RESIDENTIAL FULL SATISFACTION DEED IN LIEU OF FORECLOSURE

This instrument was prepared by: **[NAME OF PERSON PREPARING THIS DEED]** [PREPARER S ADDRESS]

After recording, return to: **[AFTER RECORDING RETURN TO NAME]** [RETURN TO ADDRESS]

APN / Tax Parcel ID: [APN TAX PARCEL NUMBER] **Recording reference of security instrument being satisfied:** [RECORDING REFERENCE OF THE SECURITY INSTRUMENT]

[SPACE ABOVE THIS LINE FOR RECORDER'S USE]

Deed in Lieu of Foreclosure (Full Satisfaction)

State of [STATE] County of [COUNTY OR PARISH WHERE THE PROPERTY]

THIS DEED IN LIEU OF FORECLOSURE (this "Deed") is made and entered into as of (the "Effective Date"), by and between the Borrower and Lender identified below. This Deed is executed and delivered by Borrower to Lender **IN FULL SATISFACTION** of the secured indebtedness described in the Recitals, pursuant to a negotiated, arm's-length workout and in avoidance of formal foreclosure proceedings.

Recitals

A. On , Borrower executed and delivered to Lender (or Lender's predecessor-in-interest) a Mortgage (the "Security Instrument") encumbering the real property described in Section 3 below (the "Property"), recorded in the real property records of [COUNTY OR PARISH WHERE THE PROPERTY] County, [STATE] as [RECORDING REFERENCE OF THE SECURITY INSTRUMENT], securing a promissory note in the original principal sum of **** (the "Note"; together with the Security Instrument, the "Loan Documents").

B. As of the Effective Date, Borrower is in default under the Loan Documents. The total unpaid indebtedness, including principal, accrued interest, late charges, advances, and fees, is **** () (the "Indebtedness").

C. The current fair market value of the Property, as established by appraisal mutually accepted by the parties, is ****.

D. Borrower desires to convey the Property to Lender in lieu of foreclosure, and Lender is willing to accept such conveyance, on the terms set forth herein.

E. Each party has had a full and fair opportunity to consult independent legal and tax counsel. This transaction is the product of arm's-length negotiation, is supported by fair consideration, and is not the result of fraud, duress, overreaching, or mutual mistake.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

1. Grantor (Borrower)

[BORROWER NAME], a single person, whose address is [BORROWER S MAILING ADDRESS] ("Borrower").

2. Grantee (Lender)

[LENDER S FULL LEGAL NAME GRANTEE], a Institutional, whose address is [LENDER S ADDRESS] ("Lender" or "Grantee").

3. Granting Clause and Property

For and in consideration of the covenants set forth herein, including Lender's full satisfaction and discharge of the Indebtedness as provided in Section 5, Borrower does hereby **GRANT, BARGAIN, SELL, CONVEY, AND DELIVER** unto Lender (or its designee named above), and unto Lender's successors and assigns **FOREVER**, all of Borrower's right, title, and interest in and to that certain real property situated in [COUNTY OR PARISH WHERE THE PROPERTY] County, State of [STATE], described as follows:

Legal Description:

> *[LEGAL DESCRIPTION]*

Commonly known as: [PROPERTY STREET ADDRESS] **APN / Tax Parcel ID:** [APN TAX PARCEL NUMBER] **Property type:** Single Family.

TOGETHER WITH all improvements, tenements, hereditaments, easements, appurtenances, rights, privileges, rents, royalties, and profits now or hereafter belonging to the Property.

TO HAVE AND TO HOLD the Property unto Lender, and Lender's successors and assigns, in fee simple absolute, subject only to matters of record and the matters expressly set forth herein.

4. Consideration

The consideration for this conveyance consists of:

(a) Lender's agreement to accept this Deed in **full and final satisfaction** of the Indebtedness, as further provided in Section 5;

(b) Lender's covenant not to commence or continue any foreclosure action or deficiency claim against Borrower with respect to the Loan Documents;

(d) the mutual releases, covenants, and agreements set forth herein.

5. Full Satisfaction of Indebtedness; Waiver of Deficiency

Upon recordation of this Deed and delivery of possession of the Property to Lender in accordance with Section 8, the Indebtedness shall be **FULLY SATISFIED, DISCHARGED, AND EXTINGUISHED**, and the Loan Documents shall be deemed cancelled and surrendered as to Borrower's personal liability thereunder. Lender shall promptly, and in any event within thirty (30) days after the Effective Date, execute and record a full release or satisfaction of the Security Instrument (subject to Section 6 (Non-Merger)).

Waiver of deficiency. Lender, for itself and its successors and assigns, hereby **irrevocably waives, releases, and forever discharges** any and all rights to a deficiency judgment, personal recovery, or further collection against Borrower or any guarantor arising out of or related to the Indebtedness, the Note, the Security Instrument, or this transaction. This waiver is a material inducement to Borrower's execution of this Deed.

6. Non-Merger of Estates

The parties intend that the fee estate hereby conveyed and the lien of the Security Instrument **SHALL NOT MERGE**, but shall remain separate and distinct estates, notwithstanding the unity of title in Lender. The Security Instrument shall remain a valid, enforceable, first-priority lien on the Property for all purposes, including the foreclosure and elimination of any junior liens, encumbrances, judgments, mechanics' liens, or other subordinate interests now or hereafter affecting the Property. This non-merger provision is a material term of this transaction and may not be waived except by a recorded instrument expressly referencing this Section.

7. Borrower's Representations and Warranties

Borrower represents and warrants to Lender, as of the Effective Date, that:

(a) Borrower is the sole owner of the Property in fee simple, with full power and authority to convey the same;

(b) the Property is free and clear of all liens, encumbrances, and adverse claims other than (i) the Security Instrument, (ii) matters of record as of the date of the Security Instrument, (iii) real property taxes and assessments not yet delinquent, and (iv) any junior liens expressly disclosed in Section 6;

(c) no litigation, claim, bankruptcy petition, or insolvency proceeding is pending or threatened by or against Borrower affecting the Property;

(d) this Deed is executed voluntarily, upon the advice of counsel (or after opportunity to obtain such advice), free of duress, undue influence, or coercion, and for fair and reasonably equivalent consideration;

(e) the transaction is not intended to hinder, delay, or defraud any creditor of Borrower, and Borrower is not rendered insolvent by this conveyance;

(f) Borrower has paid or shall pay all property taxes, HOA assessments, utility charges, and similar items accrued through the Effective Date; and

(g) all operative facts and material disclosures made to Lender in connection with this transaction are true and complete in all material respects.

8. Borrower's Estoppel Affidavit

Borrower expressly represents, covenants, and affirms, under penalty of perjury, that:

(1) This Deed is an **absolute conveyance** of title in effect as well as in form, and is **NOT** intended as a mortgage, deed of trust, trust conveyance, or security of any kind;

(2) The consideration for this Deed is **fair and adequate** and constitutes the fair market value of the Property as of the Effective Date, taking into account the satisfaction of the Indebtedness;

(3) Borrower has no further right, title, interest, equity of redemption, right of reinstatement, or claim of any kind in or to the Property, and Borrower hereby **WAIVES, SURRENDERS, AND RELEASES** any and all such rights, including any statutory right of redemption to the fullest extent permitted by law;

(4) This conveyance is made voluntarily, freely, and fairly, without fraud, duress, undue influence, or misrepresentation by Lender or any person acting on Lender's behalf;

(5) Borrower has had full opportunity to consult independent legal and tax counsel of Borrower's choosing;

(6) There are no agreements, oral or written, between Borrower and Lender other than those set forth in this Deed and the written workout agreement, if any, of even date herewith; and

(7) Borrower executes this Estoppel Affidavit to induce Lender to accept this Deed and to defeat any subsequent claim that this conveyance is an equitable mortgage, that Borrower retains an equity of redemption, or that this Deed "clogs" any equity of redemption.

9. Surrender of Possession

Borrower shall deliver full and exclusive possession of the Property to Lender on or before ****, in **broom-clean condition**, with all Borrower's personal property removed (except items Lender expressly agrees in writing to accept), all keys, garage-door openers, access codes, alarm codes, and documents reasonably requested by Lender delivered to Lender, and without commission of waste. Any personal property remaining on the Property after the surrender date shall be deemed abandoned and may be disposed of by Lender at Borrower's expense.

10. Mutual Release of Claims

Except for the obligations expressly set forth or preserved in this Deed, each party, on behalf of itself and its respective heirs, successors, assigns, officers, directors, members, employees, and affiliates, hereby **irrevocably and unconditionally releases, waives, and forever discharges** the other party and its respective heirs, successors, assigns, officers, directors, members, employees, and affiliates from any and all claims, demands, causes of action, damages, costs, and liabilities of any kind, whether known or unknown, arising out of or relating to the Loan Documents, the Indebtedness, the origination, servicing, or collection of the Loan, or this transaction, from the beginning of time through the Effective Date. Borrower expressly waives the benefit of California Civil Code §1542 (and any similar statute in any other jurisdiction), which provides: "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

11. Tax Reporting — IRS Forms 1099-A and 1099-C

Borrower acknowledges that (a) Lender will file **IRS Form 1099-A** (Acquisition or Abandonment of Secured Property) reporting this conveyance, and (b) if any portion of the Indebtedness is cancelled or discharged in connection with this transaction, Lender will file **IRS Form 1099-C** (Cancellation of Debt) reporting the amount of cancelled indebtedness as income to Borrower. Borrower is advised to consult a tax professional regarding (i) potential exclusions under IRC §108 (insolvency, bankruptcy, qualified principal residence indebtedness), (ii) the consequences of cancellation-of-debt income, and (iii) state tax treatment. **This Deed shall not be construed as tax advice.**

12. State-Specific Compliance

CFPB Regulation X (12 CFR §1024.41) — loss-mitigation compliance. Lender represents that, to the extent Regulation X applies, it has complied with its loss-mitigation, anti-dual-tracking, and evaluation obligations prior to accepting this Deed, including any early-intervention and continuity-of-contact requirements.

Servicemembers Civil Relief Act notice. The SCRA (50 U.S.C. §3901 et seq.) provides protections for active-duty servicemembers, including protections against non-judicial foreclosure and requirements for court supervision of certain loan workouts.

13. General Provisions

Governing law. This Deed shall be governed by and construed in accordance with the laws of the State of [STATE], without regard to conflict-of-laws rules.

Successors and assigns. This Deed shall bind and inure to the benefit of the parties and their respective heirs, successors, and assigns.

Severability. If any provision is held invalid or unenforceable, the remainder shall remain in full force and effect.

Entire agreement. This Deed (together with any separately executed workout agreement and estoppel affidavit) constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior oral or written negotiations.

Further assurances. Each party shall execute and deliver such additional instruments as may be reasonably required to effectuate the purposes of this Deed.

No waiver. No waiver is effective unless in a signed writing.

Counterparts; recording. This Deed may be executed in counterparts, and the recorded counterpart shall control.

14. Execution

IN WITNESS WHEREOF, Borrower has executed and delivered this Deed in Lieu of Foreclosure as of the Effective Date.

Borrower / Grantor

_____ PRINTED NAME

_____ SIGNATURE

_____ DATE

Acceptance by Lender. Lender hereby accepts this Deed in Lieu of Foreclosure on the terms set forth herein.

Lender — Authorized Signatory

PRINTED NAME

SIGNATURE

DATE

15. Notary Acknowledgment

State of [STATE] County of [COUNTY OR PARISH WHERE THE PROPERTY]

On this _____ day of _____**, 20**, before me, the undersigned notary public, personally appeared **[BORROWER NAME]**, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged execution of the same in his/her/their authorized capacity(ies).

Notary Public: _____ My commission expires: _____
[NOTARY SEAL]