**Mortgage Documents**

**Multistate Fixed/Adjustable Rate Note - 30-Day Average SOFR - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT (Form 3442)**

**Type of Instrument Instrument Revision Date**

Note 07/2021

**Instrument Last Modified Summary Page Last Modified**

N/A 10/21 (Authorized change 14 updated)

07/22 (Authorized change 18 updated)

**Printing Instructions**

The PDF document must be printed on letter size paper, using portrait format.

**Use This Document For**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| State | Lien Type | Product Type | Property Type | Occupancy Type |
| **All, except PR** | **First** | **ARM – Plans 4927, 4928, and 4929, except for Texas Section 50(a)(6) mortgages** | **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 note. 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 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 these lines are added, lenders MUST require the borrowers to initial the lines on each page of the document.
2. 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.
3. Lenders MAY, if required under state law, insert the following sentence after the last sentence in Section 7(A). Late Charges for Overdue Payments of the Note if the security property is located in Alabama:

*In no event will any late charge under this Section 7(A) exceed $100.*

1. Lenders MAY add the following language (with all letters being capitalized) above the Borrower signature lines, if the security property is located in Alabama:

*Caution -- It is important that you thoroughly read the contract before you sign it.*

1. Lenders MUST insert the following language as a new Section 12, if the security property is located in Alaska:

***12.*** ***NOTICE OF OTHER REMEDIES***

*To the extent set forth in this Note (a) the Borrower is personally obligated and fully liable for all amounts due under this Note, and (b) the holder hereof has the right to sue on this Note and obtain a personal judgment against the Borrower for satisfaction of all amounts due under this Note either before or after a judicial foreclosure, under Alaska Statutes §§ 09.45.170 through 09.45.220, of the deed of trust which secured this Note.*

1. Lenders MUST insert the following language as a new Section 12 if the security property is located in Florida:

***12***. ***DOCUMENTARY TAX***

*The state documentary tax due on this Note has been paid on the mortgage securing this indebtedness.*

1. Lenders MAY add the following language immediately before the Borrower signature lines (in bold conspicuous type, such as being bold-faced with all letters capitalized), if the security property is located in Indiana and the mortgage contract resulted from a telephone sales commitment (as covered under Indiana Code 24-4.7-4-4):

You are not obligated to pay any money unless you sign this contract and return it to the seller/lender.

1. Lenders MAY add the following language immediately after the Borrower signature lines, if the security property is located in Louisiana:

*‘NE VARIETUR’ for identification with an Act of Mortgage passed before me this \_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_.*

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*Notary Public: (Name)*

1. Lenders MAY add the following language immediately before the Borrower signature lines, if the security property is located in Maryland:

*This loan transaction is governed by Title 12, Subtitle 10 of the Commercial Law Article of the Annotated Code of Maryland.*

1. Lenders MAY, if required under state law insert the following sentence after the last sentence in Section 7(A) of the Note is the security property is located in Mississippi:

Late charge will not be less than $5.00.

1. Lenders MUST add the following language as a new Section 3(D) if the security property is located in New Hampshire:

**(D) Acceptance and Application of Partial Payments**

*I understand that the Note Holder may accept and either apply or hold in suspense partial payments in its sole discretion and that the Note Holder is not obligated to accept any partial payments or to apply any partial payments at the time such payments are received or accepted. The Note Holder is not obligated to pay interest on unapplied funds and may hold unapplied funds until I make payment sufficient to cover a full Monthly Payment. If not applied earlier, partial payments will be credited against the total amount I owe under this Note in calculating the amount due in any proceeding to enforce this Note.*

1. Lenders MUST add the following language as a new Section 12 if the security property is located in New Hampshire:

***12. ATTORNEYS’ FEES***

Pursuant to New Hampshire Revised Statutes Annotated § 361-C:2, in the event that Borrower prevails in (a) any action, suit, or proceeding, brought by Lender, or (b) an action brought by Borrower, reasonable attorneys’ fees will be awarded to Borrower. Further, if Borrower successfully asserts a partial defense or set-off, recoupment, or counterclaim to an action brought by Lender, a court may withhold from Lender the entire amount or such portion of its attorneys’ fees as the court may consider equitable.

1. Lenders MAY insert the following information, if required under state law, in the top margin of the document if the security property is located in Nevada:

*[Mortgage Broker’s Name]*

*NV License #\_\_\_\_\_\_\_\_\_\_\_*

1. Lenders MUST make the following changes if the security property is located in Pennsylvania:
2. Change the second paragraph in Section 2. INTEREST to read as follows:

*The interest rate required by this Section 2 and Section 4 of this Note is the rate I will pay both before and after any Survival Event as defined in Section 12 of this Note.*

1. Add the following sentence to the end of the second paragraph in Section 3(A) Time and Place of Payments [after “Maturity Date.”]:

*I will continue to pay those amounts both before and after any Survival Event as defined in Section 12 of this Note, until I have paid all of the Principal and interest and any other charges described below that I may owe under this Note.*

1. Add the following sentence at the end of Section 7(E) Payment of Note Holder’s Costs and Expenses:

*I will pay the Note Holder back for those expenses paid by the Note Holder both before and after any Survival Event as defined in Section 12 of this Note.*

1. Add a new Section 12 to the document as follows:

***12. Effect of Survival Events***

*For purposes of this Note, “Survival Event” is defined as follows:*

*(a) any default described in Section 7(B) of this Note;*

*(b) Noteholder requiring me to pay immediately the full amount of Principal which has not been paid and all the interest that I owe on that amount under Section 7(C) of this Note;*

*(c) Noteholder requiring immediate payment of all sums secured by the Security Instrument;*

*(d) the Maturity Date as defined in this Note;*

*(e) the entry of any judgment against me under this Note; and*

*(f) the entry of any judgment under the Security Instrument.*

1. Lenders MAY add the following language (with all letters being capitalized and bold-faced) immediately before the Borrower signature lines, if the security property is located in Texas:

*This written loan agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.*

1. Lenders MUST insert the following language (in at least 10-point bold-faced type) at the end of the document before the sentence reading “Witness the Hand(s) and Seal(s) of the Undersigned,” if the security property is located in Vermont:

# *Notice to Co-signer*

**Your signature on this Note means that you are equally liable for repayment of this loan. If the Borrower does not pay, the Lender has a legal right to collect from you.**

1. Lenders MUST change the first sentence in Section 10. Waivers to read as follows, if the security property is located in Virginia:

*I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor and waive the benefit of the homestead exemption as to the Property described in the Security Instrument (as defined below).*

1. Lenders MAY add the following text after the Borrower signature lines, if the security property is located in Virginia:

*This is to certify that this is the Note described in and secured by a Deed of Trust dated \_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_ on the Property located in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Virginia.*

*My Commission Expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*Notary registration number: Notary Public*

*Date of notarization:*

*Place of notarization:*

1. Lenders MUST change the second sentence in Section 7(A). Late Charges for Overdue Payments to read as follows, if the security property is located in West Virginia:

*The amount of the charge will be \_\_\_\_% of that portion of the installment of my Monthly Payment that is overdue, but not more than U.S. $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.*

1. Lenders MUST change Section 7(E). Payment of Note Holder’s Costs and Expenses to read as follows, if the security property is located in West Virginia:

*If the Note Holder has required me to pay the Default Balance immediately as described above, the Note Holder will have the right to be paid back by me, as permitted by the Note and Applicable Law, the following charges in connection with Borrower’s Default: (i) costs of publication; (ii) an appraisal fee; (iii) all costs incidental to a title examination including professional fees, expenses incident to travel and copies of real estate and tax records; (iv) expenses incidental to notice made to lienholders and other parties and entities having an interest in the real property to be sold; (v) certified mailing costs; and (vi) all fees and expenses incurred by a Trustee incident to a pending Trustee's sale of the real property securing the consumer loan.*

1. Lenders MUST replace the last sentence in Section 11(A) AND Section 11(B) Transfer of the Property or a Beneficial Interest in Borrower if the security property is located in West Virginia, to read as follows:

*If Borrower fails to pay these sums prior to, or upon, the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower and will be entitled to collect, as permitted by the Note and Applicable Law, the following charges in connection with Borrower’s Default: (a) costs of publication; (b) an appraisal fee; (c) all costs incidental to a title examination including professional fees, expenses incident to travel and copies of real estate and tax records; (d) expenses incidental to notice made to lienholders and other parties and entities having an interest in the real property to be sold; (e) certified mailing costs; and (f) all fees and expenses incurred by a Trustee incident to a pending Trustee's sale of the real property securing the consumer loan.*

1. Lenders MUST add the following language as the third paragraph under Section 2. Interest, if the security property is located in Wisconsin:

*Solely* *for the purpose of computing interest, a Monthly Payment received by the Note Holder within 30 days prior to or after the date it is due will be deemed to be paid on such due date.*

1. Lenders MUST delete the following language from the third sentence of the second paragraph in Section 3(A). Time and Place of Payments, if the security property is located in Wisconsin:

*...will be applied as of its scheduled due date and...*

1. Lenders MAY add the following disclosure notice above or below the Borrower signature lines (or at the end of the document, if the security property is located in Puerto Rico), if they originate mortgages pursuant to the regulations of the Comptroller of the Currency:

*Notice: The initial index value for this loan is \_\_\_\_\_\_%.*

1. Lenders may insert a Notice on the Note 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 the applicable jurisdiction 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 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.*

2. Lenders should insert in the first blank of the first sentence in Section 4(D). Limits on Interest Rate Changes an interest rate that is equal to the sum of the initial start rate for the mortgage and the applicable first interest rate adjustment change limit (which is 2% for ARM Plan 4927and 5% for ARM Plans 4928, and 4929). Then, in the second blank of the sentence, lenders should insert an interest rate that is equal to the initial start rate for the mortgage less the applicable first interest rate adjustment change limit (which is 2% for ARM Plan 4927 and 5% for ARM Plans 4928 and 4929). However, if this difference is less than the specified mortgage margin, lenders should insert the specified mortgage margin in the second blank of the first sentence. Lenders should insert in the first blank in the last sentence an interest rate that is equal to the sum of the initial start rate for the mortgage and the applicable lifetime interest rate adjustment cap (which is 5% for ARM Plans 4927, 4928 and 4929). Then, in the second blank of the sentence, lenders should insert an interest rate that is equal to the specified mortgage margin.

3. When completing Section 7(A). Late Charges for Overdue Payments, lenders should specify the maximum late charge percentage allowed by state law, if that amount is less than or equal to the maximum late charge specified in the *Selling Guide*. In no instance should lenders specify a late charge greater than the maximum late charge percentage specified in the *Selling Guide*.

4. When a lender uses the *New York Consolidation, Extension and Modification Agreement* (Form 3172) in connection with the refinancing of a mortgage as an ARM Plan 4927, 4928 and 4929, there is generally no need for the borrower to execute a separate note, although he or she will need to execute the applicable adjustable-rate rider. However, if additional funds are advanced in connection with the consolidation, the borrower must also execute a new note and a new mortgage.