

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

BARACK OCHONDO,)
On Behalf of Himself and All Others Similarly)
Situated,)

Plaintiff,)

v.)

SPECIALIZED LOAN SERVICING LLC,)

Defendant.)

Case No. 1:20-cv-00701

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Plaintiff Barack Ochondo, on behalf of himself and all others similarly situated, alleges breach of contract and violations of the Texas Finance Code §§ 392 *et seq.* and in support thereof states as follows:

INTRODUCTION

1. Defendant Specialized Loan Servicing (“SLS”), a servicer of residential mortgages, routinely violates state debt collection law and breaches the uniform terms of borrowers’ mortgages (“Uniform Mortgages”) by charging and collecting illegal processing fees when borrowers pay their monthly mortgage by phone (“Pay-to-Pay Fees”). SLS charges homeowners a fee of \$7.50 to make a mortgage payment over the phone using an Interactive Voice Response (“IVR”) system, and \$12.50 to make a mortgage payment over the phone with a customer service representative.

2. SLS services mortgages throughout the United States and is supposed to be compensated out of the interest paid on each borrower’s monthly payment—not via additional “service” fees that do not reflect the cost to SLS of providing such services.

Under Texas law, SLS cannot mark-up the amounts it pays third parties to provide borrowers' services and impose unauthorized charges to create a profit center for itself. Yet SLS charged users fees that go above and beyond the cost to SLS to process the mortgage payments, which, based on industry practice, is typically around \$0.50 per payment. SLS pockets the difference (\$7.00 and \$12.00 per payment) as profit.

3. Federal and Texas law prohibit SLS from charging any fees that are not explicitly included in the mortgage agreement. None of the Pay-to-Pay Fees are permitted by the mortgage agreements, and, therefore, SLS violates Texas law by charging the fees. And, the Uniform Mortgages serviced by SLS prohibit SLS from collecting fees in violation of applicable law and those not specifically allowed. Thus, by unlawfully collecting fees not specifically authorized by the mortgages, SLS breaches its contracts with borrowers when it collects Pay-to-Pay Fees. Even if some fee were allowed, the mortgage uniform covenants only allow SLS to pass along the actual cost of fees incurred by it to the borrower – here only a few cents per transaction.

4. Despite its uniform contractual obligations to charge only fees explicitly allowed under the mortgage and under applicable law, and only those amounts actually disbursed, SLS leverages its position of power over homeowners and demands exorbitant Pay-to-Pay Fees.

5. Plaintiff Barack Ochondo paid these Pay-to-Pay Fees, and he brings this class action lawsuit individually and on behalf of all similarly situated putative class members to recover the unlawfully charged Pay-to-Pay Fees.

JURISDICTION AND VENUE

6. This Court has personal jurisdiction because SLS maintains its principal place of business in this District.

7. Subject matter jurisdiction exists under the Class Action Fairness Act because diversity exists between the defendant and at least one class member and the amount in controversy exceeds \$5,000,000.

8. Venue is proper because this is where the cause of action occurred.

PARTIES

9. Plaintiff Barack Ochondo is a natural person residing in Texas with a mortgage loan serviced by SLS. Mr. Ochondo makes loan payments over the phone and each time he does so, SLS charges him a Pay-to-Pay Fee. For example, on or about October 17, 2019, SLS charged Mr. Ochondo \$7.50 for making a mortgage payment over the phone.

10. Defendant SLS Central Mortgage Co. is a Delaware corporation with its principal place of business in Colorado.

APPLICABLE LAW

Texas Finance Code

1. Chapter 392 of the Texas Finance Code protects Texas consumers from deceptive and predatory debt collection practices.

2. The Texas Finance Code defines “consumer debt” as “an obligation, or an alleged obligation, primarily for personal, family, or household purposes and arising from

a transaction or alleged transaction.” Tex. Fin. Code § 392.001(2).

3. A “debt collector” is a person who “directly or indirectly engages in debt collection,” which is in turn defined as “an action, conduct, or practice in collecting . . . consumer debts that are due or alleged to be due a creditor.” Tex. Fin. Code §§ 392.001(5)-(6).

4. The Texas Finance Code prohibits (1) collecting or attempting to collect a ... charge, fee, or expense incidental to the obligation unless the ... incidental charge, fee, or expense is expressly authorized by the agreement creating the obligation or legally chargeable to the consumer.” Tex. Fin. Code § 392.303(a)(2).

11. The Texas Finance Code also prohibits representing that a consumer debt “may be increased by the addition of ... service fees, or other charges if a written contract or statute does not authorize the additional fees or charges.” Tex. Fin. Code § 392.304(a)(12).

FHA SERVICING RULES

12. The Federal Housing Administration, an agency within the United States Department of Housing and Urban Development, “provides mortgage insurance on loans made by FHA-approved lenders throughout the United States and its territories.”¹ The FHA “is the largest insurer of mortgages in the world, insuring over 47.5 million properties since its inception in 1934.”²

¹ HUD.gov – The Federal Housing Administration, https://www.hud.gov/program_offices/housing/fhahistory (last visited on March 9, 2020).

² *Id.*

13. The FHA provides incentives to private lenders to make loans to would-be homebuyers whose creditworthiness and inability to contribute a significant down payment make it difficult for them to obtain a home loan on reasonable terms.

14. To achieve that goal, “FHA mortgage insurance provides lenders with protection against losses as the result of homeowners defaulting on their mortgage loans. The lenders bear less risk because FHA will pay a claim to the lender in the event of a homeowner’s default.”³

15. The FHA restricts who can make and service FHA loans. “Only FHA-approved Mortgagees may service FHA-insured Mortgages,” and those “Mortgagees may service Mortgages they hold or that are held by other FHA-approved Mortgagees.” (*Id.*)

16. SLS is an FHA-approved Mortgagee.

17. As an FHA-approved Mortgagee, SLS must annually “acknowledge that the Mortgagee is now, and was at all times throughout the Certification Period, subject to all applicable HUD regulations, **Handbooks**, Guidebooks, Mortgagee Letters, Title I Letters, policies and requirements, as well as Fair Housing regulations and laws including but not limited to 24 CFR § 5.105, Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act) and Title VI of the Civil Rights Act of 1964.”⁴

18. HUD’s servicing requirements restrict the fees and charges an FHA-approved Mortgagee may collect from the typically lower-income FHA borrower. HUD

³ *Id.*

⁴ See, FHA Lender Annual Certifications: Supervised and Nonsupervised Mortgagees, Changes Implemented 8/1/2016, https://www.hud.gov/sites/documents/SFH_COMP_SUPERNONSUPER.PDF (last visited on March 9, 2020) (emphasis added).

Handbook 4000.1: *Single-Family Housing Policy*,

<https://www.hud.gov/sites/documents/40001HSGH.PDF> (last visited on March 13, 2020) (the “HUD Handbook”).

19. HUD makes clear “[t]he Mortgagee must fully comply with all of the following standards and procedures when servicing a Mortgage insured by the Federal Housing Administration.” *Id.*

20. These mandatory restrictions include limits on the types and amounts of fees and charges an FHA-approved Mortgagee may collect from a borrower.

21. FHA-insured mortgages contain uniform covenants.

22. In one such uniform covenant, the parties to the mortgage agree that “Lender may collect fees and charges **authorized** by the Secretary [of Housing and Urban Development].” Ex. A at ¶ 8 (emphasis added).

23. This provision incorporates by reference HUD’s limits on allowable fees.

24. The HUD Handbook establishes what fees and charges are authorized by the Secretary of HUD.

25. Appendix 3.0 of the HUD Handbook contains an exhaustive list of the servicing fees and charges authorized by HUD and the maximum amounts that may be charged for such fees.⁵

26. Pay-to-Pay fees are not on that list.

⁵ In the PDF version of the HUD Handbook, the term “maximum amount allowed by HUD” contains an internal hyperlink that, when clicked, brings the reader to Appendix 3.0.

27. Based upon information and belief, the Pay-to-Pay fees that SLS collects from borrowers exceed its out-of-pocket costs by several hundred percent, and thus violate mandatory HUD servicing rules that are incorporated into all FHA-insured mortgages.

FACTUAL ALLEGATIONS

28. SLS is a loan servicer that operates around the country.

29. Each time a mortgage borrower whose loan is serviced by SLS makes a payment over the phone (a “Pay-to-Pay Transaction”), SLS charges the borrower a Pay-to-Pay Fee: \$7.50 for payments made over the phone with IVR, and \$12.50 for payments made over the phone with a customer service representative.

30. The usual cost that a servicer like SLS pays to process Pay-to-Pay Transactions is \$0.50 or less per transaction. Therefore, the actual cost to SLS to process the Pay-to-Pay Transactions is well below the amounts charged to borrowers, and SLS pockets the difference (\$7.00 and \$12.00) as profit.

31. The Uniform Mortgages of SLS’s customers do not authorize SLS to charge Pay-to-Pay Fees. In fact, the Pay-to-Pay Fees violate borrowers’ mortgages.

Named Plaintiff’s Facts

32. On or about September 21, 2001, Plaintiff Ochondo purchased a home in Harris County, Texas, secured by a mortgage (the “Mortgage Agreement”). The Mortgage Agreement is attached as **Exhibit A**. Mr. Ochondo took out the mortgage secured by his property for personal, family, or household uses.

33. At some point, SLS acquired the servicing rights to the loan.

34. Mr. Ochondo makes loan payments over the phone and each time he does so, SLS charges him a Pay-to-Pay Fee. For example, on or about October 17, 2019, SLS charged Mr. Ochondo \$7.50 for making a mortgage payment over the phone.

35. These fees are not authorized by the Mortgage Agreement.

36. Charging Pay-to-Pay Fees not authorized by the Mortgage Agreement violates Texas Finance Code §§ 392.303 and 392.304 because the Mortgage Agreement does not expressly allow Defendant to charge Pay-to-Pay Fees. Tex. Fin. Code § 392.303(a)(2); *id.* § 392.304(a)(12).

37. SLS collects the Pay-to-Pay Fees even though it knows that such fees are not authorized under the Mortgage Agreement and it therefore has no right to collect them.

38. Like other borrowers whose mortgages are serviced by SLS, Mr. Ochondo has an FHA mortgage, meaning that the mortgage is issued by an FHA-approved lender and insured by the FHA. The uniform covenants of FHA mortgages state that the lender may only assess fees authorized by the Secretary of the U.S. Department of Housing and Urban Development (“HUD”).

39. HUD permits servicers of FHA mortgages to collect “allowable fees and charges,” i.e., fees and charges specifically delineated in Appendix 3 to the HUD Single Family Housing Policy Handbook (“Servicing Handbook”). *See* Handbook 4000.1, FHA Single Family Housing Policy Handbook § III(A)(1)(f). Servicers seeking to assess fees “not specifically mentioned” in the Servicing Handbook must request approval from the National Servicing Center to charge such fees. *Id.* § III(A)(1)(f)(B). HUD prohibits

servicers from charging the borrower for “activities that are normally considered a part of a prudent Mortgagee’s servicing activity. *Id.* § III(A)(1)(f)(C).”

40. The Handbook does not authorize Pay-to-Pay Fees. And, SLS has not sought authorization from the National Servicing Center to charge Pay-to-Pay Fees.

41. Like other FHA mortgages, the Mortgage Agreement only permits SLS to collect “fees and charges authorized by the Secretary.” Ex. A ¶ 8.

42. By assessing Pay-to-Pay Fees not “authorized by the Secretary,” SLS violated the uniform covenants of the Mortgage Agreement.

43. Even if SLS is allowed to collect a fee under the auspice that it is a default-related fee under Paragraph 7 of the Mortgage Agreement, SLS’s demand for payment of Pay-to-Pay Fees was a direct breach of that paragraph, too. Paragraph 7 states that only “amounts *disbursed* by Lender under this paragraph shall become an additional debt of Borrower.” Ex. A ¶ 7. SLS collected more than the amounts it disbursed to process the Pay-to-Pay Transactions.

44. Also like other FHA mortgages, the Mortgage Agreement states that it “shall be governed by Federal law and the law of the jurisdiction in which the Property is located,” i.e., Texas law. *See* Ex. A ¶ 14.

45. By collecting fees in violation of the Texas Finance Code, SLS breached the uniform covenants of the Mortgage Agreement.

46. The above paragraphs are contained in the Uniform Covenants section of the Mortgage Agreement. SLS has thus breached its contracts on a class-wide basis.

47. Prior to filing this Complaint, Mr. Ochondo made a written pre-suit demand upon SLS.

48. SLS was given a reasonable opportunity to cure the breaches and violations of law complained of herein but has failed to do so.

CLASS ACTION ALLEGATIONS

49. Plaintiff Ochondo brings this action under Federal Rule of Civil Procedure 23 on behalf of the following classes of persons subject to modification after discovery and case development:

Nationwide FHA Class: All persons in the United States (1) with an FHA-insured mortgage (2) originated or serviced by SLS (3) who were charged one or more Pay-to-Pay fee and (4) whose mortgages provide the “Lender may collect fees or charges authorized by the Secretary,” or language substantially similar.

Texas Class: All persons (1) with a residential mortgage loan securing a property in Texas, (2) originated or serviced by SLS (3) and who paid a fee to SLS for making a loan payment by telephone, IVR, or the internet, during the applicable statutes of limitations through the date a class is certified.

50. Class members are identifiable through Defendant’s records and payment databases.

51. Excluded from the Classes are the Defendant; any entities in which it has a controlling interest; its agents and employees; and any Judge to whom this action is assigned and any member of such Judge’s staff and immediate family.

52. Plaintiff proposes that he serve as class representative.

53. Plaintiff and the Class members have all been harmed by the actions of Defendant.

54. Numerosity is satisfied. There are thousands of class members. Individual joinder of these persons is impracticable.

55. There are questions of law and fact common to Plaintiff and to the Class members, including, but not limited to:

- a. Whether Defendant assessed Pay-to-Pay Fees on Class members;
- b. Whether Defendant breached its contracts with borrowers by charging Pay-to-Pay Fees not authorized by their mortgage agreements;
- c. Whether Defendant violated the Texas Finance Code by charging Pay-to-Pay Fees not due;
- d. Whether Defendant's cost to process Pay-to-Pay Transactions is less than the amount that it charged for Pay-to-Pay Fees;
- e. Whether Plaintiff and the Class members were damaged by Defendant's conduct;
- f. Whether Plaintiff and the Class members are entitled to damages as a result of Defendant's actions;
- g. Whether Plaintiff and the Class members are entitled to restitution; and
- h. Whether Plaintiff and the Class members are entitled to attorney's fees and costs.

56. Plaintiff's claims are typical of the claims of the Class members. Defendant charged Plaintiff Pay-to-Pay Fees in the same manner as the rest of the Class members. Plaintiff and the Class members entered into uniform covenants in their Mortgage

Agreements that prohibit Pay-to-Pay charges or, at most, cap the amount of Pay-to-Pay Fees allowed to be charged at the actual amount disbursed by Defendant to process Pay-to-Pay Transactions.

57. Plaintiff is an adequate class representative because Plaintiff's interests do not conflict with the interests of the Class members and Plaintiff will adequately and fairly protect the interests of the Class members. Plaintiff has taken actions before filing this amended complaint, by hiring skilled and experienced counsel, and by making a pre-suit demand on behalf of Class members to protect the interests of the Class.

58. Common questions of law and fact predominate over questions affecting only individual Class members, and a class action is the superior method for fair and efficient adjudication of this controversy.

59. The likelihood that individual members of the Class will prosecute separate actions is remote due to the time and expense necessary to conduct such litigation.

COUNT I
Breach of Contract
On Behalf of Plaintiff and the Texas Class
and the Nationwide FHA Class

60. Paragraphs 1 to 59 are incorporated herein by reference.

61. Plaintiff and the Class members entered into contracts with Defendant. Defendant breached its contracts with Plaintiff and the Class members when it charged Pay-to-Pay Fees not agreed to in the Uniform Mortgages, specifically prohibited by Uniform Mortgages, and in excess of the amounts disbursed by Defendant to process the cost of Pay-to-Pay Transactions.

62. Mr. Ochondo purchased a home subject to the Mortgage Agreement. *See Ex. A.* When SLS became the servicer of his mortgage, it became bound as an assignee by the Mortgage Agreement. Defendant was a party to the Mortgage Agreement whereby money was lent to Mr. Ochondo to purchase property in exchange for certain payment over time.

63. Mr. Ochondo makes loan payments over the phone and each time he does so, SLS charges him a Pay-to-Pay Fee. For example, on or about October 17, 2019, SLS charged Mr. Ochondo \$7.50 for making a mortgage payment over the phone..

64. These fees are not authorized by the Mortgage Agreement.

65. Charging Pay-to-Pay Fees not authorized by the Mortgage Agreement violates Texas Finance Code §§ 392.303 and 392.304 because the Mortgage Agreement does not expressly allow Defendant to charge Pay-to-Pay Fees. Tex. Fin. Code § 392.303(a)(2); *id.* § 392.304(a)(12).

66. SLS collects the Pay-to-Pay Fees even though it knows that such fees are not authorized under the Mortgage Agreement and it therefore has no right to collect them.

67. Like other borrowers whose mortgages are serviced by SLS, Mr. Ochondo has an FHA mortgage, meaning that the mortgage is issued by an FHA-approved lender and insured by the FHA. The uniform covenants of FHA mortgages state that the lender may only assess fees authorized by the Secretary of the U.S. Department of Housing and Urban Development (“HUD”).

68. HUD permits servicers of FHA mortgages to collect “allowable fees and charges,” i.e., fees and charges specifically delineated in Appendix 3 to the HUD Single Family Housing Policy Handbook (“Servicing Handbook”). *See Handbook 4000.1, FHA*

Single Family Housing Policy Handbook § III(A)(1)(f). Servicers seeking to assess fees “not specifically mentioned” in the Servicing Handbook must request approval from the National Servicing Center to charge such fees. *Id.* § III(A)(1)(f)(B). HUD prohibits servicers from charging the borrower for “activities that are normally considered a part of a prudent Mortgagee’s servicing activity. *Id.* § III(A)(1)(f)(C).”

69. The Handbook does not authorize Pay-to-Pay Fees. And, SLS has not sought authorization from the National Servicing Center to charge Pay-to-Pay Fees.

70. Like other FHA mortgages, the Mortgage Agreement only permits SLS to collect “fees and charges authorized by the Secretary.” Ex. A ¶ 8.

71. By assessing Pay-to-Pay Fees not “authorized by the Secretary,” SLS violated the uniform covenants of the Mortgage Agreement.

72. Even if SLS is allowed to collect a fee under the auspice that it is a default-related fee under Paragraph 7 of the Mortgage Agreement, SLS’s demand for payment of Pay-to-Pay Fees was a direct breach of that paragraph, too. Paragraph 7 states that only “amounts *disbursed* by Lender under this paragraph shall become an additional debt of Borrower.” Ex. A ¶ 7. SLS collected more than the amounts it disbursed to process the Pay-to-Pay Transactions.

73. Also like other FHA mortgages, the Mortgage Agreement states that it “shall be governed by Federal law and the law of the jurisdiction in which the Property is located,” i.e., Texas law. *See* Ex. A ¶ 14.

74. By collecting fees in violation of the Texas Finance Code, SLS breached the uniform covenants of the Mortgage Agreement.

75. The above paragraphs are contained in the Uniform Covenants section of the Mortgage Agreement. SLS has thus breached its contracts on a class-wide basis.

76. Plaintiff and the Class Members were harmed by Defendant's breaches.

COUNT II
Violation of the Texas Finance Code
On behalf of Plaintiff and the Texas Class

56. Paragraphs 1 to 59 are hereby incorporated by reference.

57. Chapter 392 of the Texas Finance Code protects Texas consumers from deceptive and predatory debt collection practices.

58. The Texas Finance Code defines "consumer debt" as "an obligation, or an alleged obligation, primarily for personal, family, or household purposes and arising from a transaction or alleged transaction." Tex. Fin. Code § 392.001(2).

59. A "debt collector" is a person who "directly or indirectly engages in debt collection," which is in turn defined as "an action, conduct, or practice in collecting . . . consumer debts that are due or alleged to be due a creditor." Tex. Fin. Code §§ 392.001(5)-(6).

60. Plaintiff and the Texas Class members took out consumer debt when they took out mortgages in order to acquire real property for personal, family, or household uses. Plaintiff took out the mortgage loan secured by Plaintiff's property and now serviced by Defendant for personal, family, or household uses. See Tex. Fin. Code § 392.001(2).

61. Defendant is a debt collector because it directly or indirectly engages in debt collection.

62. The Texas Finance Code prohibits “debt collectors” such as Defendant from (1) “collecting or attempting to collect a ... charge, fee, or expense incidental to the obligation unless the ... incidental charge, fee, or expense is expressly authorized by the agreement creating the obligation or legally chargeable to the consumer.” Tex. Fin. Code § 392.303(a)(2).

63. It also prohibits “debt collectors” such as Defendant from representing that a consumer debt “may be increased by the addition of ... service fees, or other charges if a written contract or statute does not authorize the additional fees or charges.” Tex. Fin. Code § 392.304(a)(12).

64. The Mortgage Agreements of Plaintiff and the Texas Class members did not expressly authorize Defendant to collect Pay-to-Pay Fees, and at most permitted Defendant to assess amounts “disbursed” to process Pay-to-Pay Transactions. Despite this, Defendant represented to Plaintiff and the Texas Class members that it had the right to collect Pay-to-Pay Fees, and collected them from Plaintiff and the Texas Class members.

65. As a result of Defendant’s violations of the Texas Finance Code, Plaintiff and the Texas Class members were harmed. Plaintiff and the Texas Class members are entitled to damages and reasonable attorneys’ fees and costs to the extent permitted by law.

PRAYER FOR RELIEF

Wherefore, Plaintiff, on behalf of himself and others similarly situated, respectfully requests that the Court:

1. Certify the proposed Classes pursuant to Rule 23 of the Federal Rules of Civil Procedure;

2. Award damages, including compensatory and exemplary damages, to Plaintiff and the Class members in an amount to be determined at trial;
3. Award statutory damages and/or penalties to Plaintiff and the Class members;
4. Permanently enjoin Defendant from the wrongful and unlawful conduct alleged herein;
5. Award Defendant and the Class members their expenses and costs of suit, including reasonable attorneys' fees to the extent provided by law;
6. Award pre- and post-judgment interest to the extent provided by law; and
7. Award such further relief as the Court deems appropriate.

PLAINTIFF DEMANDS A JURY ON ALL ISSUES SO TRIABLE.

Dated: March 13, 2020

Respectfully Submitted,

/s/ Hassan A. Zavareei

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Class*

EXHIBIT A

01/12/2031
DW/12

HOLD

STEWART TITLE HOUSTON DIVISION

V325336

09/26/01 101660882 V325336

\$27.00

State of Texas

DEED OF TRUST

FHA Case No.

493-6960366-703 203B

MIN 100023850188454556

THIS DEED OF TRUST ("Security Instrument") is made on SEPTEMBER 21, 2001
The Grantor is
BARACK J. OCHONDO
, UNMARRIED

("Borrower"). The trustee is Brown & Shapiro
4620 Fiarmonet Parkway, Suite 108 Pasadena, TX 77504

("Trustee"). The beneficiary is Mortgage Electronic Registration Systems, Inc. ("MERS"), (solely as nominee for Lender, as hereinafter defined, and Lender's successors and assigns). MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel (888) 679-MERS.

Washington Mutual Home Loans, Inc. an Ohio Corporation
("Lender") is organized and existing under the laws of Ohio
has an address of 1333 MAIN STREET, SUITE 700
COLUMBIA, SC 29201

. Borrower owes Lender the principal sum of
ONE HUNDRED NINE THOUSAND ONE HUNDRED EIGHTY SIX AND NO/100
Dollars (U.S. \$ 109,186.00).

This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on OCTOBER 1, 2031

. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums,

FHA Texas Deed of Trust with MERS - 4/96

4N(TX) (9802).01

Amended 2/98

Page 1 of 8

Initials: BJ

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021- 5018845455



with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to the Trustee, in trust, with power of sale, the following described property located in HARRIS County, Texas:

LOT THIRTEEN (13), IN BLOCK ONE (1) OF BRENWOOD, SECTION FIVE (5),
AN ADDITION IN HARRIS COUNTY, TEXAS ACCORDING TO THE MAP OR PLAT
THEREOF RECORDED UNDER FILM CODE NO. 466006 OF THE MAP RECORDS OF
HARRIS COUNTY, TEXAS.

APN # 11

which has the address of 18130 FLINT HILL DRIVE [Street]
KATY [City], Texas 77449 [Zip Code] ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument; but, if necessary to comply with law or custom, MERS, (as nominee for Lender and Lender's successors and assigns), has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing or canceling this Security Instrument.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

Borrower and Lender covenant and agree as follows:

UNIFORM COVENANTS.

1. Payment of Principal, Interest and Late Charge. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and late charges due under the Note.

2. Monthly Payment of Taxes, Insurance and Other Charges. Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, a sum for (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for insurance required under paragraph 4. In any year in which the Lender must pay a mortgage insurance premium to the Secretary of Housing and Urban Development ("Secretary"), or in any year in which such premium would have been required if Lender still held the Security Instrument, each monthly payment shall also include either: (i) a sum for the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary, in a reasonable amount to be determined by the Secretary. Except for the monthly charge by the Secretary, these items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds."

Lender may, at any time, collect and hold amounts for Escrow Items in an aggregate amount not to exceed the maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. Section 2601 *et seq.* and implementing regulations, 24 CFR Part 3500, as they may be

amended from time to time ("RESPA"), except that the cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Borrower's payments are available in the account may not be based on amounts due for the mortgage insurance premium.

If the amounts held by Lender for Escrow Items exceed the amounts permitted to be held by RESPA, Lender shall account to Borrower for the excess funds as required by RESPA. If the amounts of funds held by Lender at any time are not sufficient to pay the Escrow Items when due, Lender may notify the Borrower and require Borrower to make up the shortage as permitted by RESPA.

The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. If Borrower tenders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance remaining for all installment items (a), (b), and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b), and (c).

3. Application of Payments. All payments under paragraphs 1 and 2 shall be applied by Lender as follows:

First, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium;

Second, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

Third, to interest due under the Note;

Fourth, to amortization of the principal of the Note; and

Fifth, to late charges due under the Note.

4. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged Property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument (or within sixty days of a later sale or transfer of the Property) and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender determines that requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or

abandoned Property. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

6. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

7. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by paragraph 2, or fails to perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in paragraph 2.

Any amounts disbursed by Lender under this paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of Lender, shall be immediately due and payable.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

8. Fees. Lender may collect fees and charges authorized by the Secretary.

9. Grounds for Acceleration of Debt.

(a) Default. Lender may, except as limited by regulations issued by the Secretary, in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:

- (i) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or
- (ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

(b) Sale Without Credit Approval. Lender shall, if permitted by applicable law (including Section 341(d) of the Garn-St. Germain Depository Institutions Act of 1982, 12 U.S.C. 1701j-3(d)) and with the prior approval of the Secretary, require immediate payment in full of all sums secured by this Security Instrument if:

(i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent), and

(ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) **No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

(d) **Regulations of HUD Secretary.** In many circumstances regulations issued by the Secretary will limit Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) **Mortgage Not Insured.** Borrower agrees that if this Security Instrument and the Note are not determined to be eligible for insurance under the National Housing Act within 60 days from the date hereof, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 60 days from the date hereof, declining to insure this Security Instrument and the Note, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

10. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time of payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-Signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9(b). Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

14. Governing Law; Severability. This Security Instrument shall be governed by Federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

15. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

16. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substances affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 16, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 16, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

17. Assignment of Rents. Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph 17.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

18. Foreclosure Procedure. If Lender requires immediate payment in full under paragraph 9, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender or Trustee shall give notice of the time, place and terms of sale by posting and recording the notice at least 21 days prior to sale as provided by applicable law. Lender shall mail a copy of the notice of sale to Borrower in the manner prescribed by applicable law. Sale shall be made at public venue between the hours of 10 a.m. and 4 p.m. on the first Tuesday of the month. Borrower authorizes Trustee to sell the Property to the highest bidder for cash in one or more parcels and in any order Trustee determines. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying indefeasible title to the Property with covenants of general warranty. Borrower covenants and agrees to defend generally the purchaser's title to the Property against all claims and demands. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

If the Property is sold pursuant to this paragraph 18, Borrower or any person holding possession of the Property through Borrower shall immediately surrender possession of the Property to the purchaser at that sale. If possession is not surrendered, Borrower or such person shall be a tenant at sufferance and may be removed by writ of possession.

If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under Paragraph 9, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 U.S.C. 3751 *et seq.*) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this Paragraph 18 or applicable law.

19. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

20. Substitute Trustee. Lender, at its option and with or without cause, may from time to time remove Trustee and appoint, by power of attorney or otherwise, a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

21. Subrogation. Any of the proceeds of the Note used to take up outstanding liens against all or any part of the Property have been advanced by Lender at Borrower's request and upon Borrower's representation that such amounts are due and are secured by valid liens against the Property. Lender shall be subrogated to any and all rights, superior titles, liens and equities owned or claimed by any owner or holder of any outstanding liens and debts, regardless of whether said liens or debts are acquired by Lender by assignment or are released by the holder thereof upon payment.

22. Partial Invalidity. In the event any portion of the sums intended to be secured by this Security Instrument cannot be lawfully secured hereby, payments in reduction of such sums shall be applied first to those portions not secured hereby.

23. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)].

<input type="checkbox"/> Condominium Rider	<input type="checkbox"/> Growing Equity Rider	<input type="checkbox"/> Other [specify]
<input checked="" type="checkbox"/> Planned Unit Development Rider	<input type="checkbox"/> Graduated Payment Rider	

24. Purchase Money; Vendor's Lien; Renewal and Extension. [Complete as appropriate]

Vendor's Lien: The Note secured hereby is primarily secured by the Vendor's Lien retained in the Deed of even date herewith conveying the Property to Borrower, which Vendor's Lien has been assigned to Lender, this Deed of Trust being additional security therefor.

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.
Witnesses:

BARACK J. OCHONDO (Seal) *[Signature]*
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

STATE OF TEXAS

County of *Harris*

Before me

Vanessa A. Yankowski
Barack J. Ochondo

on this day personally appeared

known to me (or proved to me on the oath of
or through *TX DL*
the foregoing instrument and acknowledged to me that
therein expressed.

) to be the person whose name is subscribed to
executed the same for the purposes and consideration

Given under my hand and seal of office this


21st

day of

September
Vanessa

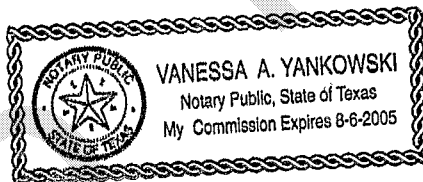
(Seal)

Notary Public

 4N(TX) (9802).01

Page 8 of 8

021- 5018845455



5018845455
PLANNED UNIT DEVELOPMENT RIDER 021- 5018845455

FHA Case No.

493-6960366-703

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 21ST day of
SEPTEMBER, 2001, and is incorporated into and shall be
deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument")
of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to
Washington Mutual Home Loans, Inc. an Ohio Corporation

("Lender") of the same date and covering the Property described in the Security Instrument and located at:
18130 FLINT HILL DRIVE KATY, TX 77449

[Property Address]

The Property Address is a part of a planned unit development ("PUD") known as
BRENWOOD, SECTION FIVE

[Name of Planned Unit Development]

PUD COVENANTS. In addition to the covenants and agreements made in the Security Instrument,
Borrower and Lender further covenant and agree as follows:

- A. So long as the Owners Association (or equivalent entity holding title to common areas and facilities), acting as trustee for the homeowners, maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property located in the PUD, including all improvements now existing or hereafter erected on the mortgaged premises, and such policy is satisfactory to Lender and provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and other hazards included within the term "extended coverage," and loss by flood, to the extent required by the Secretary, then: (i) Lender waives the provision in Paragraph 2 of this Security Instrument for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property, and (ii) Borrower's obligation under Paragraph 4 of this Security Instrument to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy. Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage and of any loss occurring from a hazard. In the event

FHA Multistate PUD Rider - 10/95

VMP-589U (9705)

Page 1 of 2

Initials: 

VMP MORTGAGE FORMS - (800)521-7291




5018845455
021- 5018845455

of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by this Security Instrument, with any excess paid to the entity legally entitled thereto.

- B. Borrower promises to pay all dues and assessments imposed pursuant to the legal instruments creating and governing the PUD.
- C. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph C shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Rider.

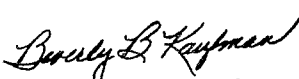
 _____ BARACK J. OCHONDO	(Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower	
_____ (Seal) -Borrower	_____ (Seal) -Borrower	
_____ (Seal) -Borrower	_____ (Seal) -Borrower	

LMP-589U (9705)

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in PB. Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED. In the Official Public Records of Real Property of Harris County, Texas on

SEP 26 2001




COUNTY CLERK
HARRIS COUNTY, TEXAS

CO. CLERK
HARRIS COUNTY, TEXAS

2001 SEP 26 PM 2:27

FILED

Signature of Clerk or Deputy Clerk

Civil Action No. 1:20-cv-00701

PROOF OF SERVICE*(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))*

This summons for *(name of individual and title, if any)* _____
 was received by me on *(date)* _____ .

☐ I personally served the summons on the individual at *(place)* _____
 _____ on *(date)* _____ ; or

☐ I left the summons at the individual's residence or usual place of abode with *(name)* _____
 _____ , a person of suitable age and discretion who resides there,
 on *(date)* _____ , and mailed a copy to the individual's last known address; or

☐ I served the summons on *(name of individual)* _____ , who is
 designated by law to accept service of process on behalf of *(name of organization)* _____
 _____ on *(date)* _____ ; or

☐ I returned the summons unexecuted because _____ ; or

☐ Other *(specify)*:

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ 0.00 .

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

Print

Save As...

Reset

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

BARACK OCHONDO, on behalf of himself and all others similarly situated

(b) County of Residence of First Listed Plaintiff Harris County, TX
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

TYCKO & ZAVAREEI LLP
1828 L Street NW, Suite 1000, Washington, DC 20036
202.973.0930

DEFENDANTS

SPECIALIZED LOAN SERVICING LLC

County of Residence of First Listed Defendant Douglas County, CO
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question (U.S. Government Not a Party)
- ☒ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|---------------------------------------|----------------------------|---|----------------------------|---------------------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input checked="" type="checkbox"/> 4 |
| Citizen of Another State | <input checked="" type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input checked="" type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit (15 USC 1681 or 1692) <input type="checkbox"/> 485 Telephone Consumer Protection Act <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement	FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	
		LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act		
		IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions		

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
- ☐ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- ☐ 5 Transferred from Another District (specify)
- ☐ 6 Multidistrict Litigation - Transfer
- ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
Tex. Fin. Code § 392.001(2)

Brief description of cause:
deceptive and predatory debt collection practices

☐ AP Docket

VII. REQUESTED IN COMPLAINT:

☒ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$
5,000,000.00

CHECK YES only if demanded in complaint:
JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

03/13/2020

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

Print

Save As...

Reset

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
 - (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
 - (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
- United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
- Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
- Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.
- Original Proceedings. (1) Cases which originate in the United States district courts.
- Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441.
- Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
- Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
- Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
- Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
- Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
- PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
- Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
- Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Class Action Alleges Specialized Loan Servicing Charges Unlawful Fees for Over-the-Phone Mortgage Payments](#)
