**Mortgage Documents**

**Vermont - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT (Form 3046)**

**Type of Instrument Instrument Revision Date**

Mortgage 07/2021

**Instrument Last Modified Instruction Page Last Modified**

N/A 10/2024 (Authorized Change 12 revised)

**Use This Document For**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| State | Lien Type | Product Type | Property Type | Occupancy Type |
| **VT** | **First** | **All** | **All, except cooperatives** | **All** |

**Required Changes**

The following changes MUST always be made to this document:

1. To comply with the requirements of the Truth in Lending Act and Regulation Z (12 C.F.R. § 1026.36(g)), lenders MUST add the name of the mortgage loan originator (LO) and NMLSR ID number for both an organization and individual to the last page of the security instrument. This information must be placed at the end of the document, below any notary section that follows the borrower signature lines. If state or local law requires the placement of this information in a different location on the legal documents, lenders MAY place the LO name and NMLSR ID in an alternate location in order to comply with applicable requirements.

**Authorized Changes**

The following changes MAY be made to this document at the lender’s option or MUST be made under certain circumstances only:

1. Lenders MAY add legends to identify the preparers of the document, consistent with the requirements of state and local laws.

2. Although not required, lenders MAY include at the bottom of each page “initial lines” on which borrowers may insert their initials to acknowledge that all pages of the document are present. If lines are provided for initials, the originator is not required to have borrowers initial the document, but if the borrower initials the document, the originator must require that the borrower initial each and every page as indicated.

3. Lenders MAY insert the appropriate acknowledgment in the blank space after the signature lines as documents for individual mortgages are prepared or MAY print documents bearing the appropriate acknowledgment(s) in advance for use as the need arises.

4. Lenders MAY adjust cross-references to section, paragraph, or page numbers, if needed to reflect changes in section, paragraph, or page numbers that result from adding, modifying, or deleting certain language in accordance with another authorized change.

5. Lenders MAY add the words “Purchase Money” in front of or above the caption “Mortgage”, if all, or any portion of the loan proceeds are to be used to purchase the security property. Lenders MAY also add the following in parentheses either above the caption or in the space provided for the legal description of the property:

 *(All or part of the purchase price of the Property is paid for with the money loaned.)*

6. Lenders MAY name MERS as the mortgagee of record (as nominee for the beneficiary) in this document and, if they do, MUST make the following changes:

(a) Delete the fourth sentence of the definition of “Lender” that says, “*Lender is the mortgagee under this Security Instrument.”*

 (b) Insert a new definition (C) under **Parties**, which reads as follows:

**(*C) “MERS”*** *is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender’s successors and assigns.* ***MERS is the mortgagee under this Security Instrument.*** *MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.*

(c) Redesignate the definition of “Note” as (D) and then redesignate all subsequent definitions (as E, F, G, H, etc.) as required.

(d) Delete from the second sentence of the first paragraph of the section titled “TRANSFER OF RIGHTS IN THE PROPERTY” the words “For this purpose and in consideration of the debt, Borrower mortgages, grants, and conveys to Lender,...” and replace them with the following words:

*For this purpose and in consideration of the debt, Borrower mortgages, grants, and conveys to MERS (solely as nominee for Lender and Lender’s successors and assigns) and to the successors and assigns of MERS,...*

(e) Revise the paragraph of the section titled “TRANSFER OF RIGHTS IN THE PROPERTY” that begins with the words “TOGETHER WITH all the improvements...” by adding the following sentence at the end of the paragraph:

*Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender’s successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.*

7. Lenders MUST add the following language (as a rider or as the second sentence of the last paragraph in Section 9), if the mortgage is secured by a leasehold estate, but lenders MAY add this language if the mortgage is not secured by a leasehold estate:

*Borrower will not surrender the leasehold estate and interests conveyed or terminate or cancel the ground lease. Borrower will not, without the express written consent of Lender, alter or amend the ground lease.*

8. Lenders MAY add to Definition (D). Riders a check-off box for “VA Rider”, if they use this document for a VA-guaranteed mortgage that will be delivered to us and such a rider is required to add VA’s assumability feature (which overrides the “acceleration” clause in this document).

9. Lenders MAY preprint this document with County embedded in that portion of the section of the document titled TRANSFER OF RIGHTS IN THE PROPERTY that requires entry of the Type of Recording Jurisdiction, if all mortgage recordations in the state take place at the county level. In such cases, the words [Type of Recording Jurisdiction] do not have to appear beneath the word County. In addition, if documents are prepared on a transaction-by-transaction basis and the Name of Recording Jurisdiction is typed in when the document is prepared, the words [Name of Recording Jurisdiction] do not have to appear beneath the actual name of the recording jurisdiction.

10. Lenders MAY delete the word “Witnesses” and the two accompanying lines for witness signatures that appear to the left of the Borrower signature lines on the last page.

11. Lenders MAY delete the word “generally”from the last sentence in the paragraph BORROWER REPRESENTS, WARRANTS, COVENANTS, AND AGREES and replace it with the word “specially”, if the security property is located in an area in which security instruments normally provide for a special warranty of title by the borrower (rather than a general warranty).

12. Lenders MAY, when appropriate, add an asterisk (\*) following the Borrower’s name on the first page of the security instrument and following the Borrower’s signature at the execution block of the security instrument, with the asterisk tying to a legend added immediately following the execution block.  The legend should read substantially as follows:

*\* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ signs as Borrower solely for the purpose of complying with Applicable Law requiring a spouse’s signature to create a valid lien or to expressly waive any spousal rights to the Property, or both, without assuming personal liability for payment of any sums secured by this Security Instrument.*

13. Lenders may insert a Notice on the Security Instrument if the Notice is required by applicable law for the type of transaction.

**Other Pertinent Information**

Any special instructions related to preparation of this document, use of special signature forms, required riders or addenda, etc. are discussed below.

1. If the borrower is an *inter vivos* revocable trust, we may require: a special rider, a different signature form for the trustee signature, and a special signature acknowledgment for the settlor/credit applicant(s). Lenders are responsible for making any modifications, including the use of different terminology, needed to conform to the signature forms customarily used in Vermont and will be held fully accountable for the use of any invalid signature form(s).

- Each of the trustees must sign this document in a signature block substantially similar to the following, which should be inserted in the Borrower signature lines.

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Trustee of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Trust under trust instrument dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.*

- Each settlor of the trust who is a credit applicant must sign a signature acknowledgment in a signature block substantially similar to the following, which should be inserted following the Borrower signature lines:

*BY SIGNING BELOW, the undersigned, Settlor(s) of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Trust under trust instrument dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, acknowledges all of the terms and covenants contained in this Security Instrument and any rider(s) thereto and agrees to be bound thereby.*

 *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(SEAL)*

 *Trust Settlor*