

UNOFFICIAL COPY

00505293

5/1/01 05 001 Page 1 of 9
2000-07-07 12:43:39
Cook County Recorder 37.00

Permanent Index Number: 15224130110000

Prepared by:
Middleberg, Riddle & Gianna
2323 Bryan Street, Suite 1600
Dallas, TX 75201



00505293

Return to:
NATIONAL CITY MORTGAGE CO. dba
ACCUBANC MORTGAGE
P.O. BOX 809068
DALLAS, TEXAS 75380-9068

[Space Above This Line For Recording Data]

Loan No: 09740907
Borrower: PAMELA WOODS

Data ID: 570

78-73-11 SW
20035679

FHA Case No.
137-0527435 729

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on the 30th day of June, 2000.
The mortgagor is PAMELA WOODS, AN UNMARRIED WOMAN

("Borrower").

This Security Instrument is given to THE MORTGAGE EXCHANGE, INC., A CORPORATION, which is organized and existing under the laws of the State of ILLINOIS, and whose address is ONE TRANSAM PLAZA DRIVE #550, OAKBROOK TERRACE, ILLINOIS 60181

("Lender").

Borrower owes Lender the principal sum of **ONE HUNDRED SIXTEEN THOUSAND ONE HUNDRED FIFTY and NO/100-----Dollars (U.S. \$ 116,150.00)**. 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 **July 1, 2030**. 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, 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 does hereby mortgage, grant and convey to Lender the following described property located in **COOK** County, Illinois:

ILLINOIS FHA MORTGAGE

10/95 (Page 1 of 7 Pages)



Z25Y700X01300009740907

BOX 333-CTI

UNOFFICIAL COPY

00505293

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. § 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.

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

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.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:
variations by jurisdiction to constitute a uniform security instrument covering real property.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited encumbrances of record.

Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record.

Borrower COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

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.

which has the address of 7341 SOUTH 12TH AVENUE,

Illinois

60153
[zip Code]

[Street]

("Property Address");

[City]

BROADVIEW,

LOT 14 IN BLOCK 6 IN KOMAREK'S WEST 22ND STREET FIRST ADDITION, BEING A SUBDIVISION OF THAT PART OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE SOUTHERLY LINE OF THE ILLINOIS CENTRAL RAILROAD RIGHT OF WAY, IN COOK COUNTY, ILLINOIS.

00505293
UNOFFICIAL COPY

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.

00505293

is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance declining to insure this Security Instrument and the Note, shall be deemed conclusive proof of such ineligibility. statement of any authorized agent of the Secretary dated subsequent to 90 days from the date hereof, at its option require immediate payment in full of all sums secured by this Security Instrument. A written to be eligible for insurance under the National Housing Act within 90 days from the date hereof, Lender may, (e) **Mortgage Not Insured.** Borrower agrees that if this Security Instrument and the Note are not determined of the Secretary.

paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclosure if not (d) **Regulations of HUD Secretary.** In many circumstances regulations issued by the Secretary will limit Lender does not require such payments, Lender does not waive his rights with respect to subsequent events. (c) **No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, but accordance with the requirements of the Secretary.

purchaser or grantee does so occupy the Property, but his or her credit has not been approved in (ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the is sold or otherwise transferred (other than by devise or descent), and (i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property,

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

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

(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:

9. Grounds for Acceleration of Debt.

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

secured by this Security Instrument. These amounts shall bear interest from the date of disbursement at the Note rate, Any amounts disbursed by Lender under this paragraph shall become an additional debt of Borrower and be in the Property, including payment of taxes, hazard insurance and other items mentioned in paragraph 2.

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

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

UNOFFICIAL COPY

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 attorney's 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.

UNOFFICIAL COPY

00505293

Property of Cook County

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 foreclose this Security Instrument by judicial proceeding. 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 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. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

21. 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)).

- Condominium Rider
- Growing Equity Rider
- Planned Unit Development Rider
- Graduated Payment Rider
- Other [specify] Adjustable Rate Rider

UNOFFICIAL COPY

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.

[Handwritten Signature]
.....(Seal)
PAMELA WOODS —Borrower

[Space Below This Line For Acknowledgment]

State of ILLINOIS
County of COOK

§
§

The foregoing instrument was acknowledged before me this 30th day of June, 2000, by
PAMELA WOODS



[Handwritten Signature]

Notary Public

(Printed Name)

My commission expires: _____

Property of Cook County Clerk's Office

Loan No: 09740907
Borrower: PAMELA WOODS

Data ID: 570

FHA Case No. 137-0527435 729

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 30th day of June, 2000, 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 THE MORTGAGE EXCHANGE, INC. (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

2841 SOUTH 12TH AVENUE
BROADVIEW ILLINOIS 60153
[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

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

INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Date

The interest rate may change on the first day of **October 2001**, and on that day of each succeeding year. "Change Date" means each date on which the interest rate could change.

(B) The Index

Beginning with the first Change Date, the interest rate will be based on an Index. "Index" means the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board. "Current Index" means the most recent Index figure available 30 days before the Change Date. If the Index (as defined above) is no longer available, Lender will use as a new Index any index prescribed by the Secretary. As used in this Rider, "Secretary" means the Secretary of Housing and Urban Development or his or her designee." Lender will give Borrower notice of the new Index.

(C) Calculation of Interest Rate Changes

Before each Change Date, Lender will calculate a new interest rate by adding a margin of TWO and THREE/FOURTHS percentage points (2.750 %) to the Current Index and rounding the sum to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Paragraph (D) of this Rider, this rounded amount will be the new interest rate until the next Change Date.

(D) Limits on Interest Rate Changes

The existing interest rate will never increase or decrease by more than one percentage point (1.0%) on any single Change Date. The interest rate will never be more than five percentage points (5.0%) higher or lower than the initial interest rate, as stated in Paragraph 2 of the Note.



00505293

Property of CREDIT

PAMILLA WOODS - Borrower
(Seal)

By SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

is not assignable even if this Note is otherwise assigned before the demand for return is made.
accordance with Paragraph (E) of this Rider failed to give timely notice of the decrease
and Borrower made any monthly payment amount exceeding the payment amount which should have been
stated in a timely notice, then Borrower has the option to either (i) demand the return to Borrower of any
excess payment, with interest thereon at the Note rate (a rate equal to the interest rate which should have
been stated in a timely notice), or (ii) request that any excess payment, with interest thereon at the Note rate,
be applied as payment of principal. Lender's obligation to return any excess payment with interest on demand
is not assignable even if this Note is otherwise assigned before the demand for return is made.

(G) Effective Date of Changes

A new interest rate calculated in accordance with Paragraphs (C) and (D) of this Rider will become
effective on the Change Date. Borrower shall make a payment in the new monthly amount beginning on the
first payment date which occurs at least 25 days after Lender has given Borrower the notice of changes
required by Paragraph (F) of this Rider. Borrower shall have no obligation to pay any increase in the monthly
payment amount calculated in accordance with Paragraph (E) of this Rider for any payment date occurring
less than 25 days after Lender has given the required notice. If the monthly payment amount calculated in
accordance with Paragraph (E) of this Rider failed to give timely notice of the decrease
and Borrower made any monthly payment amount exceeding the payment amount which should have been
stated in a timely notice, then Borrower has the option to either (i) demand the return to Borrower of any
excess payment, with interest thereon at the Note rate (a rate equal to the interest rate which should have
been stated in a timely notice), or (ii) request that any excess payment, with interest thereon at the Note rate,
be applied as payment of principal. Lender's obligation to return any excess payment with interest on demand
is not assignable even if this Note is otherwise assigned before the demand for return is made.

(F) Notice of Changes

Lender will give notice to Borrower of any change in the interest rate and monthly payment amount. The
notice must be given at least 25 days before the new monthly payment amount is due, and must set forth (i)
the date of the notice, (ii) the Change Date, (iii) the old interest rate, (iv) the new interest rate, (v) the new
monthly payment amount, (vi) the Current Index and the date it was published, (vii) the method of calculating
the change in monthly payment amount, and (viii) any other information which may be required by law from
time to time.

(E) Calculation of Payment Change

If the interest rate changes on a Change Date, Lender will calculate the amount of monthly payment of
principal and interest which would be necessary to repay the unpaid principal balance in full at the Maturity
Date at the new interest rate through substantially equal payments. In making such calculation, Lender will
use the unpaid principal balance which would be owed on the Change Date if there had been no default in
payment on the Note, reduced by the amount of any prepayments to principal. The result of this calculation
will be the amount of the new monthly payment of principal and interest.