

Inst # 1996-19646

06/17/1996-19646
03:18 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 MCD 16.00

(Space Above this Line for Recording Data)

LOAN MODIFICATION AGREEMENT (Providing for Adjustable Interest Rate)

This Loan Modification Agreement ("Agreement"), made this 12th day of June, 1996, between Robert Nelson, III, a single man

(Borrower) and First Federal Savings Bank (Lender), amends and supplements (1) the Mortgage, Deed of Trust or Deed to Secure Debt (as modified by an Adjustable Rate Rider of the same date) (the "Security Instrument"), dated JANUARY 29TH, 1996, and recorded in Book or Liber 1996 at page(s) 03251, of the JUDGE OF PROBATE Records of SHELBY COUNTY, ALABAMA

(Name of Records) (County and State, or other Jurisdiction)
and (2) the Note 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 1576 Bent River Circle Birmingham AL 35244

(Property Address)

the real property described being set forth as follows:

LOT 40, ACCORDING TO THE MAP OF BENT RIVER ESTATES, PHASE I, AS RECORDED IN MAP BOOK 17, PAGE 135, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument):

- As of June 12, 1996, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$ 110,000.00, consisting of the amount(s) loaned to the Borrower by the Lender and any interest capitalized to date.
- The Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of the Lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate of 7.375 % (the "Initial rate of interest"), from June 12th 1996. The Borrower promises to make monthly payments of principal and interest of U.S. \$ 759.74, beginning on the 1st day of August, 1996, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. If on July 1, 2026 (the "Maturity Date"), the Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, the Borrower will pay these amounts in full on the Maturity Date.

The Borrower understands and agrees that the initial rate of interest may change on the first day of JULY, 2001, and on that day every 12th month thereafter on the "change date" as such term is defined in the Note and Security Instrument.

The Borrower will make such payments at 1630 4th Avenue North Bessemer, AL 35020 or at such other place as the Lender may require.

- The Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, the Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that the Borrower is obligated to make under the Security Instrument, including:
 - all terms and provisions of the Note and Security Instrument (if any) providing for, implementing, or relating to, any change or adjustment in the rate of interest payable under the Note; and
 - all terms and provisions of any adjustable rate rider or other instrument or document that is affixed to, wholly or partially incorporated into, or is part of, the Note or Security Instrument and that contains any such terms and provisions as those referred to in (a) above.

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

Witness: _____ Borrower Robert Nelson, III (Seal)

Witness: _____ Borrower _____ (Seal)

Borrower _____ (Seal)

Borrower _____ (Seal)

Lender: FIRST FEDERAL SAVINGS BANK

Witness: _____ By: [Signature] (Authorized Officer Name)

Witness: _____ Its: Vice President (Authorized Officer Title)

(Space Below this Line for Acknowledgements)

STATE OF ALABAMA

COUNTY OF JEFFERSON

} ss:

On this 12th day of June, 1996, I, the undersigned authority a Notary Public in and for said county and in and for said state, hereby certify that Robert Nelson, III, A SINGLE MAN whose name(s) IS signed to the foregoing conveyance, and who IS known to me, acknowledged before me that, being informed of the contents of the conveyance, HE executed the same voluntarily and as HIS act on the day the same bears date.

Given under my hand and seal of office this 12th day of June, 1996

My Commission expires: 1/3/2000

Brenda R. Fitts
Notary Public

STATE OF ALABAMA

COUNTY OF JEFFERSON

} ss:

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that JIM SMITH whose name as VICE PRESIDENT of First Federal Savings Bank, a Corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full power and authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 12th day of June, 1996

My Commission expires: 1/3/2000

Brenda R. Fitts
Notary Public

PREPARED BY BRENDA R. FITTS
FIRST FEDERAL SAVINGS BANK
1630 Fourth Avenue North
Bessemer, Alabama 35020

FIXED/ADJUSTABLE RATE RIDER
(1 Year Treasury Index - Rate Caps)

THIS FIXED/ADJUSTABLE RATE RIDER is made this 12th day of June, 1996, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to First Federal Savings Bank

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:

1576 Bent River Circle Birmingham AL 35244

[Property Address]

THE NOTE PROVIDES FOR A CHANGE IN THE BORROWER'S FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE. THE NOTE LIMITS THE AMOUNT THE BORROWER'S ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 7.375 %. The Note also provides for a change in the initial fixed rate to an adjustable interest rate, as follows:

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate I will pay will change to an adjustable interest rate on the first day of July, 2001 and the adjustable interest rate I will pay may change on that day every 12th month thereafter. The date on which my initial fixed interest rate changes to an adjustable interest rate, and each date on which my adjustable interest rate could change, is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my adjustable interest rate will be based on an index. The "index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding Two and 750/1000 * percentage points (2.750 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 9.375 % or less than 5.375 %. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 12.375 %.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of the change in my initial fixed interest rate to an adjustable interest rate and of any changes in my adjustable interest rate before the effective date of any change. The notice will include the amount of my monthly payment, any information required by law to be given me and also the telephone number of a person who will answer any question I may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

1. UNTIL BORROWER'S INITIAL FIXED INTEREST RATE CHANGES TO AN ADJUSTABLE INTEREST RATE UNDER THE TERMS STATED IN SECTION A ABOVE, UNIFORM COVENANT 17 OF THE SECURITY INSTRUMENT SHALL BE IN EFFECT AS FOLLOWS:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this 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 delivered or mailed 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.

2. WHEN BORROWER'S INITIAL FIXED INTEREST RATE CHANGES TO AN ADJUSTABLE INTEREST RATE UNDER THE TERMS STATED IN SECTION A ABOVE, UNIFORM COVENANT 17 OF THE SECURITY INSTRUMENT DESCRIBED IN SECTION B1 ABOVE SHALL THEN CEASE TO BE IN EFFECT, AND THE PROVISIONS OF UNIFORM COVENANT 17 OF THE SECURITY INSTRUMENT SHALL BE AMENDED TO READ AS FOLLOWS:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, 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 delivered or mailed 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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.

Robert Nelson III (Seal)
Borrower Robert Nelson, III

Borrower (Seal)

Borrower (Seal)

Borrower (Seal)

Inst # 1996-19646

06/17/1996-19646
03:18 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004-MCD 1660