

RECORDING REQUESTED BY AND WHEN  
RECORDED RETURN TO:  
CalHFA Mortgage Assistance Corporation  
Keep Your Home California Program  
P.O. Box 5678  
Riverside, CA 92517

\_\_\_\_\_  
No.

(For Recorder's Use Only)

**DEED OF TRUST**  
*(Keep Your Home California Program)*

**NOTICE TO HOMEOWNER**  
**THIS DEED OF TRUST CONTAINS**  
**PROVISIONS RESTRICTING ASSUMPTIONS**

This Deed of Trust is made on \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_, whose address is: \_\_\_\_\_, (the "Homeowner") to the CalHFA Mortgage Assistance Corporation, a California nonprofit public benefit corporation (the "Trustee") whose address is P.O. Box 5678, Riverside, CA 92517 in favor of the CalHFA Mortgage Assistance Corporation, a California nonprofit public benefit corporation, as beneficiary, (the "CalHFA MAC") whose address is P.O. Box 5678, Riverside, CA 92517 and any successor or assigns.

1. HOMEOWNER, IN CONSIDERATION OF THE INDEBTEDNESS HEREIN RECITED AND THE TRUST HEREIN CREATED HEREBY IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee in trust, with power of sale and right of entry and possession, all of Homeowner's right, title and interest now held or hereafter acquired in and to the following: (a) all of that certain real property (the "Property") located in the County of \_\_\_\_\_, State of California, described below as,

DESC

APN:

which property address is

which is incorporated herein by this reference; and (b) all buildings, improvements and fixtures now or hereafter erected thereon, and all appurtenances, easements, and articles of property now or hereafter affixed to, placed upon or used in connection with the Property, together with all additions to, substitutions for, changes in or replacements of the whole or any part of said articles of property (all of which real and personal property are sometimes referred to as the "Property"); all of which are hereby pledged and assigned, transferred, and set over onto Trustee, and for purposes of this Deed of Trust declared to be part of the realty; provided, however, that furniture and other personal property of Homeowner now or hereafter situated on said real property are not intended to be included as part of the Property.

2. THE ABOVE GRANT, TRANSFER, AND ASSIGNMENTS ARE FOR THE PURPOSE OF SECURING:

Payment of the indebtedness evidenced by that certain promissory note of Homeowner of even date herewith and titled "Promissory Note (Open-Ended Credit) Keep Your Home California Program" (the "Note") of Homeowner in the face amount of \_\_\_\_\_, (\$ \_\_\_\_\_). The amount due under the Note, may be increased or decreased due to changes in Homeowner's employment, monthly mortgage payment and/or expenses incurred by Homeowner's First Note and First Deed of Trust (as defined in the Note) lender in connection with Homeowner's default under the First Note and First Deed of Trust, either of which may occur after the initial assistance approval date, but in no case shall the outstanding principal amount of this Note exceed the actual amount of assistance provided by CalHFA MAC on behalf of the Homeowner or the maximum benefit assistance of the approved program in the amount equal to \$ \_\_\_\_\_, whichever is less.

3 TO PROTECT THE SECURITY OF THIS DEED OF TRUST, HOMEOWNER AGREES:

3.1 *Maintenance of the Property.* (a) To keep the Property in a decent, safe, sanitary, tenantable condition and repair and permit no waste thereof; (b) not to commit or suffer to be done or exist on or about the Property any condition causing the Property to become less valuable; (c) not to remove, demolish or structurally alter any buildings and improvements now or hereinafter located on the Property; (d) to repair, restore or rebuild promptly any buildings or improvements on the Property that may become damaged or be destroyed while subject to the lien of this Deed of Trust; (e) to comply with all applicable laws, ordinances and governmental regulations affecting the Property or requiring any alteration or improvement thereof, and not to suffer or permit any violations of any such law, ordinance or governmental regulation, nor of any covenant, condition or restriction affecting the Property; (f) not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without CalHFA MAC's written consent; and (g) not to alter the use of all or any part of the Property without the prior written consent of CalHFA MAC.

3.2 *Insurance.* To keep the Property insured against loss or damage by fire and such other hazards, casualties and contingencies and by such companies, on such forms and in the amount of the replacement cost of the buildings or improvements on the Property Neither Trustee nor CalHFA MAC shall by reason of accepting, rejecting, approving or obtaining insurance incur any liability for the existence, nonexistence, form or legal sufficiency of such insurance, or solvency of any insurer for payment of losses.

3.3 *Payment of Taxes and Utility Charges.* To pay, at least ten (10) days prior to delinquency, all taxes and assessments, both general and special, fines, penalties, levies and charges of every type or nature levied upon or assessed against any part of the Property.

4. IT IS MUTUALLY AGREED THAT:

4.1 *Awards and Damages.* All judgments, awards of damages, settlements and compensation made in connection with or in lieu of (a) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (b) any damage to or destruction of the Property or any part thereof by insured casualty, and (c) any other injury or damage to all or any part of the Property, are hereby assigned to and shall be paid to CalHFA MAC. CalHFA MAC is authorized and empowered (but not required) to collect and receive any such sums and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as CalHFA MAC shall determine at its option. CalHFA MAC shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by CalHFA MAC may be released to Homeowner upon such conditions as CalHFA MAC may impose for its disposition. Application of all or any part of the amounts collected and received by CalHFA MAC or the release thereof shall not cure or waive any default under this Deed of Trust. If the Property is abandoned by Homeowner, or if, after notice by CalHFA MAC to Homeowner that the condemnor offers to make an award or settle a claim for damages, Homeowner fails to respond to CalHFA MAC within thirty (30) days after the date such notice is mailed, CalHFA MAC is authorized to collect and apply the proceeds, at CalHFA MAC's option, either to restoration or repair of the Property or to the sum secured by this Deed of Trust.

4.2 *Prohibition on Transfer of Interests.* Homeowner shall not make any sale, lease, conveyance of the Property in any form, or any part thereof or interest therein, without the prior written consent of CalHFA MAC. CalHFA MAC may decline to give such consent in its sole discretion.

4.3 *Principal Forgiveness.* If the Homeowner is a Qualified Homeowner (as defined in the Note) at all times prior to and on the \_\_\_\_\_ year anniversary of the date of the Note ("Maturity Date"), 100% of the principal amount outstanding under the Note shall be reduced and forgiven. If the Maturity Date extends beyond the tenth (10<sup>th</sup>) year anniversary date of the Note and the Homeowner is not in default under any terms of this Deed of Trust or the Note, including being a Qualified Homeowner at all times, the outstanding principal amount may, at the sole discretion of CalHFA MAC, be reduced subject to the following conditions:

- (a) On the Tenth (10th) year anniversary date of the Note, the principal balance shall be reduced by an amount equal to 20% of the original principal amount under the Note.
- (b) On the Fifteenth (15th) year anniversary date of the Note, the principal balance shall be reduced by an amount equal to 20% of the original principal amount under the Note.
- (c) On the Twentieth (20th) year anniversary date of the Note, the principal balance shall be reduced by an amount equal to 20% of the original principal amount under the Note.
- (d) On the Twenty-fifth (25th) year anniversary date of the Note, the principal balance shall be reduced by an amount equal to 20% of the original principal amount under the Note.
- (e) On the Thirtieth (30th) year anniversary date of the Note, the principal balance shall be reduced by an amount equal to 20% of the original principal amount under the Note.

4.4 *Repayment of Lien.* The indebtedness secured by this Deed of Trust is a deferred payment obligation. Unless the principal amount of the indebtedness securing this Deed of Trust is forgiven pursuant to paragraph 4.3, or unless CalHFA MAC otherwise agrees in writing, Homeowner shall repay to CalHFA MAC the principal and any other amounts due under the Note on the earliest of the following occurrence:

- (a) The First Note and First Deed of Trust on the Property is refinanced and homeowner receives more than one percent (1%) of the principal amount of the new loan in cash or other value received;
- (b) The First Note and First Deed of Trust on the Property is assumed
- (c) Title to the Property is transferred;

4.5 *Prohibition Against Partial Payments.* Borrower may pay in full the indebtedness evidenced by the Note at any time. Except as set forth in paragraph 4.4, Homeowner covenants to not remit partial payments for the indebtedness evidenced by this Note, or any part thereof, prior to or in advance of the Maturity Date as described in paragraph 4.3.

4.6 *Sale or Forbearance.* No sale of the Property, forbearances on the part of CalHFA MAC or extension of the time for payment of the indebtedness hereby secured shall operate to release, discharge, waive, modify, change or affect the liability of Homeowner either in whole or in part.

4.7 *CalHFA MAC's Rights to Release.* Without affecting the liability of any person for payment of any indebtedness hereby secured (other than any person released pursuant hereto), including without limitation any one or more endorsers or guarantors, and without affecting the lien hereof upon any of the Property not released pursuant hereto, at any time and from time to time without notice: (a) CalHFA MAC may, at its sole discretion, (i) release any person now or hereafter liable for payment of any or all such indebtedness, (ii) extend the time for or agree to alter the terms of payment of any or all of such indebtedness, and (iii) release or accept additional security for such indebtedness, or subordinate the lien or charge hereof; and (b) Trustee, acting pursuant to the written request of CalHFA MAC, may reconvey all or any part of the Property, consent to the making of any map or plat thereof, join in granting any easement thereon, or join in any such agreement of extension or subordination.

4.8 *Reconveyance.* Upon written request of CalHFA MAC stating that all sums and obligations secured hereby have been discharged, or otherwise as requested in writing by CalHFA MAC, and upon surrender of this Deed of Trust and the Note and any additional notes to Trustee for cancellation, and upon payment to Trustee of its fees and expenses, Trustee shall reconvey, without warranty, the Property or that part thereof then held hereunder. The recitals in any reconveyance shall be conclusive proof of their truthfulness and the grantee in any such reconveyance may be described "as the person or persons legally entitled thereto." When the Property has been fully reconveyed, the

last such reconveyance shall operate as a reassignment of all of the rents, royalties, issues, accounts and profits of the Property to the person or persons legally entitled thereto unless such reconveyance expressly provides to the contrary.

## 5. EVENTS OF DEFAULT

5.1 *Events of Default.* Any one or more of the following events shall constitute a default under this Deed of Trust: (a) failure of Homeowner to observe or to perform any covenant, condition or agreement to be observed or performed by Homeowner pursuant to the Note or this Deed of Trust; or (b) the occurrence of any event which, under the terms of the Note, shall entitle CalHFA MAC to exercise the rights or remedies thereunder; or (c) the occurrence of any event of default under the terms of any superior note or deed of trust on the Property.

### 5.2 *Acceleration and Sale.*

(a) *Acceleration.* In the event of any default CalHFA MAC, without demand on Homeowner, may declare all sums hereby secured immediately due and payable by notice thereof to Homeowner or by executing and recording or by causing Trustee to execute and record a notice of default and election to cause the Property to be sold to satisfy the obligations secured hereby or by the commencement of an appropriate action to foreclose this Deed of Trust or by any other appropriate manner;

(b) *Sale.* After delivery to Trustee of a notice of default and demand for sale and after the expiration of such time and the giving of such notice of default and sale as may then be required by law, and without demand on Homeowner, Trustee shall sell the Property at the time and place of sale fixed by it in said notice of sale, at public auction to the highest bidder for cash in lawful money of the United States of America, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Any person, including Homeowner, Trustee or CalHFA MAC, may purchase at such sale. Upon such sale by Trustee it shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty expressed or implied.

The recitals in such deed of any matters or facts shall be conclusive proof of their truthfulness. Upon sale by Trustee, and after deducting all costs, expenses and fees of Trustee and of this Deed of Trust, Trustee shall apply the proceeds of sale to the payment of the principal indebtedness hereby secured, whether evidenced by the Note or otherwise, or representing advances made or costs or expenses paid or incurred by CalHFA MAC under this Deed of Trust, or any other instrument evidencing or securing any indebtedness hereby secured and to the payment of all other sums then secured hereby as provided in this Deed of Trust, or any other instrument evidencing or securing any indebtedness hereby secured, in such order as CalHFA MAC shall direct; and then the remainder, if any, shall be paid to the person or persons legally entitled thereto.

5.3 *Attorney's Fees.* If Trustee or CalHFA MAC shall be made parties to or shall intervene in any action or proceeding affecting the Property or the title thereto or the interest of Trustee or CalHFA MAC under this Deed of Trust, or if CalHFA MAC employs an attorney to collect any or all of the indebtedness hereby secured or to foreclose this Deed of Trust, or authorizes Trustee to conduct trustee's sale proceedings hereunder, then Trustee and CalHFA MAC shall be reimbursed by Homeowner, immediately and without demand, for all reasonable costs, charges and attorney's fees incurred by them or either of them in any such case whether or not suit be commenced, and the same.

5.4 *Exercise of Remedies; Delay.* No exercise of any right or remedy by CalHFA MAC or Trustee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law, and no delay by CalHFA MAC or Trustee in exercising any such right or remedy hereunder shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.

5.5 *Trustee Substitution.* The irrevocable power to appoint a substitute trustee or trustees hereunder is hereby expressly granted to CalHFA MAC, to be exercised at any time hereafter, without specifying any reason therefor by filing for record in the office where this Deed of Trust is recorded a deed of appointment, and said power of appointment of successor trustee or trustees may be exercised as often as and whenever CalHFA MAC deems advisable. The exercise of said power of appointment, no matter how often, shall not be deemed an exhaustion thereof, and upon recording of such deed or deeds of appointment, trustee or trustees so appointed shall thereupon, without further act or deed of conveyance, succeed to and become fully vested with identically the same title and estate in and to the Property hereby conveyed and with all the rights, powers, trusts and duties of the predecessor in the trust hereunder, with the like effect as if originally named as trustee or as one of the trustees.

5.6 *Remedies Cumulative.* No remedy herein contained or conferred upon CalHFA MAC or Trustee is intended to be exclusive of any other remedy or remedies afforded by law or by the terms hereof to CalHFA MAC or Trustee but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

6. MISCELLANEOUS PROVISIONS

6.1 *Successors, Assigns, Gender, Number.* The covenants and agreements herein contained shall bind, and the benefit and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties. Wherever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

6.2 *Headings.* The headings are inserted only for convenience of reference and in no way define, limit, or describe the scope or intent of this Deed of Trust, or of any particular provision thereof, or the proper construction thereof.

6.3 *Actions on Behalf of CalHFA MAC.* Except as is otherwise specifically provided herein, whenever any approval, notice, direction, consent, request or other action by CalHFA MAC is required or permitted under this Deed of Trust, such action shall be in writing.

6.4 *Terms.* The word "CalHFA MAC" means the present CalHFA MAC, or any future owner or holder, including pledgee, of the indebtedness secured hereby.

6.5 *Qualified Homeowner* means CalHFA MAC has determined, in its sole discretion from documentation provided by the Homeowner, that Homeowner is eligible to receive financial assistance under CalHFA MAC's Keep Your Home California Program and has satisfied all of the program criteria disclosed in writing to Homeowner, including without limitation occupying the Property as his/her principal residence.

6.6 *Obligations of Homeowner.* If more than one person has executed this Deed of Trust as "Homeowner", the obligations of all such persons hereunder shall be joint and several.

6.7 *Severability.* If any provision of this Deed of Trust shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

6.8 *Indemnification.* Homeowner shall indemnify and hold CalHFA MAC, its officers and agents harmless against any and all losses, claims, demands, penalties and liabilities which CalHFA MAC, its officers or agents may sustain or suffer by reason of anything done or omitted in good faith pursuant to or in connection with this Deed of Trust and not assert any claim against CalHFA MAC, its officers or agents by reason of any action so taken or omitted. Homeowner shall, at Homeowner's expense, defend, indemnify, save and hold CalHFA MAC, its officers and agents harmless from any and all claims, demands, losses, expenses, damages (general, punitive or otherwise), causes of action (whether legal or equitable in nature) asserted by any person, firm, corporation or other entity arising out of this Deed of Trust and Homeowner shall pay CalHFA MAC upon demand all claims, judgments, damages, losses or expenses (including reasonable legal expense) incurred by CalHFA MAC as a result of any legal action arising out of this Deed of Trust.

IN WITNESS WHEREOF, Homeowner has executed this Deed of Trust on the day and year as acknowledged by Notary Public.

\_\_\_\_\_  
Homeowner

\_\_\_\_\_  
Homeowner

\_\_\_\_\_  
Homeowner

\_\_\_\_\_  
Homeowner

**ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_ (here insert name and title of officer), personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name (s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct

Witness my hand and official seal.

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