



Via E-Mail

Date: November 28, 2018

To: Participating MHC Lenders

From: Betty Temple-Putnam, Sr. Vice President of Single-Family Programs

Re: MRB7 Program Bulletin #5 – Revised Second Mortgage Note and Deed of Trust

This bulletin serves to notify participating lenders that under the MRB7 program, MHC's Counsel has modified the MRB Second Mortgage Note and Deed of Trust. The documents are shorter in length and easier to complete and explain to the Borrowers (see attachments).

The revisions have been made to the MRB7 Document Set and to the individual print documents. Please make sure if you're using an outside vendor to create the documents that they receive the new forms.

**Mississippi Home Corporation
MRB7 Mortgage Program**

Promissory Note

_____, Mississippi _____, 20____

(Property Address)

FOR VALUE RECEIVED, the undersigned (the “Borrower”) jointly and severally promise(s) to pay to Mississippi Home Corporation (the “Lender”), the amount of Seven Thousand Dollars (\$7,000.00) (the “Principal Amount”), with interest at the rate of zero percent (0%) per annum, at the office of the Lender, 735 Riverside Drive, Jackson, MS 39202, or at such other address designated from time to time in writing by the Lender.

1. **LOAN.** This Note evidences a loan in the amount of Seven Thousand Dollars (\$7,000.00) (the “Loan”) made by Lender to Borrower. The Loan is secured by a Deed of Trust (the “Deed of Trust”) dated the same date as this Note, and which is a subordinate lien on the property described in the Deed of Trust (the “Property”). All terms of the Deed of Trust are incorporated in this Note by reference, and any default under the Deed of Trust is a default under this Note.
2. **AMOUNT DUE.** The amount owed under this Note is the Principal Amount paid on behalf of the Borrower by Lender in accordance with the terms of this Note and the Deed of Trust securing this Note, together with any interest or any other amounts due at any time under this Note, the Deed of Trust or any other documents between Lender and Borrower, including charges, default interest and advances to protect the Security of the Deed of Trust.
3. **TERM.** The term of the Loan shall be from the date of this Note until the date that is ten (10) years from the date of this Note, or any earlier date on which the unpaid principal balance of this Note becomes due and payable by acceleration or otherwise (the “Maturity Date”).
4. **PAYMENT AND REDUCTION OF PRINCIPAL AMOUNT.** During the term of this Note, if Borrower is not in default under any of the terms of this Note or the Deed of Trust, then Borrower shall not be required to make any payments of principal and interest. On the Maturity Date, provided that no Event of Default has occurred, the Principal Amount and any interest will be forgiven. For clarification see the example below.

For example, purposes only, if the date of this Note were November 1, 2018, then:

Date of Repayment	Cumulative Amount of Total Principal Reduction	Principal Amount Remaining Due
October 1, 2019	Deferred 100%	100%
October 1, 2020	Deferred 100%	100%
October 1, 2021	Deferred 100%,	100%
October 1, 2022	Deferred 100%	100%
October 1, 2023	Deferred 100%	100%
October 1, 2024	Deferred 100%	100%
October 1, 2025	Deferred 100%	100%
October 1, 2026	Deferred 100%	100%
October 1, 2027	Deferred 100%	100%
October 1, 2028	Deferred 100%	\$0.00

If Borrower is in default under the terms of this Note or the Deed of Trust, then the entire Principal Amount shall become immediately due and payable.

5. **APPLICATION OF PAYMENTS.** If at any time Lender receives, from borrower or otherwise, any amount from Borrower which is less than all amounts due and payable at such time, Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender's discretion. Borrower agrees that neither Lender's acceptance of a payment from Borrower in an amount that is less than all amounts then due and payable nor Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.
6. **RIGHT TO PREPAY.** The amount due hereunder may be prepaid without any prepayment charge or penalty.
7. **DEFAULT.** Any of the following shall constitute an event of default under this Note (each an "Event of Default"):
 - a. If Borrower fails to pay any amount under this Note or the Deed of Trust when due;
 - b. If the Property is sold, transferred, or otherwise alienated by Borrower, whether voluntarily or involuntarily, or by operation of law, without the prior written consent of Lender;
 - c. If the Property is not occupied by Borrower as Borrower's principal residence;
 - d. If there is any default under any of the terms of this Note or the Deed of Trust or a default under any other loan that is secured by a lien on the Property; or
 - e. If any loan that is secured by a lien on the Property is refinanced prior to the Maturity Date of this Note, without the prior written consent of the Lender.
8. **DEFAULT REMEDIES.**
 - a. If an Event of Default occurs, the Lender may, with or without notice to Borrower, declare the entire unpaid principal balance and all other amounts payable under this Note and the Deed of Trust at once due and payable.
 - b. Upon an Event of Default, Lender may employ an attorney, and Borrower agrees to pay to the Lender all reasonable attorney's fees, plus all other reasonable expenses incurred by Lender in exercising any of the Lender's rights and remedies relative to the Event of Default.
 - c. In addition to the rights and remedies set forth herein, Lender may also proceed with any remedies available to it at law or in equity or under the Deed of Trust.
 - d. The rights and remedies of the Lender as provided by law, by this Note, and by the Deed of Trust shall be cumulative and may be pursued singly, successively, or together. Any forbearance by Lender in exercising any right or remedy under this Note or the Deed of Trust, or the failure to exercise any such right or remedy, shall not be a waiver or release of such rights or remedies. Each party to this Note hereby waives presentment for payment, demand, protest and notice of dishonor, and all defenses on the ground of extension of time for the payment hereof which may be given by the holder of the Note to anyone who is obligated to pay this Note.
9. **COSTS AND EXPENSES.** Borrower shall pay on demand all reasonable expenses and costs, including fees and out-of-pocket expenses of attorneys and expert witness and costs of investigation, incurred by Lender as a result of any Event of Default or in connection with efforts to collect any amount due under this Note or to enforce the provisions of the Deed of Trust, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding or judicial or non-judicial foreclosure proceeding.

10. **GOVERNING LAW; CONSENT OF JURISDICTION AND VENUE.** This Note is to be governed and construed in accordance with the laws of the State of Mississippi. Borrower agrees that a controversy arising under or in relation to this Note shall be litigated exclusively in the Property Jurisdiction, provided, however, that at the sole discretion of Lender, Lender may institute proceedings in or transfer proceedings to the Federal and State courts in Hinds County, Mississippi. Borrower irrevocably consents to service, jurisdiction and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.
11. **OBLIGATIONS OF SIGNERS OF NOTE.** If more than one person signs this Note, each person, jointly and severally, is liable and fully obligated to keep all other promises made in the Note, including the promise to pay the full amount owed. Lender may enforce its rights under this Note against each person individually or against all together.
12. **NOTICE.** All notices given by Borrower or Lender in connection with this Note or the Deed of Trust must be in writing. Any notice to Borrower or Lender shall be deemed to have been given to Borrower or Lender when mailed by first class mail or when delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless applicable law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. Any notice to Lender shall be to Lender's address stated herein unless Lender has designated above in this Note.

IN WITNESS WHEREOF, Borrower has signed and delivered this Note.

BORROWER(S):

- Borrower

- Borrower

Mortgage Loan Originator Name and NMLS #: _____ # _____ (must match 1003)

Company Name and NMLS #: _____ # _____ (must match 1003)

MHC # _____

STATE OF MISSISSIPPI
COUNTY OF

MISSISSIPPI HOME CORPORATION
MRB7 SECOND MORTGAGE PROGRAM

BORROWER(S)	TRUSTEE	LENDER
<p>1. <i>Identify the borrower(s) in the transaction.</i></p> <p>2. <i>Identify the trustee in the transaction.</i></p> <p>3. <i>Identify the lender in the transaction.</i></p>	<p>1. <i>Identify the borrower(s) in the transaction.</i></p> <p>2. <i>Identify the trustee in the transaction.</i></p> <p>3. <i>Identify the lender in the transaction.</i></p>	<p>1. <i>Identify the borrower(s) in the transaction.</i></p> <p>2. <i>Identify the trustee in the transaction.</i></p> <p>3. <i>Identify the lender in the transaction.</i></p>

	Christian B. Waddell, Esq. Balch & Bingham LLP 188 E Capitol St. Ste 1400 Jackson, MS 39201	Mississippi Home Corporation Attn: Single Family Program Operations 735 Riverside Drive Jackson, MS 39202 Phone: 601.718.4642
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Borrower, in consideration of the Loan and the trust created by this Instrument, irrevocably grants, conveys and assigns to Trustee and Trustee's successors and assigns, for the benefit and security of Lender, in trust, with power of sale, the real property located in _____ County, State of Mississippi, and described in **Exhibit A** attached to this Instrument (the "**Land**") and the improvements located thereon, together with all heating, plumbing and lighting fixtures and equipment now or hereafter attached to or used in connection with the Land collectively, the "**Property**").

TO SECURE TO LENDER the repayment of the Loan, advances and other sums expended by or owed to Lender pursuant to this Instrument (including, without limitation, attorneys' fees as provided in the Note) (collectively, the "**Indebtedness**") evidenced by Borrower's Promissory Note dated _____, _____, in the principal amount of \$7,000.00 (the "**Loan**"), and all renewals, extensions and modifications of the Indebtedness (the "**Note**"), with a maturity date of _____, _____, and the performance of the covenants and agreements of Borrower contained in this Instrument and the Note.

PROVIDED, HOWEVER, that each and every right, title and interest of Lender and its transferees, successors or assigns, hereunder is subject and subordinate to the rights, title and interests of _____ (the "**Priority Lender**"), regarding that certain first mortgage loan of \$ _____ to Borrower and all documents executed in connection therewith between Priority Lender and Lender;

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, including the Indebtedness hereby secured, the receipt and sufficiency of which are hereby acknowledged, the Borrower hereby grants, bargains, sells, warrants and conveys, with the power of sale, to the Trustee, his successors and assigns forever for the benefit and security of the Lender, under and subject to the terms and conditions hereinafter set forth, all of the Borrower's right, title and interest in and to the Property, including the Land and all improvements now and hereafter located thereon;

TO HAVE AND TO HOLD, unto the Trustee, and successors in trust, for purposes of securing the following: (a) payment of the Indebtedness, and including the principal thereof and interest thereon and any and all modifications, extensions and renewals thereof, and the performance of all obligations of the Borrower under the Note; (b) performance and observance by the Borrower of all the terms, covenants and provisions of this Instrument; (c) payment of all sums advanced by the Lender to perform any of the terms, covenants and provisions of this Instrument; (d) performance and observance of all the terms, covenants and provisions of any other instrument given to evidence or further secure the payment and performance of any Indebtedness hereby secured or any obligation secured hereby; (e) payment of any future or further advances which may be made by the Lender at its sole option to and for the benefit of the Borrower; and (f) performance and observance of all of the terms, covenants and provisions of any other instrument given to evidence or further secure the payments and performance of any Indebtedness hereby secured or any obligation secured hereby.

PROVIDED, HOWEVER, that if the Borrower shall comply with the terms of the Note, and shall pay all other sums herein provided for, or secured hereby, and shall well and truly keep

and perform all of the covenants herein contained, then this Instrument shall be released at the cost of the Borrower, otherwise to remain in full force and effect.

Additionally, Borrower does hereby covenant and agree with Trustee and Lender as follows:

1. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT. This Instrument is also a security agreement under the Uniform Commercial Code for any of the Property which, under applicable law, may be subject to a security interest under the Uniform Commercial Code, whether acquired now or in the future, and all products and cash and non-cash proceeds thereof (collectively, "UCC Collateral"), and Borrower hereby grants to Lender a security interest in the UCC collateral. Borrower hereby authorizes Lender to file financing statements, continuation statements and financing statement amendments in such form as Lender may require to perfect or continue the perfection of this security interest and Borrower agrees, if Lender so requests, to execute and deliver to Lender such financing statements, continuation statements and amendments. Borrower shall pay all filing costs and all costs and expenses of any record searches for financing statements that Lender may require if an Event of Default has occurred and is continuing, Lender shall have the remedies of a secured party under the Uniform Commercial Code, in addition to all remedies provided by this Instrument or existing under applicable law. In exercising any remedies, Lender may exercise its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability of Lender's other remedies. This Instrument constitutes a financing statement with respect to any part of the Property which is or may become a fixture (as defined by applicable law).

2. PAYMENT AND PERFORMANCE. Borrower shall pay the Indebtedness and perform all other requirements at the time and in the manner provided in the Note and herein.

3. INSURANCE. Borrower shall keep the property and all improvements, now or hereafter erected, constantly insured for the benefit of the Lender against loss by fire, windstorm and such other casualties and contingencies, in the manner and with companies as may be satisfactory to the Lender. Borrower shall purchase such insurance and pay all premiums in a timely manner. In the event that the Borrower fails to pay any premium when it is due, then the Lender, at its option, may purchase such insurance. Such amounts paid by the Lender shall be added to the Note secured by this Instrument and shall be due and payable by Borrower upon demand of the Lender.

4. TAXES, ASSESSMENTS, CHARGES.

(a) Borrower shall pay all taxes, assessments and charges as may be lawfully levied against the Property before the same shall become past due. In the event that the Borrower fails to pay all taxes, assessments and charges as required, then the Lender at its option may pay them and the amount paid shall be added to the amount of the Indebtedness and shall be due and payable by Borrower upon demand of the Lender.

(b) Borrower shall promptly discharge any lien which has priority over this Instrument unless Borrower: (i) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (ii) contests to the lien in good faith by, or defends against enforcement of the lien in, legal

proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (iii) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Instrument.

5. WASTE. Borrower covenants that Borrower will keep the Property in good order, repair and condition, reasonable wear and tear excepted, and that Borrower will not commit or permit any waste on the Property.

6. WARRANTIES. Borrower covenants with Trustee and Lender that Borrower is seized of the Property in fee simple, has the right to convey the same in fee simple, that the title is marketable and free and clear of all encumbrances other than the lien granted to the Priority Lender, and that the Borrower will warrant and defend the title against the lawful claims of all persons whomsoever.

7. OCCUPANCY. Borrower shall occupy, establish, and use the Premises as Borrower's principal residence.

8. SUBSTITUTION OF TRUSTEE. Borrower and Trustee covenant and agree that in case the Trustee, or any trustee, shall die, become incapable of acting, renounce this trust, or for other similar or dissimilar reason become unacceptable to the Lender or if the Lender desires to replace the Trustee, then the Lender may appoint, in writing, a trustee to take the place of the Trustee, and the trustee thus appointed shall succeed to all the rights, powers and duties of the Trustee.

9. CIVIL ACTIONS. In the event that the Trustee is named as a party in any civil action as trustee in this Instrument, the Trustee shall be entitled to employ an attorney at law, including himself if he is a licensed attorney, to represent him in said action and the reasonable attorney's fees of the Trustee in such action may be paid by Lender and added to the Indebtedness and shall be due and payable by Borrower upon demand of the Lender.

10. PRIOR LIENS. Default under the terms of any instrument secured by a lien to which this Instrument is subordinated shall constitute default under this Instrument.

11. SUBORDINATION. This Instrument and all interest, rights, options and liens therein contained or created are and shall be subject and subordinate to the first mortgage lien of the Priority Lender to the Borrower and documents executed in connection therewith between Priority Lender and Lender.

12. LOAN APPLICATION. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence and Borrower's income level.

13. RIGHT TO INSPECT. To assure and protect its right in this Instrument and the Property, the Lender shall have right of access and inspection of the Property at reasonable times and with ample notice to the Borrower.

14. INDEMNITY. If any suit or proceeding be brought against the Trustee or Lender or if any suit or proceeding be brought which may affect the value or title of the Property, Borrower shall defend, indemnify and hold harmless and on demand reimburse Trustee or Lender from any loss, cost, damage or expense and any sums expended by Trustee or Lender shall bear interest as provided in the Note secured hereby for sums due after default and shall be due and payable on demand.

15. SALE OF PROPERTY. Borrower agrees that if the Property or any part thereof or interest therein is sold, assigned, transferred, conveyed or otherwise alienated by Borrower, whether voluntarily or involuntarily or by operation of law other than: (i) the creation of a lien or other encumbrance subordinate to this Instrument which does not relate to a transfer of rights of occupancy in the Property; (ii) a transfer by devise, descent, or operation of law on the death of a joint tenant or tenant by the entirety; (iii) a transfer to a relative resulting from the death of a Borrower; (iv) a transfer resulting from a decree of a dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which the spouse of the Borrower becomes an owner of the Property; (v) any other transfer permitted under federal law, without the prior written consent of Lender, Lender, at its own option, may declare the Note secured hereby and all other obligations hereunder to be forthwith due and payable. Any change in the legal or equitable title of the Property or in the beneficial ownership of the Property shall be deemed to be the transfer of an interest in the Property.

16. EVENTS OF DEFAULT; REMEDIES. The occurrence of any one or more of the following shall constitute an event of default under this Instrument: (a) any failure by Borrower to pay when due any amount required by the Note or this Instrument; (b) any failure by Borrower to perform any of its obligations under this Instrument which continues for a period of thirty (30) days after notice of such failure by Lender to Borrower (but no such notice or grace period shall apply in the case of any such failure which could, in Lender's judgment, absent immediate exercise by Lender of a right or remedy under this Instrument, result in harm to Lender, impairment of the Note or this Instrument; or (c) the occurrence of any event of default under the note. At any time during the existence of an Event of Default, Lender, at Lender's option, may declare the Indebtedness to be immediately due and payable without further demand, and may invoke the power of sale and any other remedies permitted by applicable law or provided in this Instrument or the Note, including, but not limited to, commencing an action to appoint a receiver or specifically enforce any of the covenants hereto, sell the Mortgaged Property or any portion thereof or exercise any or all of the remedies available to a secured party under the Uniform Commercial Code. Borrower acknowledges that the power of sale granted in this Instrument may be exercised by Lender without prior judicial hearing. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including attorneys' fees, costs of documentary evidence, abstracts and title reports.

If Lender directs the Trustee to invoke the power of sale, Lender shall send to Borrower, in the manner provided in Section 27, notice of Lender's election to cause the Mortgaged Property to be sold. Trustee shall give notice of sale and shall sell the Mortgaged Property according to the

laws of the State of Mississippi to the highest and best bidder during legal hours, at any front door of the county courthouse of the county in which the Mortgaged Property is situated after having advertised for three consecutive weeks preceding the sale in a newspaper published in the county where the Mortgaged Property is situated, or if none is so published, then in some newspaper having general circulation therein, and by posting notice for the same time at the courthouse of the same county or in accordance with such other laws of the State of Mississippi governing sales of land under deeds of trust in force at the time the publication of said notice has begun. The advertisement and the notice shall disclose the original Borrower in this Instrument. Borrower waives the provisions of Miss. Code Ann. § 89-1-55 as far as this section restricts the right of Trustee to offer at sale more than 160 acres at a time, and Trustee may offer the Mortgaged Property as a whole, regardless of how it is described. If the Mortgaged Property is situated in two or more counties or in two judicial districts of the same county, then the Trustee shall have power, in case the Trustee is directed to foreclose under this Instrument, to select in which county, or judicial district, the sale of all the Mortgaged Property shall be made, and the selection shall be binding upon the Borrower and the Lender and all persons claiming through or under them, whether by contract or by law. Should the Lender be a corporation or an unincorporated association, then any officer thereof may declare the Borrower to be in default as provided herein and request the Trustee to sell the Mortgaged Property. The Trustee may sell the Mortgaged Property at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as the Lender may determine. The Trustee may postpone sale of all or any parcel of the Mortgaged Property by public announcement subject to the provisions of Miss. Code Ann. § 11-5-99 which sets forth the procedural requirements for the continuation of a sale. The Lender or Lender's designee may purchase the Mortgaged Property at any sale.

Trustee shall deliver to the purchaser at the sale, within a reasonable time after the sale, a deed conveying the Mortgaged Property so sold without any express or implied covenant or warranty. The recitals in Trustee's deed shall be prima facie evidence of the truth of the statements made in those recitals. Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including Trustee's fees not to exceed 5% of the gross sales price, attorneys' fees and costs of title evidence; (b) to the Indebtedness in such order as Lender, in Lender's discretion, directs; and (c) the excess, if any, to the person or persons legally entitled to it.

Each right and remedy provided in this Instrument and the Note is district from all other rights or remedies under this Instrument or the Note or afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently or successively, in any order.

17. PROTECTION OF LENDER'S INTEREST IN THE PROPERTY AND RIGHTS UNDER THIS INSTRUMENT. If (a) Borrower fails to perform the covenants and agreements contained in this Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lenders actions can include but are not limited to: (a) paying any sums secured by a lien which has priority over this Instrument;

ACKNOWLEDGEMENT

STATE OF MISSISSIPPI

COUNTY OF _____

Personally, appeared before me, the undersigned authority in and for the said county and state, on this ____ day of _____, 20__, within my jurisdiction, the within named Borrower, who acknowledged that he executed the above and foregoing instrument.

NOTARY PUBLIC

My Commission Expires:

[S E A L]

Mortgage Loan Originator Name and NMLS #: _____ # _____ (must match 1003)

Company Name and NMLS #: _____ # _____ (must match 1003).

MHC # _____

EXHIBIT A
LEGAL DESCRIPTION