

WHEN RECORDED RETURN TO:

FAMILY FEDERAL SAVINGS  
OF ILLINOIS  
5217-25 WEST 25th STREET  
CICERO, ILLINOIS 60804

**UNOFFICIAL COPY**



Doc#: 0406347154  
Eugene "Gene" Moore Fee: \$38.00  
Cook County Recorder of Deeds  
Date: 03/03/2004 10:08 AM Pg: 1 of 8

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**MORTGAGE** LOAN NO. 01-816116-7-R

THIS MORTGAGE ("Security Instrument") is given on DECEMBER 19, 2003  
The mortgagor is JOSEPH GHANDOUR, UNMARRIED

("Borrower"). This Security Instrument is given to

FAMILY FEDERAL SAVINGS OF ILLINOIS  
which is organized and existing under the laws of UNITED STATES OF AMERICA, and whose address is

5225 W. 25TH STREET CICERO, ILLINOIS 60804 ("Lender"). Borrower owes Lender the principal sum of  
ONE HUNDRED SIXTY THOUSAND DOLLARS AND NO/100 \*\*\*\*\*  
Dollars (U.S. \$ 160,000.00). This debt is evidenced by Borrower's note dated the same date as this Security  
Instrument ("Note"), which provides for monthly payment, with the full debt, if not paid earlier, due and payable on  
JANAURY 1, 2007. 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:  
LOT 47 AND THE NORTH 1/2 OF LOT 46 IN BLOCK 16 IN IRA BROWN'S ADDITION TO  
LAGRANGE, A SUBDIVISION OF SECTION 4, TOWNSHIP 38 NORTH, RANGE 12, EAST OF THE  
THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N.: 18-04-235-043-0000

which has the address of

207 HAYES AVENUE  
[Street]

LAGRANGE  
[City]

Illinois

60525  
[Zip Code]

("Property Address");

ILLINOIS -- Single Family -- Fannie Mae/Freddie Mac UNIFORM INSTRUMENT  
(Page 1 of 6 pages)

ITEM 1876 (9511)

Form 3014 9/90  
GREATLAND  
To Order Call: 1-800-530-9393 Fax 616-791-1131

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TOGETHER WITH 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. All of the foregoing is referred to in this Security Instrument as the "Property."

**BORROWER COVENANTS** that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and that the Property is unencumbered except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

**THIS SECURITY INSTRUMENT** contains uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

**UNIFORM COVENANTS.** Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law, or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; and (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a residential mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2603 *et seq.* ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items, otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a Federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with its loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case, Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied first to the prepayment charges due under the Note; second, to the sums payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

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

5. **Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and

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for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

**6. 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 and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. 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 all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

**7. Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

**8. Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

**9. Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

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10. **Condemnation.** The proceeds of any condemnation or other proceeding in connection with any condemnation or other taking of any part of the Property, or any compensation or award in connection therewith, shall be paid to Lender.

If the proceeds of any such taking of the Property are not sufficient to satisfy the sums secured by this Security Instrument, which is not a deed in lieu of sale, then the proceeds shall be applied to the sums secured by this Security Instrument, which is not a deed in lieu of sale, in the following order: (a) partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing; (b) the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the fair market value of the sums secured immediately before the taking divided by the fair market value of the Property immediately before the taking; and (b) the amount of the sums secured immediately before the taking divided by the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides; the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is condemned by governmental authority and the owner of the Property offers to make an award or settlement for damages, Borrower shall, in a period of ten (10) days from the date the notice is given, Lender is authorized to collect and apply the proceeds of the award, whether to satisfaction of the Property or to the sums secured by this Security Instrument, whether or not due.

Unless Lender is notified in writing to the contrary, the proceeds of any award shall not be used to prepay the amount of any payments due on the Note, and any change to the amount of such payments.

11. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment of and location of assignment of the sums secured by this Security Instrument provided by Lender or any successor or interest of Borrower shall not operate to release the liability of the original Borrower, or Borrower's successors in interest. Lender shall not be deemed to constitute a release against any guarantor or interest of any kind for payment or otherwise modify any instrument or the sums secured by this Security Instrument or any demand made on the original Borrower or Borrower's successors in interest by Lender or any guarantor or interest of any kind 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 17. Borrower's covenants and agreements shall bind and secure any Borrower who co-signs this Security Instrument but does not execute the Note and shall constitute the Security Instrument of any co-signer, grant and convey their Borrower's interest in the Property, and, to the extent of this Security Instrument, shall be personally obligated to pay the sums secured by this Security Instrument, and to agree that Lender and any other Borrower may agree to extend, modify, increase or make any amendments with regard to the sums secured by this Security Instrument or the Note without their Borrower's consent.

13. **Loan Charges.** The loan secured by this Security Instrument shall bear interest, and any other charges, maximum loan charges, and that may be fully interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted loan charges, then, in any such event, such loan charges shall be limited by the amount necessary to reduce the charge to the permitted limit, and for any sums already collected from Borrower and any other Borrower, the sums permitted herein will be included to Borrower. Lender shall have the right to collect the permitted charges by making the Note or by making a direct payment to Borrower. Borrower's failure to pay the permitted charges will be deemed to constitute a default under this Security Instrument.

14. **Notices.** Any notice to Borrower provided by this Security Instrument shall be given by delivering it or by mailing it by first class mail, return receipt requested, by a private carrier or other method. The notice shall be provided to the Property address or any alternate address designated by Borrower or Lender, or any other address designated by first class mail to Lender's address of a personal or other address. Lender's address of a personal or other address shall be the address provided for in this Security Instrument, and shall be deemed to have been given to Borrower if Lender follows the address provided in this paragraph.

15. **Governing Law; Severability.** The Security Instrument shall be governed by the law of the State of California. The law of the jurisdiction in which the Property is located shall not affect other provisions of this Security Instrument or the Note which conflict 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.

16. **Borrower's Copy.** Borrower shall be given a true and correct copy of the Note and of this Security Instrument.

17. **Transfer of the Property or a Beneficial Interest in Borrower.** If either the Property or any interest in it is sold or transferred or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person, without Lender's prior written consent, neither any person or person acting in concert with them, nor any sums secured by this Security Instrument. However, this consent shall not be required if the instrument is sold or transferred to a natural person as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice in writing, which shall provide a period of not less than 30 days from the time the notice is delivered or made within which Borrower may prepay the sums secured by this Security Instrument. If Borrower fails to pay those sums prior to the expiration of that period, Lender may exercise any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. **Borrower's Right to Reinstate.** If Borrower is ever in default under the Note, Borrower shall have the right to have enforcement of this Security Instrument discontinued as to the sums due at that time, for such other periods as

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applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

**19. Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

**20. 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 Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "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 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

**21. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and 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 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

**22. 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.

**23. Waiver of Homestead.** Borrower waives all right of homestead exemption in the Property.

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24. **Riders to This Security Instrument.** One or more riders are executed by Borrower and recorded together with this Security Instrument; the covenants and agreements 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).)

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Adjustable Rate Rider    | <input type="checkbox"/> Condominium Rider              | <input type="checkbox"/> 4 Family Rider         |
| <input type="checkbox"/> Graduated Payment Rider  | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input checked="" type="checkbox"/> Balloon Rider | <input type="checkbox"/> Rate Improvement Rider         | <input type="checkbox"/> Second Home Rider      |
| <input type="checkbox"/> Others (specify):        |   |   |

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in pages 1 through 6 of this Security Instrument and to any rider(s) executed by Borrower and recorded with it.

\_\_\_\_\_  
JOSEPH CHANDOUR (Seal) Borrower (Seal) Borrower

\_\_\_\_\_  
(Seal) Borrower (Seal) Borrower

\_\_\_\_\_  
(Seal) Borrower (Seal) Borrower

Witness: \_\_\_\_\_ Witness: \_\_\_\_\_

STATE OF ILLINOIS, COUNTY OF COOK  
I, JEROME L. GRAZIA, Notary Public in and for said county and state,  
do hereby certify that JOSEPH CHANDOUR, UNMARRIED

personally known to me to be the same person(s) whose name(s) IS  
subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that HE signed  
and delivered the said instrument as HIS free and voluntary act for the uses and purposes therein set  
forth.

Given under my hand and official seal, this 14TH day of OCTOBER, 2013.  
My Commission expires: \_\_\_\_\_  
Notary Public  
*[Signature]*  
Notary Public

This instrument was prepared by  
ATMEE AGUILAR  
[Signature]

FAMILY FEDERAL SAVINGS  
OF ILLINOIS  
6217-25 WEST 28th STREET  
CICERO, ILLINOIS 60804

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**BALLOON RIDER** LOAN NO. 01-816116-7-R  
**(CONDITIONAL MODIFICATION AND EXTENSION OF LOAN TERMS)**

THIS BALLOON RIDER is made this 19TH day of DECEMBER ~~XX~~2003,  
and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Deed to Secure Debt  
(the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure the Borrower's Note  
to FAMILY FEDERAL SAVINGS OF ILLINOIS (the "Lender")  
of the same date and covering the property described in the Security Instrument and located at:

207 HAYES AVENUE LAGRANGE, ILLINOIS 60525

(Property Address)

The interest rate stated on the Note is called the "Note Rate." The date of the Note is called the "Note Date." I understand the Lender may transfer the Note, Security Instrument and this Rider. The Lender or anyone who takes the Note, the Security Instrument and this Rider by transfer and who is entitled to receive payments under the Note is called the "Note Holder."

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements in the Security Instrument, Borrower and Lender further covenant and agree as follows (despite anything to the contrary contained in the Security Instrument or the Note):

**1. CONDITIONAL MODIFICATION AND EXTENSION OF LOAN TERMS**

At the maturity date of the Note and Security Instrument (the "Note Maturity Date"), I will be able to extend the Note Maturity Date to JANUARY 1, 2010, (the "Extended Maturity Date") and modify the Note Rate to the "Modified Note Rate" determined in accordance with Section 3 below if all the conditions provided in Sections 2 and 5 below are met (the "Conditional Modification and Extension Option"). If those conditions are not met, I understand that the Note Holder is under no obligation to refinance the Note or to modify the Note, reset the Note Rate or to extend the Note Maturity Date, and that I will have to repay the Note from my own resources or find a lender willing to lend me the money to repay the Note.

**2. CONDITIONS TO OPTION**

If I want to exercise the Conditional Modification and Extension Option, certain conditions must be met as of the Note Maturity Date. These conditions are: (1) I must still be the owner and occupant of the property subject to the Security Instrument (the "Property"); (2) I must be current in my monthly payments and cannot have been more than 30 days late on any of the 12 scheduled monthly payments immediately preceding the Note Maturity Date; (3) there are no liens, defects, or encumbrances against the Property, or other adverse matters affecting title to the Property (except for taxes and special assessments not yet due and payable) arising after the Security Instrument was recorded; (4) the Modified Note Rate cannot be more than 5 percentage points above the Note Rate; and (5) I must make a written request to the Note Holder as provided in Section 5 below.

**3. CALCULATING THE MODIFIED NOTE RATE**

The Modified Note Rate will be a fixed rate of interest equal to the then current rate of like maturity as being quoted by the lender at the time that I notify the lender of my election to exercise the Conditional Modification and Extension Option. (The "Modified Note Rate").

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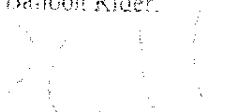
## 4. CALCULATING THE NEW PAYMENT AMOUNT

Provided the Modified Note Rate as calculated in Section 3 above is not greater than 5 percentage points above the Note Rate and all other conditions required in Section 2 above are satisfied, the Note Holder will determine the amount of the monthly payment that will be sufficient to repay in full (a) the unpaid principal, plus (b) accrued but unpaid interest, plus (c) all other sums I will owe under the Note and Security Instrument on the Note Maturity Date (assuming my monthly payments there are current, as required under Section 2 above), over the remaining extended term at the Modified Note Rate in equal monthly payments. The result of this calculation will be the amount of my new principal and interest payment every month until the Note is fully paid.

## 5. EXERCISING THE CONDITIONAL MODIFICATION AND EXTENSION OPTION

The Note holder will notify me at least 60 calendar days in advance of the Note Maturity Date and advise me of the principal, accrued but unpaid interest, and all other sums I am expected to owe on the Note Maturity Date. The Note Holder also will advise me that I may exercise the Conditional Modification and Extension Option if the conditions in Section 2 above are met. The Note Holder will provide my payment record information, together with the name, title and address of the person representing the Note Holder that I must notify in order to exercise the Conditional Modification and Extension Option. If I meet the conditions of Section 2 above, I may exercise the Conditional Modification and Extension Option by notifying the Note Holder no earlier than 60 calendar days and no later than 45 calendar days prior to the Note Maturity Date. The Note Holder will calculate the fixed Modified Note Rate as calculated in Section 3 above. I will then have 30 calendar days to provide the Note Holder with acceptable proof of my required ownership, occupancy and property lien status. Before the Note Maturity Date the Note Holder will advise me of the new interest rate (the Modified Note Rate), new monthly payment amount and a date, time and place at which I must appear to sign any documents required to complete the required Note Rate modification and Note Maturity Extension. I understand the Note Holder will charge me a \$250 processing fee and the costs associated with the exercise of the Conditional Modification and Extension Option, including but not limited to the cost of updating the title insurance policy.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in pages 1 and 2 of this Balloon Rider.

  
\_\_\_\_\_  
(Seal)  
JOSEPH CHANDRUP Borrower

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(Seal)  
Borrower

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(Seal)  
Borrower

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(Seal)  
Borrower