

TEXAS DEED OF TRUST - CONSUMER FRIENDLY VERSION

Prepared for: John Doe | Effective Date: [Insert Date]

Parties

- Borrower (Trustor): John Doe, 123 Main St, Austin, TX 78701
 - Lender (Beneficiary): Bank of Commerce, 456 Finance Ave, Georgetown, TX 75201
 - Neutral Trustee: Texas Title Co.
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Property Details

Address: 632 Otto Ave, Georgetown, TX 78626
Legal Description: Lot 12, Block 5, Williamson County

Loan Terms

Loan Amount	\$300,000
Interest Rate	6.25% Fixed
Loan Term	30 Years
Monthly Payment	\$1,847.15 (Principal & Interest)
First Payment Due	[Date]
Final Payment Due	June 6, 2055

Section 4.2 - Prepayment Restrictions

4.2.1 Prepayment Penalty Schedule

"Borrower agrees that any prepayment exceeding 10% of the original principal balance in any calendar year shall incur a penalty equal to the greater of:

- a) Three percent (3%) of the prepaid amount; or
- b) Six (6) months' interest calculated at the Note Rate.

This penalty applies notwithstanding acceleration under Section 8.5, except as prohibited by Tex. Fin. Code §302.102 for loans below 12% APR."

4.2.2 Notice Requirements

"Written notice of intent to prepay must be delivered via certified mail 45 days prior to payment date. Failure to provide timely notice converts the penalty to a non-refundable 5% charge of the outstanding balance."

Section 5.4 - Escrow Management

5.4.1 Discretionary Adjustments

"Lender may increase escrow payments by up to 25% annually without prior notice. Borrower waives rights to detailed escrow accounting under 12 C.F.R. §1024.17."

5.4.2 Escrow Sweep Authorization

"Borrower grants Lender irrevocable right to debit any deposit accounts held with Lender or its affiliates to cure deficiencies, without notice, until the loan is brought current."

Section 7.8 - Default Acceleration

7.8.1 Grace Period Limitations

"Late payments incur a 5% late fee immediately upon missing the due date. After 10 calendar days, the entire balance becomes immediately due and payable at Lender's discretion."

7.8.2 Cross-Default Provision

"Default under any other obligation to Lender or its affiliates (including credit cards or auto loans) shall constitute default under this Instrument, regardless of payment status on this Mortgage."

Section 8.5 - Adjustable Rate Provisions

8.5.1 Rate Adjustment Caps

"Interest rate may increase by 2% annually and 6% over the loan term. The initial 5.99% rate is not a discount or promotional offer under Tex. Fin. Code §303.008."

8.5.2 Negative Amortization

"Unpaid interest may be capitalized into principal balance at Lender's discretion, not to exceed 110% of original loan amount under Tex. Fin. Code §342.506."

Section 11.7 - Dispute Resolution

11.7.1 Mandatory Arbitration

"ALL CLAIMS SHALL BE SETTLED BY BINDING ARBITRATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION. CLASS ACTION PARTICIPATION IS EXPRESSLY WAIVED."

11.7.2 Venue & Costs

"Arbitration proceedings shall occur in Dallas County, Texas. Borrower bears 75% of arbitration costs regardless of outcome."

Section 12.3 - Full Recourse Liability

"Borrower accepts personal liability for the entire debt balance plus collection costs. Lender may pursue deficiency judgments under Tex. Prop. Code §51.0035 without limitation, except as expressly barred by Tex. Const. Art. 16 §50 for homestead properties."

Signatures

John Doe (Trustor)

Jane Smith, ABC Lending

Texas Consumer Trust Co.

Notarization & Recording Page Attached as Exhibit E