

State of CONNECTICUT

ADJUSTABLE-RATE NOTE (Home Equity Conversion)

August 2, 2019

FHA Case No.
Loan No.

38 Security Drive, Avon, Connecticut 06001 (Property Address)

1. DEFINITIONS

"Borrower" means each person signing at the end of this Note. Borrower is a mortgagor who is an original borrower under the Loan Agreement and this Note. The term does not include Borrower's successors or assigns.

"Change Date" means each date on which the interest rate could change.

"Commissioner" means the Federal Housing Commissioner or his or her authorized representatives.

"Current Index" means the most recent Index figure available thirty (30) days before the Change Date.

"Eligible Non-Borrowing Spouse" means a Non-Borrowing Spouse who meets, and continues to meet, the Qualifying Attributes requirements established by the Commissioner that the Non-Borrowing Spouse must satisfy in order to be eligible for deferral of the due and payable status.

"Index" means the weekly average of interbank offered rates for one year U.S. dollar-denominated deposits in London Market ("LIBOR"), as published in the *Wall Street Journal*, rounded to three digits to the right of the decimal point.

"Ineligible Non-Borrowing Spouse" means a Non-Borrowing Spouse who does not meet the Qualifying Attributes requirements established by the Commissioner that the Non-Borrowing Spouse must satisfy in order to be eligible for deferral of the due and payable status.

"Lender" means **Norwich Commercial Group, Inc. dba Norcom Mortgage** and its successors and assigns.

"Loan Agreement" means the Home Equity Conversion Mortgage Adjustable Rate Loan Agreement dated **August 2, 2019** by and between the Borrower and Lender.

"Mortgagor" is an original mortgagor under the Security Instrument. The term includes Mortgagor's heirs, executors, administrators, and assigns.

"Non-Borrowing Spouse" means the spouse **N/A**, as determined by the laws of the state in which the spouse **N/A** and Borrower **N/A** reside or the state of celebration of the Borrower **N/A** at the time of closing and who is not a Borrower.

"Property" means Borrower's property identified in the Security Instrument.

"Property Address" means the address provided above.

"Qualifying Attributes" means those requirements established by the Commissioner that the Non-Borrowing Spouse must satisfy in order to be eligible for deferral of the due and payable status.

"Security Instrument" means the mortgage, deed of trust, security deed or other security instrument which is signed by Borrower and Mortgagor, and which secures this Note.

2. BORROWER'S PROMISE TO PAY; INTEREST

In return for amounts to be advanced by Lender to or for the benefit of Borrower under the terms of the Loan Agreement, Borrower promises to pay to the order of Lender a principal amount equal to the sum of all Loan Advances made under the Loan Agreement with interest. All amounts advanced by Lender, plus interest, if not due earlier, are due and payable on . Interest will be charged on unpaid principal at the rate of **Four AND Six Hundred Nineteen Thousandth** percent (**4.619%**) per year until the full amount of principal has been paid. The interest rate may change in accordance with Paragraph 5 of this Note. Accrued interest shall be added to the Principal Balance as a Loan Advance at the end of each month.

3. PROMISE TO PAY SECURED

Borrower's promise to pay is secured by the Security Instrument. The Security Instrument protects the Lender from losses which might result if Borrower defaults under this Note.

4. MANNER OF PAYMENT

(A) Time

Borrower shall pay all outstanding principal and accrued interest to Lender upon receipt of a notice by Lender requiring immediate payment-in-full, as provided in Paragraph 7 of this Note.

(B) Place

Payment shall be made at **Norwich Commercial Group, Inc. dba Norcom Mortgage, 38 Security Drive , Avon, CT 06001** or at such other place as Lender may designate in writing by notice to Borrower.

(C) Limitation of Liability

Borrower shall have no personal liability for payment of the debt. Lender shall enforce the debt only through sale of the Property. If this Note is assigned to the Commissioner, the 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.

5. INTEREST RATE CHANGES

(A) Change Date

The interest rate may change on the first day of and on that day of each succeeding year.

(B) The Index

Beginning with the first Change Date, the interest rate will be based on the Index chosen by the Borrower, as specified in this Note. If the Index is no longer available, Lender will use as a new Index any index prescribed by the Commissioner. Lender will give Borrower notice of the new Index.

(C) Calculation of Interest Rate Changes

Before each Change Date, Lender will calculate a new interest rate by adding a margin of **Two AND Zero Thousandth** percentage points (**2.000%**) to the current Index. Subject to the limit stated in Paragraph 5(D) of this Note, this amount will be the new interest rate until the next Change Date.

(D) Limit on Interest Rate Changes

The interest rate will never increase or decrease by more than two percentage points (2.0%) on any single Change Date. The interest rate will never be more than five percentage points (5.0%) higher or lower than the initial interest rate stated in Paragraph 2 of this Note..

(E) Notice of Changes

Lender will give notice to Borrower of any change in the interest rate. The notice must be given at least twenty-five (25) days before the new interest rate takes effect, and must set forth (i) the date of the notice, (ii) the Change Date, (iii) the old interest rate, (iv) the new interest rate, (v) the Current Index and the date it was published, (vi) the method of calculating the adjusted interest rate, and (vii) any other information which may be required by law from time to time.

(F) Effective Date of Changes

A new interest rate calculated in accordance with Paragraphs 5(C) and 5(D) of this Note will become effective on the Change Date, unless the Change Date occurs less than twenty five (25) days after Lender has given the required notice. If the interest rate calculated in accordance with Paragraphs 5(C) and 5(D) of this Note decreased, but Lender failed to give timely notice of the decrease and applied a higher rate than the rate which should have been stated in a timely notice, then Lender shall recalculate the Principal Balance owed under this Note so it does not reflect any excessive interest.

6. BORROWER'S RIGHT TO PREPAY

A Borrower receiving monthly payments under the Loan Agreement has the right to pay the debt evidenced by this Note, in whole or in part, without charge or penalty. Any amount of debt prepaid will first be applied to reduce the Principal Balance of the Second Note described in Paragraph 11 of this Note and then to reduce the Principal Balance of this Note.

All prepayments of the Principal Balance shall be applied by Lender as follows:

First, to that portion of the Principal Balance representing aggregate payments for mortgage insurance premiums;

Second, to that portion of the Principal Balance representing aggregate payments for servicing fees;

Third, to that portion of the Principal Balance representing accrued interest due under the Note; and

Fourth, to the remaining portion of the Principal Balance.

A Borrower may specify whether a prepayment is to be credited to that portion of the Principal Balance representing monthly payments or the line of credit. If Borrower does not designate which portion of the Principal Balance is to be prepaid, Lender shall apply any partial prepayments to an existing line of credit or create a new line of credit.

7. IMMEDIATE PAYMENT-IN-FULL

(A) Death

(i) Except as provided in Paragraph 7(A)(ii), Lender may require immediate payment in full of all outstanding principal and accrued interest if a Borrower dies and the Property is not the Principal Residence of at least one surviving Borrower.

(ii) Deferral of Due and Payable Status. Lender may not require immediate payment in full of all outstanding principal and accrued interest if a Non-Borrowing Spouse identified in this Note qualifies as an Eligible Non-Borrowing Spouse and provided the following conditions are, and continue to be, met:

- a. Such Eligible Non-Borrowing Spouse remained the spouse of the Borrower, identified in this Note, for the duration of the Borrower's lifetime;
- b. Such Eligible Non-Borrowing Spouse has occupied, and continues to occupy, the Property as [his/her] Principal Residence;
- c. Such Eligible Non-Borrowing Spouse has established legal ownership or other ongoing legal right to remain in the Property;
- d. All other obligations of the Borrower under this Note, the Loan Agreement and the Security Instrument continue to be satisfied;
- e. This Note is not eligible to be called due and payable for any other reason; and
- f. If requested by Lender, such Eligible Non-Borrowing Spouse signs an enforceable agreement suspending the statute of limitations applicable to the enforcement of a real property lien and any other document(s) Lender deems necessary to preserve (I) the priority of Lender's lien on the Property, (II) Lender's right to foreclose the security interest in the Property, and (III) Lender's right to exercise its default remedies available under the Security Instrument and this Note.

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 this Note will become immediately due and payable in accordance with the provisions of Paragraph 7(A)(i) of this Note.

(B) Sale

Lender may require immediate payment in full of all outstanding principal and accrued interest if a Borrower conveys all of his or her title to the Property and no other Borrower retains title to the Property in fee simple or on a leasehold interest as set forth in 24 CFR 206.45(a). A deferral of due and payable status is not permitted when a Lender requires immediate payment under this Paragraph.

(C) Other Grounds

Lender may require immediate payment-in-full of all outstanding principal and accrued interest, upon approval by the Commissioner, 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 the Security Instrument is not performed.

A deferral of due and payable status is not permitted when a Lender requires immediate payment in full under Paragraph 7(C).

(D) Payment of Costs and Expenses

If Lender has required immediate payment-in-full, as described above, the debt enforced through sale of the Property may include costs and expenses, including reasonable and customary attorney's fees for enforcing this Note to the extent not prohibited by applicable law. Such fees and costs shall bear interest from the date of disbursement at the same rate as the principal of this Note.

(E) Trusts

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

8. WAIVERS

Borrower waives the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require Lender to demand payment of amounts due. "Notice of Dishonor" means the right to require Lender to give notice to other persons that amounts due have not been paid.

9. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to Borrower under this Note will be given by delivering it or by mailing it by first class mail to Borrower at the Property Address or at a different address if Borrower has given Lender a notice of Borrower's different address.

Any notice to a Non-Borrowing Spouse provided for under this Note will 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.

Any notice that must be given to Lender under this Note will be given by first class mail to Lender at the address stated in Paragraph 4(B) or at a different address if Borrower is given a notice of that different address.

10. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully obligated to keep all of the promises made in this Note. Lender may enforce its rights under this Note only through sale of the Property.

11. RELATIONSHIP TO SECOND NOTE

(A) Second Note

Because Borrower will be required to repay amounts which the Commissioner 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 Commissioner has required Borrower to grant a Second Note to the Commissioner.

(B) Relationship of Commissioner Payments to this Note

Payments made by the Commissioner shall not be included in the debt due under this Note unless:

- (i) This Note is assigned to the Commissioner; or
- (ii) The Commissioner accepts reimbursements by the Lender for all payments made by the Commissioner.

If the circumstances described in (i) or (ii) occur, then all payments by the Commissioner, including interest on the payments, shall be included in the debt.

(C) Effect on Borrower

Where there is no assignment or reimbursement as described in (B)(i) or (ii) and the Commissioner makes payments to Borrower, then Borrower shall not:

- (i) Be required to pay amounts owed under this Note until the Commissioner has required payment-in-full of all outstanding principal and accrued interest under the Second Note held by the Commissioner, notwithstanding anything to the contrary in Paragraph 7 of this Note; or
- (ii) Be obligated to pay interest under this Note at any time, whether accrued before or after the payments by the Commissioner, and whether or not accrued interest has been included in the Principal Balance of this Note, notwithstanding anything to the contrary in Paragraphs 2 or 5 of this Note.

12. THIRD-PARTY BENEFICIARY

Except as set forth in Paragraph 7(A)(ii) and only for an Eligible Non-Borrowing Spouse, this Note 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.


13. SUCCESSORS AND ASSIGNS


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 Note.

14. CAPITALIZED TERMS

Capitalized terms not defined in this Note shall have the meanings ascribed to them in the Loan Agreement.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Note.

 (SEAL)
Mister Test


Date

Loan Originator Organization

Mortgage Loan Originator Organization: **Norwich Commercial Group, Inc. dba Norcom Mortgage**

Nationwide Mortgage Licensing system and Registry Identification Number: **71655**

Individual Loan Originator

Mortgage Loan Originator: **Colleen Guertin**

Nationwide Mortgage Licensing system and Registry Identification Number:

SAMPLE

State of CONNECTICUT

**ADJUSTABLE-RATE SECOND NOTE
(Home Equity Conversion)**

August 2, 2019

FHA Case No.

Loan No.

38 Security Drive, Avon, Connecticut 06001 (Property Address)

1. DEFINITIONS

"Borrower" means each person signing at the end of this Note. Borrower is a mortgagor who is an original borrower under the Loan Agreement and this Note. The term does not include Borrower's successors or assigns.

"Change Date" means each date on which the interest rate could change.

"Commissioner" or "Lender" means the Federal Housing Commissioner or his or her authorized representatives.

"Current Index" means the most recent Index figure available thirty (30) days before the Change Date.

"Eligible Non-Borrowing Spouse" means a Non-Borrowing Spouse who meets, and continues to meet, the Qualifying Attributes requirements established for deferral of the due and payable status.

"First Note" means the promissory note signed by Borrower together with the Loan Agreement and given to the holder of the First Note to evidence Borrower's promise to repay, with interest, Loan Advances made by the holder of the First Note and secured by the First Security Instrument.

"First Security Instrument" means the mortgage, deed of trust, security deed or other security instrument which is signed by Borrower and Mortgagor and which secures the First Note.

"Index" means the weekly average of interbank offered rates for one year U.S. dollar-denominated deposits in London Market ("LIBOR"), as published in the Wall Street Journal, rounded to three digits to the right of the decimal point.

"Ineligible Non-Borrowing Spouse" means a Non-Borrowing Spouse who does not meet the Qualifying Attributes requirements for deferral of the due and payable status.

"Loan Agreement" means the Home Equity Conversion Mortgage Adjustable Rate Loan Agreement dated **August 2, 2019** by and between the Borrower and holder of the First Note.

"LIBOR" means the London Interbank Offered Rate.

"Mortgagor" is an original mortgagor under the Security Instrument. The term includes Mortgagor's heirs, executors, administrators, and assigns.

"Non-Borrowing Spouse" means the spouse **N/A**, as determined by the laws of the state in which the spouse **N/A** and Borrower **N/A** reside or the state of celebration of the Borrower **N/A** at the time of closing and who is not a Borrower.

"Property" means Borrower's property identified in the Security Instrument.

"Property Address" means the address provided above.

"Qualifying Attributes" means those requirements established by the Commissioner that the Non-Borrowing Spouse must satisfy in order to be eligible for deferral of the due and payable status.

"Security Instrument" or "Second Security Instrument" means the mortgage, deed of trust, security deed or other security instrument which is signed by Borrower and Mortgagor, and which secures this Note.

2. BORROWER'S PROMISE TO PAY; INTEREST

In return for amounts to be advanced by Lender to or for the benefit of Borrower under the terms of the Loan Agreement, Borrower promises to pay to the order of Lender a principal amount equal to the sum of all Loan Advances made by Lender under the Loan Agreement with interest. All amounts advanced by Lender, plus interest, if not due earlier, are due and payable on . Interest will be charged on unpaid principal at the rate of **Four AND Six Hundred Nineteen Thousandth** percent (**4.619%**) per year until the full amount of principal has been paid. The interest rate may change in accordance with Paragraph 5 of this Note. Accrued interest shall be added to the Principal Balance as a Loan Advance at the end of each month.

3. PROMISE TO PAY SECURED

Borrower's promise to pay is secured by the Security Instrument. The Security Instrument protects the Lender from losses which might result if Borrower defaults under this Note. Borrower also executed a First Security Instrument and First Note when the Second Security Instrument and this Note were executed.

4. MANNER OF PAYMENT

(A) Time

Borrower shall pay all outstanding principal and accrued interest to Lender upon receipt of a notice by Lender requiring immediate payment-in-full, as provided in Paragraph 7 of this Note.

(B) Place

Payment shall be made at the Office of the Housing -- FHA Comptroller, Director of Mortgage Insurance Accounting and Servicing, Department of Housing and Urban Development, 451 7th Street, S.W., Washington, DC 20410, or any such other place as Lender may designate in writing by notice to Borrower.

(C) Limitation of Liability

Borrower shall have no personal liability for payment of the debt. Lender shall enforce the debt only through sale of the Property.

5. INTEREST RATE CHANGES

(A) Change Date

The interest rate may change on the first day of and on that day of each succeeding year.

(B) The Index

Beginning with the first Change Date, the interest rate will be based on the Index chosen by the Borrower, as specified in this Note. If the Index is no longer available, Lender will use as a new Index any index prescribed by the Commissioner. Lender will give Borrower notice of the new Index.

(C) Calculation of Interest Rate Changes

Before each Change Date, Lender will calculate a new interest rate by adding a margin of **Two AND Zero Thousandth** percentage points (**2.000%**) to the current Index. Subject to the limit stated in Paragraph 5(D) of this Note, this amount will be the new interest rate until the next Change Date.

(D) Limit on Interest Rate Changes

The interest rate will never increase or decrease by more than two percentage points (2.0%) on any single Change Date. The interest rate will never be more than five percentage points (5.0%) higher or lower than the initial interest rate stated in Paragraph 2 of this Note..

(E) Notice of Changes

Lender will give notice to Borrower of any change in the interest rate. The notice must be given at least twenty five (25) days before the new interest rate takes effect, and must set forth (i) the date of the notice, (ii) the Change Date, (iii) the old interest rate, (iv) the new interest rate, (v) the Current Index and the date it was published, (vi) the method of calculating the adjusted interest rate, and (vii) any other information which may be required by law from time to time.

(F) Effective Date of Changes

A new interest rate calculated in accordance with Paragraphs 5(C) and 5(D) of this Note will become effective on the Change Date, unless the Change Date occurs less than twenty five (25) days after Lender has given the required notice. If the interest rate calculated in accordance with Paragraphs 5(C) and 5(D) of this Note decreased, but Lender failed to give timely notice of the decrease and applied a higher rate than the rate which should have been stated in a timely notice, then Lender shall recalculate the Principal Balance owed under this Note so it does not reflect any excessive interest.

6. BORROWER'S RIGHT TO PREPAY

A Borrower receiving monthly payments under the Loan Agreement has the right to pay the debt evidenced by this Note, in whole or in part, without charge or penalty. Any amount of debt prepaid will first be applied to reduce the Principal Balance of this Note and then to reduce the Principal Balance of the First Note.

All prepayments of the Principal Balance shall be applied by Lender as follows:

First, to that portion of the Principal Balance representing aggregate payments for mortgage insurance premiums;

Second, to that portion of the Principal Balance representing aggregate payments for servicing fees;

Third, to that portion of the Principal Balance representing accrued interest due under the Note; and

Fourth, to the remaining portion of the Principal Balance.

A Borrower may specify whether a prepayment is to be credited to that portion of the Principal Balance representing monthly payments or the line of credit. If Borrower does not designate which portion of the Principal Balance is to be prepaid, Lender shall apply any partial prepayments to an existing line of credit or create a new line of credit.

7. IMMEDIATE PAYMENT-IN-FULL

(A) Death

(i) Except as provided in Paragraph 7(A)(ii), Lender may require immediate payment in full of all outstanding principal and accrued interest if a Borrower dies and the Property is not the Principal Residence of at least one surviving Borrower.

(ii) Deferral of Due and Payable Status. Lender may not require immediate payment in full of all outstanding principal and accrued interest if a Non-Borrowing Spouse identified in this Note qualifies as an Eligible Non-Borrowing Spouse and provided the following conditions are, and continue to be, met:

- a. Such Eligible Non-Borrowing Spouse remained the spouse of the Borrower, identified in this Note, for the duration of the Borrower's lifetime;
- b. Such Eligible Non-Borrowing Spouse has occupied, and continues to occupy, the Property as [his/her] Principal Residence;
- c. Such Eligible Non-Borrowing Spouse has established legal ownership or other ongoing legal right to remain in the Property;
- d. All other obligations of the Borrower under this Note, the Loan Agreement and the Security Instrument continue to be satisfied;
- e. This Note is not eligible to be called due and payable for any other reason; and
- f. If requested by Lender, such Eligible Non-Borrowing Spouse sign an enforceable agreement suspending the statute of limitations applicable to the enforcement of a real property lien and any other document(s) Lender deems necessary to preserve (I) the priority of Lender's lien on the Property, (II) Lender's right to foreclose the security interest in the Property, and (III) Lender's right to exercise its default remedies available under the Security Instrument and this Note.

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 this Note will become immediately due and payable in accordance with the provisions of Paragraph 7(A)(i) of this Note.

(B) Sale

Lender may require immediate payment in full of all outstanding principal and accrued interest if a Borrower conveys all of his or her title to the Property and no other Borrower retains title to the Property in fee simple or on a leasehold interest as set forth in 24 CFR 206.45(a). A deferral of due and payable status is not permitted when a Lender requires immediate payment under this Paragraph.

(C) Other Grounds

Lender may require immediate payment-in-full of all outstanding principal and accrued interest upon approval of the Commissioner, 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 the Security Instrument is not performed.
A deferral of due and payable status is not permitted when a Lender requires immediate payment in full under Paragraph 7(C).

(D) Payment of Costs and Expenses

If Lender has required immediate payment-in-full, as described above, the debt enforced through sale of the Property may include costs and expenses, including reasonable and customary attorney's fees for enforcing this Note to the extent not prohibited by applicable law. Such fees and costs shall bear interest from the date of disbursement at the same rate as the principal of this Note.

(E) Trusts

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

8. WAIVERS

Borrower waives the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require Lender to demand payment of amounts due. "Notice of Dishonor" means the right to require Lender to give notice to other persons that amounts due have not been paid.

9. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to Borrower under this Note will be given by delivering it or by mailing it by first class mail to Borrower at the Property Address or at a different address if Borrower has given the Commissioner a notice of Borrower's different address.

Any notice to the Non-Borrowing Spouse provided for under this Note will 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.

Any notice that must be given to the Commissioner under this Note will be given by first class mail to the HUD Field Office with jurisdiction over the Property or any other address designated by the Commissioner .

10. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully obligated to keep all of the promises made in this Note. Lender may enforce its rights under this Note only through sale of the Property.

11. RELATIONSHIP TO FIRST NOTE

(A) Second Note

Because Borrower will be required to repay amounts which the Commissioner 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 Commissioner has required Borrower to grant this Note to the Commissioner.

(B) Relationship of Commissioner Payments to First Note

Payments made by the Commissioner shall be included in the debt due under this Note unless:

- (i) The First Note is assigned to the Commissioner; or
- (ii) The Commissioner accepts reimbursements by the Lender for all payments made by the Commissioner.

If the circumstances described in (i) or (ii) occur, then all payments by the Commissioner, including interest on the payments, shall be included in the debt under the First Note.

(C) Notice of Interest Rate Adjustments

Borrower agrees that as long as the holder of the First Note continues to make Loan Advances, any notice of interest rate adjustment given to Borrower under Paragraph 5(E) of the First Note shall also be considered to be notice to Borrower under Paragraph 5(E) of this Note, so that the same interest rate shall apply for the First Note and this Note.

12. THIRD-PARTY BENEFICIARY

Except as set forth in Paragraph 7(A)(ii) and only for an Eligible Non-Borrowing Spouse, this Note 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.

13. SUCCESSORS AND ASSIGNS

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 Note.

14. CAPITALIZED TERMS

Capitalized terms not defined in this Note shall have the meanings ascribed to them in the Loan Agreement.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Note.

_____ (SEAL)
 Mister Test

 Date

Loan Originator Organization

Mortgage Loan Originator Organization: **Norwich Commercial Group, Inc. dba Norcom Mortgage**

Nationwide Mortgage Licensing system and Registry Identification Number: **71655**

Individual Loan Originator

Mortgage Loan Originator: **Colleen Guertin**

Nationwide Mortgage Licensing system and Registry Identification Number:

SAMPLE

record and return to: Norwich Commercial Group, Inc. dba Norcom Mortgage
38 Security Drive
Avon, CT 06001

this document prepared by: Norwich Commercial Group, Inc. dba Norcom Mortgage
38 Security Drive
Avon, CT 06001

[Space Above This Line For Recording Data] _____

State of CONNECTICUT

FHA Case No.

Loan No.

**ADJUSTABLE RATE OPEN-END MORTGAGE
HOME EQUITY CONVERSION MORTGAGE
(SECURING FUTURE ADVANCES)**

SAMPLE

THIS MORTGAGE ("Security Instrument") is given on **August 2, 2019**. The mortgagor is, whose address is **38 Security Drive, Avon, Connecticut 06001** ("Borrower"). Borrower is a mortgagor who is an original borrower under the Loan Agreement and Note. The term "Borrower" does not include the Borrower's successors and assigns. Mortgagor is an original mortgagor under this Security Instrument. The term "Mortgagor" includes Mortgagor's heirs, executors, administrators, and assigns. This Security Instrument is given to **Norwich Commercial Group, Inc. dba Norcom Mortgage**, which is organized and existing under the laws of **Connecticut**, and whose address is **38 Security Drive, Avon, CT 06001** ("Lender"). 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 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, with interest at a rate subject to adjustment (interest), and all renewals, extensions and modifications of the Note, up to a maximum principal amount of **Four Hundred Fifty Thousand Dollars and Zero Cents (U.S. \$450,000.00)**; (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, the Note and Loan Agreement. The full debt, including amounts described in (a), (b), and (c) above, if not due earlier, is due and payable on . For this purpose, Borrower and Mortgagor in consideration of this debt do hereby grant and convey to Lender and Lender's successors and assigns, with MORTGAGE COVENANTS the following described property located in the town of Avon, CONNECTICUT:

See legal description as Exhibit A attached hereto and made a part hereof for all intents and purposes

which has the address of
38 Security Drive, Avon, Connecticut 06001, ("Property Address")

The following paragraph is applicable only if, prior to loan closing, repairs are deemed necessary in order for the Property to meet the United States Department of Housing and Urban Development's Minimum Property Standards.] Whereas buildings or improvements on said premises are to be repaired; and whereas Lender has agreed to set aside the amount indicated in the Repair Rider to be released to Borrower and the contractor(s) jointly as provided in the Repair Rider for repairs to be made in accordance with the Repair Rider; and whereas Borrower agrees to complete the repairs of said buildings or improvements to the satisfaction of the Lender on or before the date set forth in the Repair Rider.

TO HAVE AND TO HOLD this property unto Lender and Lender's successors and assigns, 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."

BORROWER AND MORTGAGOR COVENANT that each is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered. Borrower and Mortgagor warrant 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, Mortgagor and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrower shall pay when due the principal of \$450,000.00, and interest on, the debt evidenced by the Note.

2. Payment of Property Charges. Borrower shall pay all property charges consisting of property taxes, public assessments, repairs, 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 as provided for and in accordance with 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 Federal Housing Commissioner ("Commissioner"). 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 Commissioner. 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 Commissioner 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. Borrower shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Borrower shall not, without the express written consent of Lender, alter or amend the ground lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the 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 Commissioner for the Mortgage Insurance Premium as defined in the Loan Agreement as well as all sums due to the loan servicer for servicing activities 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 any indebtedness under a Second Note and Second Security Instrument (as described in Paragraph 15) held by the Commissioner 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 Commissioner.

9. Non-Borrowing Spouse. Borrower, **N/A** is married under the laws of **Connecticut** 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 Commissioner 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 Commissioner 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. Such Eligible Non-Borrowing Spouse has established legal ownership or other ongoing legal right to remain in the Property;
- d. All other obligations of the Borrower under the Note, the Loan Agreement and this Security Instrument continue to be satisfied; and
- e. The Note is not eligible to be called due and payable for any other reason; and
- f. If requested by Lender, such Eligible Non-Borrowing Spouse and the Mortgagor, if different, sign an enforceable agreement suspending the statute of limitations applicable to the enforcement of a real property lien and any other document(s) Lender deems necessary to preserve (I) the priority of Lender's lien on the Property, (II) Lender's right to foreclose the security interest in the Property, and (III) Lender's right to exercise its default remedies available under this Security Instrument and the Note.

This Subparagraph (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 (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 Commissioner Approval. - Lender may require immediate payment in full of all sums secured by this Security Instrument, upon approval of the Commissioner, 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 status is not permitted when a Lender requires immediate payment in full under this Paragraph 10(c).

(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 Commissioner and Borrower. Lender shall notify the Commissioner 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 Commissioner and Eligible Non-Borrowing Spouse. Lender shall notify the Commissioner 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 Commissioner, 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 eight (8) months from the date hereof, if permitted by applicable law 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 Commissioner dated subsequent to eight (8) months 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 failure to remit a mortgage insurance premium to the Commissioner.

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 Commissioner upon demand by the Commissioner, 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 attorney's fees and expenses properly associated with the foreclosure proceeding shall be added to the Principal Balance, to the extent permitted by applicable law. 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, except as otherwise provided by applicable law, 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, or such longer period as may be required by applicable law. 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, except as otherwise required by applicable law, 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 this Security Instrument.

14. Lien Status.

(a) Modification.

Borrower and Mortgagor agree 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 and Mortgagor to execute any documents necessary to protect the lien status of future loan advances. Borrower and Mortgagor agree 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 operates 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 Commissioner 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 Commissioner 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 Commissioner shall not be included in the debt under the Note unless:

- (i) This Security Instrument is assigned to the Commissioner; or
- (ii) The Commissioner accepts reimbursement by the Lender for all payments made by the Commissioner.

If the circumstances described in (i) or (ii) occur, then all payments by the Commissioner, including interest on the payments, but excluding late charges paid by the Commissioner, 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 Commissioner 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 Commissioner

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 Commissioner, and whether or not accrued interest has been included in the principal balance under the Note.

(d) No Duty of the Commissioner. The Commissioner 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 Commissioner. 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 or Mortgagor 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. Notices to Mortgagor shall be given at the address provided by Mortgagor to Lender. 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. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower, Lender, Mortgagor or Non-Borrowing Spouse 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 and Mortgagor's Copy. Borrower shall be given one conformed copy of the Note and this Security Instrument, and Mortgagor shall be given one conformed copy of this Security Instrument.

21. Third-Party Beneficiary. Except as set forth in Paragraph 10(a)(ii) and only for an Eligible Non-Borrowing Spouse, this 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, Mortgagor and Lender 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 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, as permitted by applicable law.

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 any of the remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Paragraph 23, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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.

26. Adjustable-Rate Feature. Under the Note, the initial stated interest rate of **4.619%** 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 average of interbank offered rates for one-year U.S. dollar denominated deposits in the London Market ("LIBOR"), as published in The Wall Street Journal ("Index"), rounded to three digits to the right of the decimal point, plus a margin. If the Index is no longer available, Lender will be required to use any index prescribed by the Department of Housing and Urban Development. Lender will give Borrower notice of new index.

Lender will perform the calculations described below to determine the new adjusted interest rate. The

interest rate may change on and **on that day of each succeeding year.** ("Change Date"). Change Date means each date on 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. The 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 Calculated Interest Rate cannot be more than 2.0 percentage points higher or lower than the Existing Interest Rate, nor can it be more than 5.0 percentage points higher or lower than the Initial Interest Rate.

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. Release. Upon payment and discharge of all sums secured by this Security Instrument, and cancellation of the Loan Agreement and the account of the Borrower thereunder by Lender, this Security Instrument shall become null and void and Lender shall release this Security Instrument without charge to Borrower.

28. Waivers. Borrower and Mortgagor waive all rights of homestead exemption in, and statutory redemption of, the Property and all rights of appraisal of the Property and relinquish all rights of curtesy and dower in the Property.

29. Future Advances. Borrower acknowledges that all future Loan Advances made under the terms of the Note and the Loan Agreement, shall be secured by this Security Instrument and shall have the same lien priority as if the future Loan Advances were made as of the date hereof.

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, mortgage insurance premiums, servicing fees and other charges, is obligatory.

31. Amounts and Timing of Loan Advances. Under the Loan Agreement, and subject to the provisions of this Security Instrument Borrower has the option to receive Loan Advances under five different payment plans. If Borrower has selected a Tenure Payment Plan, Borrower will receive equal monthly payments from Lender for as long as Borrower lives and continues to occupy the Property as a principal residence. If Borrower has selected a Term Payment Plan, Borrower will receive equal monthly payments from Lender for a fixed period of months selected by Borrower. If Borrower has selected a Line of Credit Payment Plan, Borrower will receive Loan Advances in unscheduled payments or installments, at times and in amounts of Borrower's choosing, until the line of credit is exhausted. If Borrower has selected a Modified Term Payment Plan, Borrower may combine a line of credit with monthly payments for a fixed period of months selected by Borrower under the Term Payment Plan. If Borrower has selected a Modified Tenure Payment Plan, Borrower may combine a line of credit with monthly payments under the Tenure Payment Plan. Nothing in this paragraph shall be construed to impair Lender's rights under the Loan Agreement and this Security Instrument, including the right to terminate Loan Advances to Borrower and require immediate payment-in-full of all sums secured by this Security Instrument, as provided in the Loan Agreement and this Security Instrument.

32. Negative Amortization; Interest on Deferred Interest. Since regular periodic payments are not required under the terms of the Note and the Loan Agreement and the finance charges that accrue as

well as other amounts Borrower may owe under the Note and the Loan Agreement are added to the amount Borrower owes Lender, "negative amortization" will occur. Negative amortization will increase the amount Borrower owes Lender and reduce Borrower's equity in the Property. Interest will accrue daily and be added to the principal balance as a Loan Advance at the end of each month. Such interest, when added to the principal balance, is "Capitalized Interest." Interest will be charged on unpaid principal (including Capitalized interest) until the full amount of principal, including Capitalized Interest has been paid.

33. Revolving Credit Plan Feature. If Borrower re-pays Loan Advances made under the Loan Agreement and the Principal Balance is less than the Principal Limit, then Borrower may elect to receive additional Loan Advances subject to the terms and conditions of the Loan Agreement.

34. Riders to this Security Instrument. If one or more riders are executed by Borrower and Mortgagor, 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 applicable box(es).]

Condominium Rider

Planned Unit Development Rider

Other [Specify]

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.

SAMPLE

(SEAL)

Mister Test

Date

Signed, sealed, and delivered in the presence of:

Witness

Witness

Print Witness's Name

Print Witness's Name

_____ [Space Below This Line For Acknowledgment] _____

STATE OF CONNECTICUT

COUNTY OF _____

On this the _____ day of _____, 20____, before me, _____,
the undersigned officer, personally appeared _____
_____, known to me (or satisfactorily proven) to be
the person whose name _____ subscribed to the within instrument and acknowledged
that _____ he _____ executed the same for the purposes therein
contained.

In witness whereof I hereunto set my hand.

SAMPLE

Notary Public
My Commission Expires: _____

Loan Originator Organization

Mortgage Loan Originator Organization: **Norwich Commercial Group, Inc. dba Norcom Mortgage**
Nationwide Mortgage Licensing system and Registry Identification Number: **71655**

Individual Loan Originator

Mortgage Loan Originator: **Colleen Guertin**
Nationwide Mortgage Licensing system and Registry Identification Number:

EXHIBIT A

Exhibit A to the Security Instrument made on **August 2, 2019**, by ("Borrower") and ("Mortgagor") to **Norwich Commercial Group, Inc. dba Norcom Mortgage** ("Lender"). The Property is located in the town of **Avon**, state of **Connecticut**, described as follows:

SAMPLE

Record and Return to: Norwich Commercial Group, Inc. dba Norcom Mortgage
38 Security Drive
Avon, CT 06001

This document prepared by: Norwich Commercial Group, Inc. dba Norcom Mortgage
38 Security Drive
Avon, CT 06001

[Space Above This Line For Recording Data] _____

State of CONNECTICUT

FHA Case No.
Loan No.

**ADJUSTABLE RATE OPEN-END MORTGAGE
HOME EQUITY CONVERSION SECOND MORTGAGE
(SECURING FUTURE ADVANCES)**

SAMPLE

THIS MORTGAGE ("Security Instrument" or "Second Security Instrument") is given on **August 2, 2019**. The mortgagor is , whose address is **38 Security Drive, Avon, Connecticut 06001** ("Borrower"). Borrower is a mortgagor who is an original borrower under the Loan Agreement and Note. The term "Borrower" does not include the Borrower's successors and assigns. Mortgagor is an original mortgagor under this Security Instrument. The term "Mortgagor" includes Mortgagor's heirs, executors, administrators, and assigns. This Security Instrument is given to the Federal Housing Commissioner, whose address is 451 Seventh Street, SW, Washington, DC 20410 ("Lender" or "Commissioner"). Borrower has agreed to repay and warrants to Lender amounts which Lender is obligated to advance, including future advances, under the terms of a Home Equity Conversion 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 ("Second Note"). This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Second Note, with interest at a rate subject to adjustment (interest), and all renewals, extensions and modifications of the Note, up to a maximum principal amount of **Four Hundred Fifty Thousand Dollars and Zero Cents (U.S. \$450,000.00)**; (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, the Second Note and Loan Agreement. The full debt, including amounts described in (a), (b), and (c) above, if not due earlier, is due and payable on . For this purpose, Borrower and Mortgagor do hereby grant and convey to Lender and Lender's successors and assigns, with MORTGAGE COVENANTS the following described property located in the town of **Avon, CONNECTICUT**:

See legal description as Exhibit A attached hereto and made a part hereof for all intents and purposes

which has the address of
38 Security Drive, Avon, Connecticut 06001, ("Property Address")

The following paragraph is applicable only if, prior to loan closing, repairs are deemed necessary in order for the Property to meet the United States Department of Housing and Urban Development's Minimum Property Standards.] Whereas buildings or improvements on said premises are to be repaired; and whereas Lender has agreed to set aside the amount indicated in the Repair Rider to be released to Borrower and the contractor(s) jointly as provided in the Repair Rider for repairs to be made in accordance with the Repair Rider; and whereas Borrower agrees to complete the repairs of said buildings or improvements to the satisfaction of the Lender on or before the date set forth in the Repair Rider.

TO HAVE AND TO HOLD this property unto Lender and Lender's Successors and assigns, 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."

BORROWER AND MORTGAGOR COVENANT that each is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is only encumbered by a First Security Instrument given by Borrower and Mortgagor and dated the same date as this Security Instrument ("First Security Instrument"). Borrower and Mortgagor warrant 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, Mortgagor 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 Second Note.
- 2. Payment of Property Charges.** Borrower shall pay all property charges consisting of property taxes, public assessments, repairs, 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 as provided for and in accordance with 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 Federal Housing Commissioner ("Commissioner"). 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 Commissioner. 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 the Second Note and this Security Instrument and then to the reduction of the indebtedness under the First Note and the First Security Instrument. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Second Note and this Security Instrument and the First Note and the First 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. Borrower shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Borrower shall not, without the express written consent of Lender, alter or amend the ground lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the 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 Commissioner for the Mortgage Insurance Premium as defined in the Loan Agreement as well as all sums due to the loan servicer for servicing activities 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 any indebtedness under the Second Note and this Security Instrument, and then to the reduction of the indebtedness under the First Note and First Security Instrument. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Second Note and this Security Instrument and the First Note and First Security Instrument shall be paid to the entity legally entitled thereto.

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

9. Non-Borrowing Spouse. Borrower, **N/A** is married under the laws of **Connecticut** to **N/A** ("Non-Borrowing Spouse"), who is not a Borrower under the terms of the "Second 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 Commissioner 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 Commissioner 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 resides in the Property as [His/Her] Principal Residence 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. Such Eligible Non-Borrowing Spouse has established legal ownership or other ongoing legal right to remain in the Property;
- d. All other obligations of the Borrower under the Second Note, the Loan Agreement and this Security Instrument continue to be satisfied; and
- e. The Second Note is not eligible to be called due and payable for any other reason; and
- f. If requested by Lender, such Eligible Non-Borrowing Spouse and the Mortgagor, if different, sign an enforceable agreement suspending the statute of limitations applicable to the enforcement of a real property lien and any other document(s) Lender deems necessary to preserve (I) the priority of Lender's lien on the Property, (II) Lender's right to foreclose the security interest in the Property, and (III) Lender's right to exercise its default remedies available under this Security Instrument and the Note.

This Subparagraph (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 (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 Commissioner Approval. - Lender may require immediate payment in full of all sums secured by this Security Instrument, upon approval of the Commissioner, 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 status is not permitted when a Lender requires immediate payment in full under this Paragraph 10(c).

(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 a 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 Borrower's annual certifications, required by this Paragraph, must continue to be completed and provided to the Lender by the Eligible Non-Borrowing Spouse. The Borrower shall also notify the Lender whenever any of the events listed in Paragraph 10 (b) and (c) occur.

(e) Notice to Borrower. Lender shall notify 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 Commissioner and Eligible Non-Borrowing Spouse. Lender shall notify the Commissioner and any Non-Borrowing Spouse identified in Paragraph 9 who qualifies as an 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 Commissioner, 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.

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.

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 attorney's fees and expenses properly associated with the foreclosure proceeding shall be added to the Principal Balance, to the extent permitted by applicable law. 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, except as otherwise provided by applicable law, 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, or such longer period as may be required by applicable law. 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, except as otherwise required by applicable law, 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 this Security Instrument.

14. Lien Status.

(a) Modification.

Borrower and Mortgagor agree 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 the First Security Instrument described in Paragraph 15(a), this Second Security Instrument and any subordinate liens that the Lender determines will also be subordinate to any future loan advances), Lender shall request the Borrower and Mortgagor to execute any documents necessary to protect the lien status of future loan advances. Borrower and Mortgagor agree 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 First Security Instrument.

(a) Second Security Instrument. In order to secure payments which the Commissioner 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 Commissioner has required Borrower to execute a Second Note and this Second Security Instrument. Borrower also has executed a First Note and First Security Instrument.

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

- (i) The First Security Instrument is assigned to the Commissioner; or
- (ii) The Commissioner accepts reimbursement by the holder of the First Note for all payments made by the Commissioner.

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

(c) Effect on Borrower. Where there is no assignment or reimbursement as described in (b)(i) or (ii) and the Commissioner makes payments to Borrower, then Borrower shall not:

- (i) Be required to pay amounts owed under the First Note, or pay any rents and revenues of the Property under Paragraph 24 to the holder of the First Note or a receiver of the Property, until the Commissioner 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 First Note at any time, whether accrued before or after the payments by the Commissioner, and whether or not accrued interest has been included in the Principal Balance under the First Note.

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

16. Restrictions on Enforcement. Notwithstanding anything else in this Security Instrument, the Borrower shall not be obligated to comply with the covenants hereof, and Paragraph 24 shall have no force and effect, whenever there is no outstanding balance under the Second Note.

17. 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.

18. Successors and Assigns Bound; Joint and Several Liability. Borrower may not assign any rights or obligations under this Security Instrument or the Second Note, except to a trust that meets the requirements of the Commissioner. 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.

19. Notices. Any notice to Borrower or Mortgagor 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. Notices to Mortgagor shall be given at the address provided by Mortgagor to Lender. Any notice to the Commissioner shall be given by first class mail to the HUD Field Office with jurisdiction over the Property or any other address designated by the Commissioner. 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. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower, Lender, Mortgagor or Non-Borrowing Spouse when given as provided in this Paragraph 19.

20. 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 Second Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Second Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Second Note are declared to be severable.

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

22. Third-Party Beneficiary. Except as set forth in Paragraph 10(a)(ii) and only for an Eligible Non-Borrowing Spouse, this 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 the holder of the First Note.

23. 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, Mortgagor and Lender further covenant and agree as follows:

24. 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 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 24, except as provided in the First Security Instrument.

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.

25. Foreclosure Procedure. If Lender requires immediate payment-in-full under Paragraph 10, Lender may invoke any of the remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Paragraph 25, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

26. Lien Priority. The full amount secured by this Security Instrument shall have a lien priority subordinate only to the full amount secured by the First Security Instrument.

27. Adjustable-Rate Feature. Under the Second Note, the initial stated interest rate of **4.619%** 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 average of interbank offered rates for one-year U.S. dollar denominated deposits in the London Market ("LIBOR"), as published in The Wall Street Journal ("Index") plus a margin. If the Index is no longer available, Lender will be required to use any index prescribed by the Department of Housing and Urban Development. Lender will give Borrower notice of new index.

Lender will perform the calculations described below to determine the new adjusted interest rate. The interest rate may change on **and on that day of each succeeding year.** ("Change Date"). Change Date means each date on 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. The 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 Calculated Interest Rate cannot be more than 2.0 percentage points higher or lower than the Existing Interest Rate, nor can it be more than 5.0 percentage points higher or lower than the Initial Interest Rate.

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.

28. Release. Upon payment and discharge of all sums secured by this Security Instrument, and cancellation of the Loan Agreement and the account of the Borrower thereunder by Lender, this Security Instrument shall become null and void and Lender shall release this Security Instrument without charge to Borrower.

29. Waivers. Borrower and Mortgagor waive all rights of homestead exemption in, and statutory redemption of, the Property and all rights of appraisal of the Property and relinquish all rights of curtesy and dower in the Property.

30. Future Advances. Borrower acknowledges that all future Loan Advances made under the terms of the Second Note and the Loan Agreement, shall be secured by this Security Instrument and shall have the same lien priority as if the future Loan Advances were made as of the date hereof.

31. 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, mortgage insurance premiums, servicing fees and other charges, is obligatory.

32. Amounts and Timing of Loan Advances. Under the Loan Agreement, and subject to the provisions of this Security Instrument Borrower has the option to receive Loan Advances under five different payment plans. If Borrower has selected a Tenure Payment Plan, Borrower will receive equal monthly payments from Lender for as long as Borrower lives and continues to occupy the Property as a principal residence. If Borrower has selected a Term Payment Plan, Borrower will receive equal monthly payments from Lender for a fixed period of months selected by Borrower. If Borrower has selected a Line of Credit Payment Plan, Borrower will receive Loan Advances in unscheduled payments or installments, at times and in amounts of Borrower's choosing, until the line of credit is exhausted. If Borrower has selected a Modified Term Payment Plan, Borrower may combine a line of credit with monthly payments for a fixed period of months selected by Borrower under the Term Payment Plan. If Borrower has selected a Modified Tenure Payment Plan, Borrower may combine a line of credit with monthly payments under the Tenure Payment Plan. Nothing in this paragraph shall be construed to impair Lender's rights under the Loan Agreement and this Security Instrument, including the right to terminate Loan Advances to Borrower and require immediate payment-in-full of all sums secured by this Security Instrument, as provided in the Loan Agreement and this Security Instrument.

33. Negative Amortization; Interest on Deferred Interest. Since regular periodic payments are not required under the terms of the Second Note and the Loan Agreement and the finance charges that accrue as well as other amounts Borrower may owe under the Second Note and the Loan Agreement are added to the amount Borrower owes Lender, "negative amortization" will occur. Negative amortization will increase the amount Borrower owes Lender and reduce Borrower's equity in the Property. Interest will accrue daily and be added to the principal balance as a Loan Advance at the end of each month. Such interest, when added to the principal balance, is "Capitalized Interest." Interest will be charged on unpaid principal (including Capitalized interest) until the full amount of principal, including Capitalized Interest has been paid.

34. Revolving Credit Plan Feature. If Borrower re-pays Loan Advances made under the Loan Agreement and the Principal Balance is less than the Principal Limit, then Borrower may elect to receive additional Loan Advances subject to the terms and conditions of the Loan Agreement.

35. Notification from First Lien Holder. Borrower agrees that Lender may request that the holder of Borrower's first lien loan notify Lender when a default or maturity event occurs in

connection with Borrower's first lien loan.

36. Borrower's First Lien Mortgage Loan Obligations. Borrower covenants and agrees to perform all of Borrower's obligations under Borrower's first lien mortgage loan, including but not limited to, making all payments as they become due.

37. Riders to this Security Instrument. If one or more riders are executed by Borrower and Mortgagor, 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 applicable box(es).]

Condominium Rider

Planned Unit Development Rider

Other [Specify]

BY SIGNING BELOW, Non-Borrowing Spouse and/or non-borrowing owner consent(s) to Borrower obtaining the HECM loan, and accept(s) and agree(s) to the terms and covenants contained in this Security Instrument, and in any rider(s) recorded with it, as they affect his or her rights in and to the Property securing the HECM loan under this Security Instrument.

SAMPLE

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.

Signed, sealed and delivered in the presence of:

Witnesses:

(SEAL)

Mister Test

Date

_____ [Space Below This Line For Acknowledgment] _____

STATE OF CONNECTICUT

COUNTY OF _____

On this the _____ day of _____, 20____, before me, _____,

the undersigned officer, personally appeared _____

_____, known to me (or satisfactorily proven) to be

the person whose name _____ subscribed to the within instrument and acknowledged

that _____ he _____ executed the same for the purposes therein

contained.

In witness whereof I hereunto set my hand.

SAMPLE

Notary Public
My Commission Expires: _____

Loan Originator Organization

Mortgage Loan Originator Organization: **Norwich Commercial Group, Inc. dba Norcom Mortgage**

Nationwide Mortgage Licensing system and Registry Identification Number: **71655**

Individual Loan Originator

Mortgage Loan Originator: **Colleen Guertin**

Nationwide Mortgage Licensing system and Registry Identification Number:

EXHIBIT A

Exhibit A to the Mortgage made on **August 2, 2019**, by ("Borrower") and ("Mortgagor") to the Federal Housing Commissioner, and whose address is 451 Seventh Street, S.W., Washington, D.C. 20410, ("Lender" or "Commissioner"). The Property is located in the town of **Avon**, state of **Connecticut**, described as follows:

SAMPLE