AGREEMENT TO CONVERT

This Agreement to Convert, made and effective this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_, by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Lender”) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Borrower”) modifies and amends certain terms of Borrower’s indebtedness evidenced by a Convertible ARM Note (the “Note”) to Lender dated the \_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_, in the original principal sum of U.S. $\_\_\_\_\_\_\_\_\_\_. As of the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_, the amount payable under the Note (the “Unpaid Principal Balance”) is U.S. $\_\_\_\_\_\_\_\_\_\_\_. The Note is secured by a Mortgage, Deed of Trust or Security Deed (the “Security Instrument”) dated the same date as the Note and covering the property described in the Security Instrument and located at:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Property Address]

In consideration of Borrower’s exercise of Borrower’s option to convert Borrower’s adjustable interest rate to a fixed interest rate pursuant to the provisions of the Note and the Convertible ARM Rider to the Security Instrument, the Note is hereby modified and amended as follows:

1. **The section stating the interest rate terms (generally Section 2) is changed to read:**

### INTEREST

Interest will be charged on Unpaid Principal Balance until the full amount of principal has been paid. I will pay interest at a yearly rate of \_\_\_\_\_\_% both before and after any default described in the Note.

II. The paragraph stating the time of monthly payments and the maturity date [generally Section 3(A)] is changed as follows:

**(A) Time and Place of Payments**

I will make my monthly payments based on the fixed interest rate on the first day of each month beginning on \_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on \_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the “Maturity Date.”

**III. The paragraph stating the amount of my monthly payments [generally Section 3(B)] is changed to read:**

**(B) Amount of My Monthly Payments**

Each of my monthly payments beginning with the payment due on the date specified in Paragraph 3(A) above will be in the amount of U.S. $\_\_\_\_\_\_\_\_\_\_.

**IV. The sections describing the monthly payment changes, adjustable interest rate and monthly payment charges and fixed rate conversion option (generally Sections 3(C), 4 and 5) are deleted in their entirety.**

**V. The section describing the Borrower’s right to prepay (generally Section 6) is changed to read:**

# BORROWER’S RIGHT TO PREPAY

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a “Prepayment”. When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying any Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount before applying my Prepayment to reduce the principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due dates or the amount of my monthly payments unless the Note Holder agrees in writing to those changes.

In addition to the modifications to the Note stated above, Borrower understands that, upon the Borrower’s signing this Agreement, the Lender will have the option to require immediate payment in full of all the sums secured by the Security Instrument if all or any part of the Property or any Interest in it is sold or transferred without Lender’s prior written consent, as provided in Uniform Covenant 18 of the Security Instrument.

Except as stated in this Agreement, Borrower’s promise to pay and the covenants and agreements under the Note and under the Security Instrument continue without change.

**In Witness Whereof, Borrower and Lender have executed this Agreement.**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

Name of Lender - Borrower

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

 - Borrower

Its: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

 - Borrower