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**CONDITIONAL RIGHT TO MODIFY MARGIN RIDER**  
**(12-MTA - Payment and Rate Caps)**

LOAN NO.: 03-5227-007328193-3

This **CONDITIONAL RIGHT TO MODIFY MARGIN RIDER (12-MTA - Payment and Rate Caps)** ("Rider") is made this 30th day of August, 2002 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower", "I", "me", or "my") to secure Borrower's Adjustable Rate Note (12-MTA - Payment and Rate Caps) (the "Note") to Washington Mutual Bank, FA (the "Lender") of the same date and covering the property described in the Security Instrument (the "Property") and located at:

942 NORTH HONGRE, CHICAGO, IL 60622  
(Property Address)

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

**1. Conditional Right to Modify Margin**

**A. General**

If the conditions described in Section 1(B) below are fulfilled in all respects, I will be able to exercise an option to reduce the Margin of the Note that is then in effect. The reduction of the Margin is called the "Modification".

The period of time between the Note Date (as defined below) and the first interest rate Change Date under the Note is called the "Initial Period". Even if I meet all of the conditions for a Modification, my Margin and interest rate will not be reduced during the Initial Period. The effect and the effective date of a Modification is described in Section 1(D) below.

**B. Conditions for Making the Modification**

The Modification may occur, at my option, but subject to the provisions of this Rider, under either of two separate circumstances.

MAIL TO  
Alliance Title  
6321 N. Avondale  
Suite 104  
Chicago, IL 60631

Policy # A02-1130

PIN # 17-06-423-026-0000

Legal Disc.

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21002391

03-5227-007328193-3

The first type of Modification is where my "Loan to Value Ratio" as of the effective date of the Modification is equal to 80% or less. My Loan to Value Ratio is, in the case of a loan to finance the purchase of the Property, equal to the unpaid principal balance due under the Note divided by the original sales price or appraised value, whichever is lower, of the Property as of the Note Date. My Loan to Value Ratio is, in the case of any other loan, equal to the unpaid principal balance due under the Note divided by the original appraised value of the Property as of the Note Date. Provided, however, that if I owned the Property for less than one year as of the Note date, the loan to value ratio shall be based on the lesser of the: (i) purchase price or (ii) the appraised value. This type of Modification is called the "80% Modification". Subject to the conditions described below, an 80% Modification may occur once I make a sufficient number of payments on the Note to reduce my Loan to Value Ratio to 80% or less. If I wish the 80% Modification to occur sooner, I may make additional principal payments on the Note or I may make one or more partial prepayments on the Note. An increase in the appraised value of the Property following the Note Date will not result in the 80% Modification occurring any sooner. In order to be eligible for the 80% Modification, I must meet all of the following conditions: (i) I must have made all payments due under the Note and the Security Instrument in full within thirty (30) days of their due dates from the time of the Note Date until the effective date of the 80% Modification, but this condition will not apply for more than the last twelve (12) consecutive payments due under the Note and the Security Instrument prior to the effective date of the 80% Modification; (ii) my Loan to Value Ratio as of the effective date of the 80% Modification must be 80% or less; (iii) I must request the 80% Modification in writing as provided in Section 1(E) below; (iv) I must continue to own and occupy the Property as my residence as of the effective date of the 80% Modification; (v) there must not be any subordinate financing liens on the Property as of the effective date of the 80% Modification; and (vi) I must sign all documentation relating to the 80% Modification or these conditions as may be specified by the Note Holder (as defined below).

The second type of Modification is where the unpaid principal balance due under the Note is reduced to 75% or less of the appraised value of the Property immediately prior to the effective date of the Modification. This type of Modification is called the "75% Modification". Subject to the conditions described below, a 75% Modification may occur as a result of an increase in the appraised value of the Property following the Note Date. In order to be eligible for the 75% Modification, I must meet all of the following conditions: (i) the unpaid principal balance due under the Note must be equal to 75% or less of the appraised value of the Property immediately prior to the effective date of the 75% Modification, as determined exclusively and finally by an appraisal report ("Appraisal Report") performed by an appraiser selected by the Note Holder; (ii) the effective date of the 75% Modification must occur after the twenty-fourth



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21002391

03-5227-007328193-3

(24th) scheduled payment due date under the Note; (iii) I must request the 75% Modification in writing as provided in Section 1(E) below; (iv) I must have paid to the Note Holder the dollar amount specified by the Note Holder for the preparation of the Appraisal Report; (v) I must have made all payments due under the Note and the Security Instrument in full within thirty (30) days of their due dates for at least the last twenty four (24) consecutive payments due under the Note and the Security Instrument prior to the effective date of the 75% Modification; (vi) I must continue to own and occupy the Property as my residence as of the effective date of the 75% Modification; (vii) there must not be any subordinate financing liens on the Property as of the effective date of the 75% Modification; and (viii) I must sign all documentation relating to the 75% Modification or these conditions as may be specified by the Note Holder. If I request a 75% Modification, I will pay to the Note Holder the dollar amount specified by the Note Holder for the preparation of the Appraisal Report whether or not the 75% Modification is made. If I make a subsequent request for a 75% Modification, I will be required to pay for an additional Appraisal Report.

## C. Limits on Modification

Either an 80% Modification or a 75% Modification, but not both, may be made with respect to my Note. Only one Modification may be made with respect to my Note. Except as otherwise expressly provided in this Rider or the Note, or as I and the Note Holder may agree in writing, the Note may not be modified.

## D. Effect of Modification

If I meet all of the conditions for an 80% Modification or a 75% Modification, the Margin that is otherwise then in effect will be reduced by six tenths of one percentage point (0.600%), but not to a Margin of less than 0%, effective as of the first interest rate Change Date that occurs at least fifteen (15) days after the fulfillment of the last of the applicable conditions (as determined by the Note Holder in its sole and absolute discretion). The reduction in the Margin may result in a reduction in the interest rate of the Note beginning with that interest rate Change Date. However, any reduction in the interest rate may be offset or limited, in whole or in part, (i) by an increase in the interest rate due to an increase in the Index, (ii) by an adjustment in the Margin under Section 4(C) of the Note, or (iii) if the Current Index plus the reduced Margin is six tenths of one percentage point (0.600%), or more above the Cap. The dates for payment changes under the Note will occur solely at the times set forth in the Note, and are unaffected by this Rider. If a Modification is made, my monthly payments may be reduced beginning on either the first or the second Payment Change Date (depending upon the timing of the Modification) that follows the first interest rate Change Date on which the interest

21002391

03-5227-007328193-3

rate has been reduced as a result of the reduction in the Margin. However, any reduction in my monthly payments may be offset or limited, in whole or in part, by any of the factors that may offset or limit an interest rate reduction described above or by the monthly payment limitations and adjustments described in Sections 4(F), 4(H), 4(I) and 4(K) of the Note. Notwithstanding the preceding sentence, on the first Payment Change Date that follows the Modification, any adjustment to my monthly payment will be made without regard to the 7 1/2% monthly payment limitation described in Section 4(F) of the Note. Except as provided in this Rider, or as the Note Holder and I may agree in writing, interest rate and payment calculations under the Note will remain as provided in the Note.

**E. Notice to Note Holder of Request for Modification**

I will request a Modification by sending my request, in writing, to RETAIL CREDIT SERVICES, 400 EAST MAIN STREET - STA5RCS, STOCKTON, CA 95290

or to such other address as may be specified from time to time by the Note Holder. My request must contain my name, the Property address and my loan number, and I must state whether I am requesting an 80% Modification or a 75% Modification. No Modification will be considered or made unless I provide a written request under this Section 1(E). If I make any subsequent request for a Modification, I must once again provide a written request under this Section 1(E).

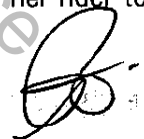
**2. Interpretation**

To the extent that any provisions of this Rider are inconsistent with the provisions of the Security Instrument, including any other riders thereto, the provisions of this Rider will prevail over and supersede the inconsistent provisions.

I understand that the Lender may transfer the Note and the Security Instrument. The Lender or anyone who takes the Note and Security Instrument by transfer and who is entitled to receive payments under the Note is called the "Note Holder". The date of the Note is called the "Note Date".

All capitalized terms used in this Rider that are not defined in this Rider will have the meanings given for those terms in the Note.

Except as provided in this Rider, or as the Note Holder and I agree in any other rider to the Security Instrument, the Security Instrument will remain in full force and effect.



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21002391

03-5227-007328193-3

BY SIGNING BELOW, Borrower accepts and agrees to the provisions of this Rider. Borrower agrees to execute any document requested by the Note Holder from time to time to reform this Rider to accurately reflect the terms of the agreement between Borrower and Note Holder or to replace the Note, Security Instrument or other document if any such document is lost, mutilated or destroyed.

X   
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**RICHARD GRISEHO**

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THE GUARANTEE TITLE & TRUST COMPANY

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Commitment Number: A02-1130

## SCHEDULE C PROPERTY DESCRIPTION

The land referred to in this Commitment is described as follows:

LOT 59 IN BOAKES RESUBDIVISION OF BLOCK 5 OF COCHRAN AND OTHERS SUBDIVISION OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office