for said County in said State, hereby certify that J.J. BACCHUS, whose name as ASSISTANT Vice President of Federal National Mortgage Association, a corporation organized and existing under the laws of the United States, is signed to the foregoing agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the agreement, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 17th day of September, 1985.

Suzanne H. Langford
Notary Public, Georgia at Large
My Commission Expires:
(SEAL)

Notary Public, Georgia, State at Large
My Commission Expires Oct. 5, 1987

(AL-1980)

RECORDING FEES

Recording Fee \$ 7.50
Index Fee 1.00

TOTAL \$ 8.50

Prepared by: _____ (NAME)
c/o Federal National Mortgage Association
100 Peachtree Street,
Atlanta, Georgia 30303