

LAND COURT SYSTEM

REGULAR SYSTEM

AFTER RECORDATION, RETURN TO: BY: MAIL  PICKUP

VA Form 26-6350 (Home Loan)  
Revised October 1983, Use Optional.  
Section 1810, Title 38, U.S.C.  
Acceptable to Federal National  
Mortgage Association

Tax Map Key No. \_\_\_\_\_ **HAWAII**

**MORTGAGE**

**THIS MORTGAGE**, made this \_\_\_\_\_ day of \_\_\_\_\_, by \_\_\_\_\_, whose residence and post office address is \_\_\_\_\_ (herein called the "Mortgagor"), in favor of \_\_\_\_\_, whose principal place of business and post office address is \_\_\_\_\_ (herein called the "Mortgagee").

**THIS LOAN IS NOT ASSUMABLE  
WITHOUT THE APPROVAL OF THE  
DEPARTMENT OF VETERANS AFFAIRS  
OR ITS AUTHORIZED AGENT.**

WITNESSETH: That, the Mortgagor, in consideration of the sum \_\_\_\_\_  
AND \_\_\_/100 DOLLARS (\$ \_\_\_\_\_) to them paid by the Mortgagee, the

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receipt whereof is hereby acknowledged, and also in consideration of any other sum or sums that may hereafter be advanced or paid to or on account of or become owing by the Mortgagor to the Mortgagee, does hereby grant, bargain, sell, assign, and convey unto the Mortgagee its successors and assigns: All of that certain property more particularly described in Exhibit "A" attached hereto and incorporated herein by reference; SUBJECT, HOWEVER, to the encumbrances noted in Exhibit "A",

together with the buildings, improvements, tenements, rights, easements, privileges, and appurtenances to the same belonging or appertaining or held and enjoyed therewith; and the reversion, remainders, rents, issues, and profits thereof (provided, however, that the Mortgagor shall be entitled to collect and retain the said rents, issues, and profits until default hereunder), and all of the estate, right, title, and interest of the Mortgagor both at law and in equity, therein and thereto; and all fixtures now or hereafter attached to or used in connection with the premises herein described and in addition thereto the following described household appliances which are, and shall be deemed to be, fixtures and a part of the interest in realty and are a portion of the security for the indebtedness herein mentioned:

All of that certain personal property, if any, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

SUBJECT, HOWEVER, to the agreement and understanding that should this mortgage and the note secured hereby not be eligible for guaranty under the Servicemen's Readjustment Act (38 U.S.C. Sec. 694 et seq.) (written statement of any officer of the Department of Veterans Affairs or authorized agent thereof declining to guarantee said note being deemed conclusive proof of ineligibility), the Mortgagee or the holder of the note may, at its option, at any time thereafter, declare all sums secured hereby immediately due and payable.

TO HAVE AND TO HOLD, the same unto the Mortgagee, its successors and assigns forever as to all property conveyed in fee simple, and as to leasehold interests in real property for the unexpired residue of the term of said lease;

PROVIDED, HOWEVER, that if the Mortgagor shall pay to the Mortgagee the aforesaid sum with interest thereon at the rate of \_\_\_\_\_ per centum (\_\_\_\_%) per annum according to the tenor of that certain promissory note in that amount bearing even date herewith and secured hereby, the terms of which said note are incorporated herein by reference, shall discharge all obligations hereunder which are and shall be secured as an additional charge against all the property hereby mortgaged, and shall observe and perform all the covenants and agreements herein contained and pay the costs of release, THEN THESE PRESENTS SHALL BE VOID.

BUT UPON FAILURE to make payment of any installment under said promissory note, provided that such default is not made good prior to the due date of the next installment thereunder, or upon the breach of any covenant or agreement hereof or in any promissory note or terms of any other obligation hereby secured, or if Mortgagor's interest in the real property hereby mortgaged is a leasehold estate and Mortgagor fails to observe and perform any covenant or agreement contained in the lease, then and in either or any of such events the whole amount of all indebtedness owing by or chargeable to the Mortgagor under any provision of this mortgage or intended to be secured hereby, on any and every account, shall at the option of the Mortgagee, and without notice, at once become due and payable, and with or without foreclosure, the Mortgagee shall have the immediate right to receive and collect all rents and profits due or accrued or to become due and said rents and profits are hereby assigned to the

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Mortgagee and said Mortgagee is hereby irrevocably appointed the attorney in fact of the Mortgagor in the name of the Mortgagor or in its own name to demand, sue for, collect, recover, and receive all such rents and profits, to compromise and settle claims for rents or profits upon such terms and conditions as to it may seem proper, to enter into, renew or terminate leases or tenancies, and the Mortgagee may foreclose this mortgage by suit in equity with the immediate right to a receivership upon ex parte order and without bond pending foreclosure, or as now provided by law by entry and possession, or (with or without entry and possession) may sell the said property or any part thereof either as a whole or in parcels, together with all improvements that may be upon the property so sold, at public auction, and may in its own name or as the attorney in fact of the Mortgagor, for such purpose hereby irrevocably appointed, effectually convey the property so sold to the purchaser or purchasers absolutely and forever; and any foreclosure shall forever bar the Mortgagor and all persons claiming under him/her from all right and interest in said property at law and in equity; and out of the proceeds of any foreclosure sale the Mortgagee may deduct all costs and expenses of sale, foreclosure, or suit, including an attorney's fee, and retain or be awarded all sums then payable by or chargeable to the Mortgagor on every account. The amount by which said sums exceed the indebtedness payable by or chargeable to the Mortgagor for the account of the Mortgagee shall be used to reimburse the Department of Veterans Affairs for any sums paid by it on account of the guaranty or insurance of the indebtedness hereby secured, and the surplus, if any, shall be rendered to the Mortgagor. If such proceeds shall be insufficient to discharge the same in full, the Mortgagee may have any other legal recourse against the Mortgagor for the deficiency. The Mortgagee may be the purchaser at any foreclosure sale, and no other purchaser shall be answerable for the application of the purchase money.

THE Mortgagee shall have the right to enforce one or more remedies hereunder or any other remedy it may have, successively or concurrently.

AND the Mortgagor hereby covenants with the Mortgagee as follows:

1. He/she will pay the principal of and interest on the indebtedness evidenced by the note secured hereby, at the times and in the manner therein provided; except that privilege is reserved to prepay at any time, without premium or fee, the entire indebtedness or any part thereof not less than the amount of one installment, or one hundred dollars (\$100), whichever is less. Prepayment in full shall be credited on the date received. Partial prepayment, other than on an installment due date, need not be credited until the next following installment due date or thirty days after such prepayment, whichever is earlier.

2. Together with and in addition to, the monthly payments of principal and interest payable under the terms of the note secured hereby, he/she will pay to the Mortgagee, as trustee (under the terms of this trust as hereinafter stated), on the first day of each month until the said note is fully paid:

(a) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due on the mortgaged property (all as estimated by the Mortgagee, and of which the Mortgagor is notified) less all sums already paid therefor divided by the number of months to elapse before 1 month prior to the date when such ground rents, premiums, taxes, and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes, and assessments, before the same become delinquent.

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(b) The aggregate of the amounts payable pursuant to subparagraph (a) and those payable on the note secured hereby, shall be paid in a single payment each month, to be applied to the following items in the order stated:

- (I) ground rents, if any, taxes, special assessments, fire and other hazard insurance premiums;
- (II) interest on the indebtedness secured hereby;
- (III) amortization of the principal of said indebtedness.

Any deficiency in the amount of such aggregate monthly payment shall, unless made good by the Mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage. At Mortgagee's option, Mortgagor will pay a "late charge" not exceeding \_\_\_\_\_ percentum (\_\_\_\_%) of any installment when paid more than \_\_\_\_\_ (\_\_\_\_) days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured thereby.

3. If the total of the payments made by the Mortgagor under (a) of paragraph 2 preceding shall exceed the amount of payments actually made by the Mortgagee as trustee, for ground rents, taxes, or assessments or insurance premiums, as the case may be, such excess shall be credited on subsequent payments to be made by the Mortgagor for such items or, at the option of Mortgagee, as trustee, shall be refunded to Mortgagor. If, however, such monthly payments shall not be sufficient to pay such items when the same shall become due and payable, then the Mortgagor shall pay to the Mortgagee as trustee any amount necessary to make up the deficiency within \_\_\_\_\_ (\_\_\_\_) days after written notice from the Mortgagee stating the amount of the deficiency, which notice may be given by mail. If at any time the Mortgagor shall tender to the Mortgagee, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the Mortgagee as trustee shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor any credit balance remaining under the provisions of (a) of paragraph 2 hereof. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby, or if the Mortgagee acquires the property otherwise after default, the Mortgagee as trustee shall apply, at the time of the commencement of such proceedings, or at the time the property is otherwise acquired, the amount then remaining to credit of Mortgagor under (a) of paragraph 2 preceding, as a credit on the interest accrued and unpaid and the balance to the principal then remaining unpaid on said note.

4. The lien of this instrument shall remain in full force and effect during any postponement or extension of the time of payment of the indebtedness or any part thereof secured hereby.

5. The Mortgagor will pay and discharge the obligations secured hereby, and, except when payment for all such items has theretofore been made under (a) of paragraph 2 hereof, he/she will pay all taxes, rates, assessments, rents, impositions, duties, and charges of every kind and nature, which are now or may hereafter be levied or assessed or become a charge upon or against the said premises and improvements described in these presents, and he/she will promptly deliver the official receipts therefor to the Mortgagee; and in default of any such payment or upon failure to observe or perform any covenant or condition of this mortgage, or if any suit, proceeding, or other contingency shall arise with respect to

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any of the mortgaged property, the Mortgagee may make such advances as may reasonably be deemed proper or necessary to protect its security and recover any such advances made and all expenses, including reasonable attorney's fees, paid or incurred by it, even though any such charge or claim be invalid, \_\_\_\_\_ (\_\_\_) days after demand, together with interest thereon to the date of payment at the rate provided for in the principal indebtedness, and the same shall be secured hereby.

6. The Mortgagor will keep the mortgaged property in good condition and repair, and will comply with all laws and governmental rules and regulations applicable thereto, and not commit or suffer any strip or waste, and the Mortgagee may enter and inspect the premises and may cause reasonable maintenance work to be performed, and the cost thereof shall constitute an advance under the preceding paragraph hereof.

7. Mortgagor will continuously maintain hazard insurance, of such type or types and amounts as Mortgagee may from time to time require, on the improvements now or hereafter on said premises, and except when payment for all such premiums has theretofore been made under (a) of paragraph 2 hereof, he/she will pay promptly when due any premiums therefor. All insurance shall be carried in companies approved by the Mortgagee and the policies and renewals thereof shall be held by it and have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee. In event of loss he/she will give immediate notice by mail to the Mortgagee, who may make proof of loss if not made promptly by the Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagor and the Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee at its option, either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this mortgage, or other transfer of title to the mortgaged property in extinguishment of the debt secured hereby, all right, title, and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

8. No notice of the exercise of any option granted herein or in the note secured hereby is required to be given, such notice hereby being waived. Failure to exercise an option shall not constitute a waiver of the right to exercise such option in event of a subsequent default.

9. Upon the request of the Mortgagee, the Mortgagor shall execute and deliver a supplemental note or notes, for the sum or sums advanced by the Mortgagee for the alteration, modernization, or improvement made at the Mortgagor's request; or for maintenance of said premises or taxes or assessments against the same and for any other purpose elsewhere authorized hereunder. Said note or notes shall be secured hereby on a parity with and as fully as if the advance evidenced thereby were included in the note first described above. Said supplemental note or notes shall bear interest at the rate provided for in the principal indebtedness and shall be payable in approximately equal monthly payments for such period as may be agreed upon by the Mortgagee and Mortgagor. Failing to agree on the maturity, the whole of the sum or sums so advanced shall be due and payable \_\_\_\_\_ (\_\_\_) days after demand by the Mortgagee. In no event shall the maturity extend beyond the ultimate maturity of the note first described above.

10. If the indebtedness secured hereby be guaranteed or insured under Title 38, United States Code, such Title and Regulations issued thereunder and in effect on the date hereof shall govern the rights, duties and liabilities of the parties hereto, and any provisions of this or other instruments executed

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in connection with said indebtedness which are inconsistent with said Title or Regulations are hereby amended to conform thereto.

11. In case the mortgaged property or any part thereof is condemned the Mortgagee is hereby irrevocably authorized to collect all the proceeds, and apply the same upon any obligation secured hereby.

12. The Mortgagor is the owner in fee simple of the above-described property (or has such other estate as is stated herein); said property is free from all encumbrances, except as otherwise recited herein; the Mortgagor has good right to grant and convey, or assign, the same unto the Mortgagee as aforesaid; and will WARRANT AND DEFEND the same unto the Mortgagee against the claims and demands of all persons during the term of any leasehold interest included herein and, as to all property conveyed in fee simple, will WARRANT AND DEFEND the same against the claims and demands of all persons, forever.

AND for the consideration aforesaid \_\_\_\_\_ of the Mortgagor, does hereby release and quitclaim unto the Mortgagee, its successors and assigns, forever, all of \_\_\_\_\_ right, title and interest in and to the said premises by way of \_\_\_\_\_ or otherwise.

THE term "MORTGAGEE" as and when used herein shall include the Mortgagee, its successors and assigns, and any payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise, and the term "MORTGAGOR" as and when used herein shall include the Mortgagor, his/her heirs, executors, and administrators, all covenants and agreements on the part of the Mortgagor to be observed and performed shall be joint and several; and the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders.

**NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS MORTGAGE NOTICE IS HEREBY GIVEN THAT MORTGAGEE MAY NOT MAKE THE GRANTING OF THE LOAN CONTINGENT ON THE PROCURING OF ANY INSURANCE POLICY WITH AN INSURANCE COMPANY DESIGNATED BY MORTGAGEE. THE INSURER FOR ANY REQUIRED INSURANCE MAY BE CHOSEN BY MORTGAGOR.**

See VA Mortgage Rider attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF the said \_\_\_\_\_ have hereunto set their hand(s) the day and year first above written.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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