**MORTGAGE NOTE**

**(Puerto Rico – Fixed Rate)**

**[DRAFTING NOTE: THIS MORTGAGE NOTE IS TO BE USED IN PUERTO RICO TRANSACTIONS, AND IS REQUIRED IN ADDITION TO THE STANDARD FORM 6010 PROMISSORY NOTE. THIS MORTGAGE NOTE IS ONLY FOR USE WITH FIXED RATE MORTGAGE LOANS WITH TERMS OF LESS THAN 20 YEARS. CONTACT YOUR FANNIE MAE DEAL TEAM FOR VARIABLE RATE MORTGAGE LOANS OR MORTGAGE LOANS WITH TERMS OF 20 YEARS OR LONGER.**

**FURTHER, IN THE EVENT THAT BORROWER REQUESTS THAT AN EXISTING MORTGAGE NOTE AND DEED OF MORTGAGE BE USED INSTEAD OF THIS MORTGAGE NOTE AND THE FANNIE MAE FORM OF PUERTO RICO DEED OF MORTGAGE (6025.PR2), LENDER’S COUNSEL MUST DETERMINE THAT (1) THE STATED AMOUNT OF THE EXISTING MORTGAGE NOTE WILL BE EQUAL TO OR GREATER THAN THE ORIGINAL PRINCIPAL BALANCE OF THE MORTGAGE LOAN AND THE MULTIFAMILY NOTE BEING ISSUED AND (2) THE EXISTING MORTGAGE NOTE HAS A STATED INTEREST RATE EQUAL TO OR GREATER THAN THE GREATER OF (i) 15% AND (ii) THE SUM OF (x) THE DEFAULT RATE (e.g. THE QUOTED FIXED RATE FOR THE MORTGAGE LOAN PLUS 4%), PLUS (y) 5 PERCENTAGE POINTS. FOR EXAMPLE, IF THE QUOTED RATE IS 4%, THE STATED MORTGAGE NOTE RATE MUST BE AT LEAST 15%; IF THE QUOTED RATE IS 7%, THE STATED MORTGAGE NOTE RATE MUST BE AT LEAST 16%. IF THE MORTGAGE LOAN AMOUNT WILL EXCEED THE AMOUNT STATED IN THE EXISTING PUERTO RICO INSTRUMENTS, A SECOND MORTGAGE NOTE WITH A STATED AMOUNT EQUAL TO OR GREATER THAN THE DIFFERENCE WILL BE REQUIRED, AND THE PUERTO RICO NOTARY MUST RECORD A DEED OF AMPLIFICATION OF MORTGAGE. IN ALL CASES, AN ALLONGE TO THE MORTGAGE NOTE AND A DEED OF TOLLING OF STATUTE OF LIMITATIONS ARE REQUIRED TO RESET THE TERM OF THE EXISITING INSTRUMENTS TO 20 YEARS. LENDER’S COUNSEL SHOULD ALSO COMPARE THE TERMS OF EXISTING INSTRUMENTS TO THE FANNIE MAE PUBLISHED PUERTO RICO FORMS TO DETERMINE WHETHER OTHER MODIFICATIONS ARE REQUIRED OR PRUDENT.]**

VALUE: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_

DUE DATE: On Demand

FOR VALUE RECEIVED, the undersigned promises to pay to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, or to its order, on demand, or to any other person that in the future has a right to demand payment of this Mortgage Note (the “**Payee**”), the principal sum of **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ DOLLARS ($\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_)** with interest thereon at the rate of eighteen percent (18%) per annum from the date of this Mortgage Note until full payment thereof. Payments of principal and interest shall be made on demand at such place as the Payee may from time to time designate in writing.

**[DRAFTING NOTE: INTEREST RATE UNDER THIS NOTE SHALL IN NO EVENT BE LESS THAN THE SUM OF (x) THE DEFAULT RATE (e.g. THE QUOTED FIXED RATE FOR THE MORTGAGE LOAN PLUS 4%), PLUS (y) 5 PERCENTAGE POINTS.]**

An additional late charge will be applied to any late payment equal to five percent (5%) of the amount due.

This Mortgage Note is secured by a mortgage constituted as appears from Deed Number \_\_\_\_\_\_\_\_\_\_ (\_\_\_\_\_\_\_\_), (the “**Deed of Constitution of Mortgage**”), executed on the date hereof before the undersigned Notary, and the Payee of this Mortgage Note is entitled to the benefit and security of all of the provisions and conditions set forth in said Deed of Constitution of Mortgage.

Except may be otherwise agreed between the undersigned and the Payee, and except for any obligation for which the undersigned has assumed personal liability in writing in the Deed of Constitution of Mortgage, the undersigned shall not be personally liable, and the holder of this Mortgage Note shall not seek, obtain, or enforce a deficiency judgment against the undersigned and the obligations hereunder shall only be effective against the property which is secured by the Deed of Constitution of Mortgage.

The undersigned hereby submits to the venue selected by the Payee within the Commonwealth of Puerto Rico in case of legal action brought against the undersigned for the collection of this Mortgage Note.

The undersigned hereby waives presentment, protest, demand and notice of non-payment.

In the City of \_\_\_\_\_\_\_\_\_\_, Puerto Rico, this \_\_\_ day of \_\_\_\_\_\_\_, 20\_\_.

**[Remainder of Page Intentionally Blank]**

By:

Name:

Title:

Affidavit Number: \_\_\_\_\_\_

Acknowledged and subscribed before me by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, of legal age, \_\_\_\_\_\_\_\_\_\_\_, business executive and resident of \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_, as \_\_\_\_\_\_\_\_ of \_\_\_\_\_\_\_\_\_, personally known to me [or identified by means of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]. In \_\_\_\_\_\_\_\_\_\_, Puerto Rico, this \_\_\_ day of \_\_\_\_\_\_\_\_\_.

Notary Public