

**DOCUMENT PREPARED BY AND WHEN RECORDED, MAIL TO:**

**ALABAMA HOUSING FINANCE AUTHORITY**

**ATTN: SHEREESE GEORGE**

**7460 Halcyon Pointe Drive 2<sup>nd</sup> Floor**

**Montgomery, AL 36117**

**(334) 244-4350**

**FHA Case No. 011-7131597 -703**

**AHFA Loan No. 0019556618**

**SUBORDINATE MORTGAGE**

THIS SUBORDINATE MORTGAGE is given on **October 8, 2013**. The Mortgagor is **Phillip Brown & Wanda H. Brown, Husband and Wife** whose address is **2037 Lakemoor Drive, Hoover, Alabama 35244**. This Security Instrument is given to the Secretary of Housing and Urban Development, and whose address is **DEVAL, LLC 1255 Corporate Drive Suite 300, Irving, TX, 75038**. Borrower has agreed to repay to Lender, the lesser of U.S. **\$61,482.12** or as much of that sum as may be disbursed for the benefit of Borrower(s) by Lender. This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for the full debt, if not paid earlier, due and payable on **September 1, 2041**. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, advanced under Paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, warrant, grant and convey to the Lender, with the power of sale the following described property located in **Shelby County, State of Alabama**: which has the address of **2037 Lakemoor Drive, Hoover Alabama 35244** more particularly described as follows:

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, 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."

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

Borrower and Lender covenant agree as follows:

#### **UNIFORM COVENANTS.**

**1. Payment of Principal.** Borrower shall pay when due the principal of the debt evidenced by the Note.

**2. Lender's Right to Take Action to Protect the Property.** Extension of the time of payment of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. 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.

**3. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time of payment of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. 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.

**4. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the term of this Security Instrument or the Note without that Borrower's consent.




5. **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 Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to: Department of Housing and Urban Development, Attention: Single Family Notes Branch, 451 Seventh Street, SW, Washington, DC 10410 or any address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

5. **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.

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

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

8. **Acceleration; Remedies.** If Borrower fails to keep any promise or agreement made in this Security Instrument, including the promise to pay, when due, the amount owed under the Note and under this Security Instrument, Lender, prior to acceleration, shall give notice to Borrower as provided in paragraph 5 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the POWER OF SALE and other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 8, including, but not limited to, reasonable attorneys' fees.

  
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If Lender invokes the power of sale, Lender shall mail a copy of a notice of sale to Borrower in the manner provided in paragraph 5 hereof. Lender shall publish the notice of sale once a week for three consecutive weeks in some newspaper published in Lee County, Alabama, and thereupon shall sell the Property to the highest bidder at public auction at the front door of the County courthouse of said County. Lender shall deliver to the purchaser Lender's deed conveying the property so sold. Lender or Lender's designee may purchase the property at any sale. Borrower covenants and agrees that the proceeds of the sale shall be applied in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable attorney's fees and costs of title evidence; (b) to all sums secured by this Mortgage; and (c) the excess, in any, to the person or persons legally entitled thereto.

If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under Paragraph 4 of the Subordinate Note, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 U.S.C. § 3751 et seq.) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this paragraph or applicable law.

**9. Borrower's Right to Reinstate.** Borrower has the right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to keep any promise or agreement made in this Security Instrument, including the promise to pay, when due, the amounts due under the Note and this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if the 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 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 lien created by this Security Instrument.



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10. **Release.** Upon payment of all sums secured by this Mortgage, this Mortgage shall become null and void and Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

11. **Waiver of Homestead, Dower and Curtesy.** Borrower hereby waives all rights of homestead exemption in the property and relinquishes all right of dower and curtesy in the Property.

EXHIBIT "A"

Lot 37, according to the Survey of Third Addition to Riverchase County Club, as recorded in Map Book 7, Page 53, in the Probate Office of Shelby County, Alabama.

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

Witness:

Kathy Jelmer

Phillip Brown (SEAL)  
Phillip Brown (Borrower)

Witness:

Katie Norris

Wanda H. Brown (SEAL)  
Wanda H. Brown (Co-Borrower)


State of Alabama )

County of Jefferson )

I, the undersigned authority, A Notary Public in and for said State and County hereby certify that Phillip/Wanda Brown whose names is signed to the foregoing conveyance, and who is known to me acknowledged before me on this day, that, being informed of the contents of this conveyance they executed the same voluntarily on the day the same bears date.

Given under my hand and seal this 11<sup>th</sup> day of October, 2013.

Christopher A. Chapman  
(Notary Public)  
My Commission Expires:

  
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CHRISTOPHER A. CHAPMAN  
NOTARY PUBLIC, STATE OF ALABAMA  
COUNTY OF JEFFERSON  
MY COMMISSION EXPIRES  
NOVEMBER 19, 2016