

MORTGAGE LOAN ASSUMPTION AGREEMENT
(WITHOUT RELEASE OF LIABILITY)

BOND SERIES _____

MBOH LOAN NO. _____

SERVICER LOAN NO. _____

THIS AGREEMENT is made on _____, between

_____ (hereinafter called "the Borrower");

(hereinafter call "the Mortgage Lender"); and the Montana Board of Housing (hereinafter called "the Board").

WHEREAS, the Seller is obligated to the Mortgage Lender pursuant to the terms of a promissory note in the face amount of \$_____, dated _____ (hereinafter called "the Note"); and

WHEREAS, the Note is secured by a trust indenture dated _____, recorded on _____ in Book_____, Page_____, Entry Number_____, in the records of the Recorder of _____ County, Montana (hereinafter called "the Trust Indenture"); and

WHEREAS, the Trust Indenture creates a lien on the property located at _____, Montana (hereinafter called "the Residence"); and

WHEREAS, The Note and Trust Indenture (hereinafter referred to together as "the Mortgage Loan") have been sold and assigned to the Board pursuant to its Single Family Mortgage Purchase Program; and

WHEREAS, The Seller desires to sell and convey the Residence to the Borrower, subject to the Mortgage Loan, and both the Seller and the Borrower have requested that the Mortgage Lender and the Board consent to the sale of the Residence subject to the Mortgage Loan;

THEREFORE, The Mortgage Lender and the Board hereby consent to the conveyance of the Residence to the Borrower, subject to the Mortgage Loan, and to the assumption of the Mortgage Loan by the Borrower, upon the following conditions:

1. At the time of the conveyance from the Seller to the Borrower, the payment obligations due under the Mortgage Loan shall be current.
2. The Borrower hereby assumes and agrees to pay the indebtedness evidence by the Mortgage Loan, it being agreed and understood that as of the date of this agreement the balance due on the Mortgage Loan is _____ Dollars (\$_____), that the interest rate on the Mortgage Loan shall be _____% per annum, that the monthly payments due under the Mortgage Loan shall be \$_____, plus applicable taxes and insurance, and that the next payment due under the Mortgage Loan is due on _____.

3. The borrower agrees to assume, be liable for, and be bound by all of the obligations and covenants in the Mortgage Loan, including the Montana Board of Housing Uniform Rider to Trust Indenture appended to all standard form mortgages executed on FHA, VA, or RD forms, which provides among other things that the Lender or its assignee may, at any time and without prior notice, accelerate all payments due under the Trust Indenture and Note and exercise any other remedy allowed by law for breach of the Mortgage or Note if, without the prior written consent of the Lender or its assignee:

a) The Borrower sells, rents, otherwise transfers any interest in the property by deed of trust, conditional sales contract, pledges, agreements to hold title in escrow and any other form of owner financing or fails to occupy the Residence as his or her permanent and principal residence; or

b) The Borrower fails to abide by the agreement contained in the Affidavit of Borrower's Eligibility, or if the Mortgage Lender or the Board finds any statement contained in the Affidavit of Borrower's Eligibility to be untrue.

c) The Board, at any time, in its sole discretion, determines that the requirements of Section 143 of the Internal Revenue Code of 1986, with respect to Mortgage Loans, have not been complied with, whether or not the Borrower is responsible for such noncompliance.

4. Consent of the Board and the Mortgage Lender to the Assumption by the Borrower of the obligations of the Mortgage Loan shall in no way constitute a release of any of the Seller's obligations under the Mortgage Loan.

5. The Seller hereby agrees that the Mortgage Lender and Board may authorize the further conveyance of the Residence, subject to the Mortgage Loan, without obtaining the consent of the Seller.

6. Nothing contained in or done pursuant to this Assumption Agreement shall affect or be construed to affect the lien, charge or encumbrance of the Mortgage Loan on the Residence or its priority over other liens, charges or encumbrances.

IN WITNESS WHEREOF the parties have executed this agreement on _____.

Seller

Borrower

Mortgage Lender

MONTANA BOARD OF HOUSING

By: _____ By: _____
Authorized Officer Authorized Officer

This agreement is not valid unless signed by all parties.

