

PROMISSORY NOTE

For value received, and for the other and further consideration(s) as recited in a certain Agreement of even date herewith which is annexed hereto, in the manner, on the dates and in the amount herein stipulated, the undersigned (hereinafter referred to as "Maker(s)") jointly and severally promise(s) to pay to the order of the Secretary of Veterans Affairs (hereinafter referred to as "Secretary"), the sum of \$«DEBT» in lawful and legal tender of the United States, together with interest on the unpaid balance from the date of this Note until maturity, payable as stated below:

1. **Interest Rate.** Interest shall accrue on the principal and unpaid balance of the Note at the rate of «INTEREST»% per annum prior to maturity, and after maturity, at the maximum rate permitted by law.

2. **Payment.** This Note consisting of principal and interest is due and payable as follows:

In «INSTALLMENTS» monthly installments of \$«AMOUNT» each, with the first such installment being due on the «DAY» day of «MONTH», 19«YEAR», and with a like amount due on the same day of each month thereafter until paid in full. Payment shall be made to the Secretary at 6900 Alameda Road, Houston, Texas 77030-4200, or at such other address as the Secretary may designate.

Any check, draft, money order or other instrument given in payment of all or any portion hereof and accepted by the Secretary shall be handled in collection in the customary manner, but the same shall not constitute payment hereunder or diminish any rights of the Secretary except to the extent that actual cash proceeds of such instrument are unconditionally received by the Secretary.

3. **Prepayment.** Maker, at any time subsequent to the execution of this Note, shall have the right to prepay this Note without penalty, in whole or in part, at anytime, and in such amount as Maker shall desire and from time to time as Maker sees fit, prior to maturity. Interest shall immediately cease to accrue as of the date of said prepayment on any amount of the principal that is so prepaid. Any prepayment of the principal shall be credited to the payment of the installments last accruing under this Note. Prepayment of a part of this Note shall not affect the Maker's obligation to continue the regular payments stated herein.

4. **Default.** If any payment shall remain unpaid for a period of thirty (30) days beyond the due date, this note may, at the Secretary's option and without further notice to Maker(s), be determined to be in default. Upon default the Secretary, as an officer of the United States of America, shall be entitled to enforce this Note by each of the remedies specified below. The enumeration of remedies herein does not limit the remedies available to the Secretary to enforce this Note.

- a. Your name and account information may be reported to a credit bureau.
- b. Additional interest and penalty charges may be assessed for the period of time that payment is not made.
- c. Charges to cover additional administrative costs incurred by the Government to service your account may be assessed.
- d. Amounts owed to you under other Federal programs may be offset.
- e. Your account may be referred to a private collection agency to collect the amount due.
- f. Your account may be referred to the Department of Justice for litigation in the courts.
- g. If you are a current or retired Federal employee, your salary or civil service retirement benefits may be offset.
- h. Your debt may be referred to the Internal Revenue Service for offset against any amount owed to you as an income tax refund.
- i. Any written-off debt may be reported to the Internal Revenue Service as taxable income.

5. Collection Fees. In the event of default by the Maker in the payment of this Note, or if this Note is placed in the hands of an attorney or agency for collection, regardless of whether or not suit is filed, or if the collection of this Note is made through a Probate Court or a Bankruptcy Court, or other appropriate legal proceedings, or after default this Note is placed in the hands of an attorney at law for collection, the undersigned promise(s) to pay all costs of such collection, including attorney's fees, if actually incurred, not to exceed 15% per annum of the amount owing on this Note, including principal and accrued interest, at the time of filing claim hereon or date of default, whichever is earlier.
6. Waivers. Maker(s) waiver(s) all demand for payment, presentment for payment, protest and notices of dishonor, notices of intention to accelerate, notices of acceleration, or any other form of notice.
7. Personal Liability. This Note shall be the joint and several obligation of Maker(s) and endorser(s), if any, and shall be binding upon them, individually and severally, their heirs, legal representatives, successors and assigns. The Maker(s) and endorser(s) do not waive all demands for payment, presentations for payment, protests and notices of protest, and do not agree the time of payment may be extended from time to time without notice and without releasing any of the parties.
8. Assignment. This Note and all rights and powers hereunder, together with the property so secured, if any, may be transferred and assigned by said Secretary at such time and upon such terms as said Secretary may deem advisable, and assignee shall succeed to all the rights and powers of said Secretary hereunder.
9. Not Assumable. This Note may not be assumed.
10. Construction. This Note shall be governed by and construed under the laws of the State of «STATE» and the laws of the United States of America.

In witness, whereof, the undersigned intending to be legally bound, has executed this Note on the _____ day of _____, 19__.

Mortgagor

Mortgagor

Mortgagors' New Mailing Address:

