

LATE PAYMENT PROVISIONS

Addendum to Promissory Note

NOTE: This form is used by a loan broker or escrow officer when originating a mortgage with a lender or carryback seller, to include a late payment provision in the promissory note.

DATE: _____, 20_____, at _____, California.
Items left blank or unchecked are not applicable.

FACTS:

1. This is an addendum to a promissory note

- 1.1 of same date, or dated _____, 20_____, at _____, California,
- 1.2 entered into by _____, as the Payor,
- 1.3 in favor of _____, as the Payee, and
- 1.4 secured by a trust deed on real estate referred to as _____

AGREEMENT:

2. In addition to the terms of the above referenced promissory note, Payee agrees to the following checked provisions:

2.1 *For an owner-occupied, single family residence:*

Any installment on this note not received within 10 days after the due date is delinquent and will incur a late charge, on demand, in the sum of 6% of the delinquent principal and interest installment amount.

2.2 *For a broker-made/-arranged loan on any property [Calif. Business and Professions Code §10242.5(a)]:*

Any installment on this note not received within 10 days of the due date is delinquent and will incur a late charge, on demand, in the sum of 10% of the delinquent principal and interest installment amount.

2.3 *On other than owner-occupied, single family residences or broker-made/-arranged loans:*

If any installment on this note is not received when due, or within _____ days of the due date, the installment will be delinquent and will incur a late charge, on demand, in the sum of \$_____, or _____% of the delinquent principal and interest installment amount.

2.4 *For a broker-made/-arranged loan on any property, final/balloon payment late charge [Calif. Business and Professions Code §10242.5(c)]:*

If the final/balloon payment due on this note is not received within 10 days after the due date, the final/balloon payment will be delinquent and will incur a late charge on the delinquency and thereafter, on demand, for each month the final/balloon payment remains unpaid. The late charge will be the sum of 10% of the largest scheduled monthly installment on the Note.

2.5 *For a balloon payment late charge on other than owner-occupied, single family residences or broker-made/-arranged loans:*

If the final/balloon payment is not paid by the due date, the remaining principal balance will thereafter accrue at the rate of _____%.

2.6 *For compounding interest on a default on other than one-to-four residential units:*

On default in the payment of a principal and interest installment when due, the unpaid interest will be added to the remaining principal balance and accrue interest at the same rate as the principal debt until the delinquent payment and the accrued interest on the delinquent interest are received.

Payor's name: _____

Signature: _____

Payor's name: _____

Signature: _____

Payor's name: _____

Signature: _____

Payor's name: _____

Signature: _____