

## PROMISSORY NOTE (Fixed Rate - Second Lien)

Account/Contract No. :  
Creditor/Lender:

Date of Note:  
Borrower:

Address:

Address:

Property Address:

A word like "I" or "me" means each person who signs as a Borrower. A word like "you" or "your" means the Lender or "Note Holder."

The Lender is

The Lender may sell or transfer this Note. The Lender or anyone who is entitled to receive payments under this Note is called the "Note Holder." You will tell me in writing who is to receive my payments.

<b>ANNUAL PERCENTAGE RATE</b> The cost of my credit as a yearly rate.  %	<b>FINANCE CHARGE</b> The dollar amount the credit will cost me.  \$	<b>Amount Financed</b> The amount of credit provided to me or on my behalf.  \$	<b>Total of Payments</b> The amount I will have paid after I have made all payments as scheduled.  \$
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My Payment Schedule will be:

<u>Number of Payments</u>	<u>Amount of Payments</u>	<u>When Payments Are Due</u> <u>Monthly Beginning</u>

**Security:** You will have a security interest in the property.

**Late Charge:** If any part of a payment is unpaid for 10 days after it is due, I may be charged 5% of the amount of payment.

**Prepayment:** If I pay off early, I may be entitled to a refund of part of the Finance Charge and I will not have to pay a penalty.

**Additional Information:** See the contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

## 1. BORROWER'S PROMISE TO PAY

I promise to pay the Total of Payments to the order of you. The "principal" or "cash advance" is \$ . This amount plus interest must be paid by . I will make payments to you at the address above or as you direct. I will make the payments on the dates and in the amounts shown in the Payment Schedule.

## 2. LATE CHARGE

If I don't pay all of a payment within 10 days after it is due, you can charge me a late charge. The late charge will be 5% of the scheduled payment.

## 3. AFTER MATURITY INTEREST

If I don't pay all I owe when the final payment becomes due, I will pay interest on the amount that is still unpaid. That interest will be the higher of the rate of 18% per year or the maximum rate allowed by law. That interest will begin the day after the final payment becomes due.

## 4. PREPAYMENT

I can make a whole payment early. Unless you agree otherwise in writing, I may not skip payments. If I make a payment early, my next payment will still be due as scheduled.

## 5. FINANCE CHARGE AND REFUND METHOD

The annual rate of interest is % . This interest rate may not be the same as the Annual Percentage Rate. You figure the Finance Charge by applying the scheduled installment earnings method as defined by the Texas Finance Code to the unpaid cash advance. I may make a full or partial payment early without paying a penalty. My early payments will reduce the principal that I owe. The unpaid cash advance does not include the administrative fee, late charges, or return check charges. If I make an early partial payment, the due date and amount of my next payment will not change unless you agree in writing.

I have paid any points, administrative fee, or loan origination fee as prepaid interest. The administrative fee is earned at the time the loan is made and is not subject to refund. If I pay the loan in full early, you will refund any prepaid interest that would make the interest rate exceed the maximum rate allowed by law. Any refund will be credited to my account.

Any payment(s) that you accept after the final payment becomes due is not a renewal or extension of this Loan Agreement unless you agree in writing.

You will apply my scheduled payments in the following order: (1) interest that is due, (2) principal, (3) any other charges I owe.

## 6. DISHONORED CHECK FEE

I agree to pay you a fee of up to \$25 for a returned check. You may add the fee to the amount I owe or collect it separately.

## 7. DEFAULT

I will be in default if:

- a. I do not timely make a payment to the person or place you direct;
- b. I break any promise I made in the Loan Agreement;
- c. I allow a lien to be entered against the Property unless you agree in writing;
- d. I sell, lease, or dispose of the Property;
- e. I use the Property for an illegal purpose; or
- f. you believe in good faith I am not going to keep any of my promises.

If there is more than one Borrower, each Borrower agrees to keep all of the promises in the Loan Agreement.

If I am in default, you will send me a written notice telling me how to cure the default. You must give me at least 21 days after the date on which the notice is mailed or delivered to cure the default. You may not demand that I pay the loan in full solely because I default under any debt not secured by the Property.



Monthly Premium

If I want credit life or credit disability insurance, I must sign below and pay the monthly premium. The monthly premium will be added to the monthly loan payment. If I do not pay the monthly premium, I will not have the insurance coverage.

I request the following insurance:

<u>Premium Due with the First Month's Loan Payment</u>	<u>First Year Premium</u>	<u>Insurance Type:</u>
\$	\$	
\$	\$	
\$	\$	

Borrower's Signature	Date	Borrower's Signature	Date
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Borrower's Signature	Date	Borrower's Signature	Date
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Borrower's Signature	Date	Borrower's Signature	Date
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The first year's premiums are based on an assumption that monthly loan payments are timely made. All unpaid premiums are due at the time of the final payment. The insurance may be canceled if I do not pay the premiums. \*\* I may cancel any of the optional insurance products offered at any time. The optional insurance will be canceled upon the earliest of the following occurrences:

- (1) your receipt of my written request for cancellation;
- (2) cancellation under the insurance certificate or policy;
- (3) payment in full of my loan; and
- (4) my death

The insurance will cancel on the date when the total past due premiums equal or exceed (four) times the first month premium.

**10. MAILING OF NOTICES TO BORROWER**

You or I may mail or deliver any notice to the address above. You or I may change the notice address by giving written notice. Your duty to give me notice will be satisfied when you mail it.

**11. DUE ON SALE CLAUSE, NOTICE OF INTENT TO ACCELERATE, AND NOTICE OF ACCELERATION**

If all or any interest in the Property is sold or transferred without your prior written consent, you may require immediate payment in full of all that I owe under this Loan Agreement. You will not exercise this option if prohibited by law.

If you exercise this option, you will give me notice that you are demanding immediate payment of all that I owe. This notice will give me a period of not less than 21 days from the date of the notice within which I must pay all that I owe under this Loan Agreement. If I fail to pay all that I owe before the end of this period, you may use any remedy allowed by the Loan Agreement.

## 12. NO WAIVER OF LENDER'S RIGHTS

If you don't enforce your rights every time, you can still enforce them later.

## 13. COLLECTION EXPENSES

If you require me to pay all that I owe at once, you will have the right to be paid back by me for all of your costs and expenses in enforcing this Loan Agreement to the extent not prohibited by Applicable law. These expenses include, for example, reasonable attorneys' fees.

## 14. JOINT LIABILITY

I understand that you may seek payment from only me without first looking to any other Borrower.

## 15. USURY SAVINGS CLAUSE

I do not have to pay interest or other amounts that are more than Applicable Law allows.

## 16. SAVINGS CLAUSE

If any part of this Loan Agreement is declared invalid, the rest of the Loan Agreement remains valid. If any part of this Loan Agreement conflicts with law, that law will control. The part of the Loan Agreement that conflicts with the law will be modified to comply with the law. The rest of the Loan Agreement remains valid.

## 17. PRIOR AGREEMENTS

This written Loan Agreement is the final agreement between you and me and may not be changed by prior, current, or future oral agreements between you and me. There are no oral agreements between you and me relating to this Loan Agreement. Any change to this agreement must be in writing. Both you and I have to sign written agreements.

## 18. THIS NOTE SECURED BY A DEED OF TRUST

In addition to the protections given to the Note Holder under this Note, a Security Document, dated \_\_\_\_\_, \_\_\_\_\_, protects the Note Holder from possible losses that might result if I do not keep the promises that I make in this Note. The Security Document describes how and under what conditions I may be required to make immediate payment in full of any amounts that I owe under this Note.

## 19. APPLICATION OF LAW

Federal law and Texas law apply to this Loan Agreement.

## 20. COMPLAINTS AND INQUIRIES NOTICE

The \_\_\_\_\_ is licensed and examined under the laws of the State of Texas and by state law is subject to regulatory oversight by the Office of Consumer Credit Commissioner. Any consumer wishing to file a complaint against the \_\_\_\_\_

should contract the Office of Consumer Credit Commissioner through one of the means indicated below:

In Person or U.S. Mail: 2601 North Lamar Boulevard, Austin, Texas 78705-4207

Telephone No.: (800) 538-1579

Fax No.: (512) 936-7610

E-mail: [consumer.complaints@occc.state.tx.us](mailto:consumer.complaints@occc.state.tx.us)

Website: [www.occc.state.tx.us](http://www.occc.state.tx.us)

**21. COLLATERAL**

The collateral described above by the property address is subject to the lien of the Security Document.

Do not sign if there are blanks left to be completed in this document.

I must receive a copy of this document after I have signed it. I agree to the terms of this Loan Agreement.

\_\_\_\_\_(Seal)  
-Borrower

\_\_\_\_\_(Seal)  
-Borrower

\_\_\_\_\_(Seal)  
-Borrower

\_\_\_\_\_(Seal)  
-Borrower

\_\_\_\_\_(Seal)  
-Borrower

\_\_\_\_\_(Seal)  
-Borrower

*(Sign Original Only)*