IN THE COURT OF APPEALS OF IOWA

No. 6-081 / 95-0266

GRAYLIN MORTGAGE CORPORATION,

Appellee,

vs.

CURTIS McDONALD

Appellant.

Appeal from the Iowa District Court for Jefferson County, Richard Vogel, Judge.

Curtis McDonald appeals the district court's judgment foreclosing his mortgage with Graylin Mortgage Corporation. **AFFIRMED AS MODIFIED.**

Thomas M. Walter and Gayla R. Harrison of Johnson, Hester, Walter & Harrison, L.L.P., Ottumwa, for appellant.

Timothy B. Kuiken of Foss, Kuiken & Gookin, P.C., Fairfield, for appellee.

Heard by Sackett, P.J., and Cady and Streit, JJ.

STREIT, J.

Curtis McDonald had borrowed money from Terry Smith on two occasions and requested a third loan. Smith suggested their loan relationship be formalized McDonald then signed a promissory note for $14,000 payable to Graylin Mortgage and also delivered to Graylin a real estate mortgage securing the promissory note. McDonald allegedly believed Smith did business as Graylin.

Later, Graylin declared the note to be in default and filed a petition for foreclosure. Following a hearing, the district court stated the mortgage was foreclosed, and Graylin was awarded a $17,888.50 judgment against McDonald. McDonald appeals claiming there was no consideration for the loan from Graylin. In the alternative, McDonald claims the district court's judgment against him personally should be modified to an in rem judgment because Graylin only requested judgment against the real estate securing the promissory note.

In this equity action, our review is de novo. Iowa R. App. P. 4. After full consideration of the facts and circumstances in this case, we determine there was consideration for the mortgage agreement. Because the agreement was written and signed by McDonald, we presume it was supported by consideration. *See Kristerin Dev. Co. v. Granson Inv.*, 394 N.W.2d 325, 331 (Iowa 1986). Consideration is also evidenced by Graylin's payment of $14,000 to Real Estate Advisory Services, a business owned by Smith, towards McDonald's prior debt to Smith. A benefit to the promisor constitutes consideration. *Doggett v. Heritage Concepts, Inc.*, 298 N.W.2d 310, 311 (Iowa 1980). We affirm the district court's decision finding the mortgage contract valid. By agreement of counsel, we modify the district court's judgment to be in rem only and not a personal judgment against McDonald.

AFFIRMED AS MODIFIED.