

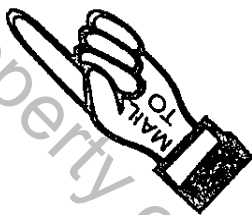
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9468/0204 07 001 Page 1 of 11
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Cook County Recorder 41.50



Prepared by:
Laura Tomassi
3 White Eagle Center
Naperville IL 60564

State of Illinois
AP# 20 BEARD, S
LN# 1392844



MORTGAGE

FHA Case No.

137:0239998/729

MIN 1000142-4000042388-3

THIS MORTGAGE ("Security Instrument") is given on November 30, 1999
The Mortgagor is SHAWN K. BEARD, A SINGLE MAN NEVER MARRIED and JULIE M. CAMPBELL, A
SINGLE WOMAN NEVER MARRIED

PRAIRIE TITLE
6821 W. NORTH AVE.
OAK PARK, IL 60302

("Borrower"). This Security Instrument is given to Mortgage Electronic Registration Systems, Inc. ("MERS"),
(solely as nominee for Lender, as hereinafter defined, and Lender's successors and assigns), as beneficiary. MERS is
organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026,
Flint, MI 48501-2026, tel. (888) 679-MERS.
ALL AMERICAN MORTGAGE

("Lender") is organized and existing under the laws of The United States of America, and
has an address of 3 WHITE EAGLE CENTER, NAPERVILLE, IL 60564

Borrower owes Lender the principal sum of
One Hundred Twenty One Thousand Four Hundred Twenty One and no/100
Dollars (U.S. \$ 121,421.00).

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 December 1, 2029

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

99-22788



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Initials: *GR*
MC

amounts due for the mortgage insurance premium. disbursements or disbursements before the Borrower's payments are available in the account may not be based on amended from time to time ("RESPA"), except that the cushion or reserve permitted by RESPA for unanticipated maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. Section 2601 et seq. and implementing regulations, 24 CFR Part 3500, as they may be Lender may, at any time, collect and hold amounts for Escrow Items in an aggregate amount not to exceed the items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds."

in a reasonable amount to be determined by the Secretary. Except for the monthly charge by the Secretary, these or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary, shall also include either: (i) a sum for the annual mortgage insurance premium to be paid by Lender to the Secretary, which such premium would have been required if Lender still held the Security Instrument, each monthly payment mortgage insurance premium to the Secretary of Housing and Urban Development ("Secretary"), or in any year in Property, and (c) premiums for insurance required under paragraph 4. In any year in which the Lender must pay a special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the 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 interest 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 UNIFORM COVENANTS.

Borrower and Lender covenant and agree as follows: THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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 canceling this Security Instrument.

to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing or successors and assigns), has the right: to exercise any or all of those interests, including, but not limited to, the right Security Instrument; but, if necessary to comply with law or custom, MERS, (as nominee for Lender and Lender's Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this covered by this Security 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 BORROWER 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. All of the foregoing is referred to in this Security Instrument as the "Property."

Parcel ID #: 16-31-42-001-0000. which has the address of 3601 SOUTH SCOVILLE AVENUE BERWYN [City], Illinois 60402 [Zip Code] ("Property Address"); [Street]

AP# 20 BEARD'S LN# 1392844

of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to MERS (solely as nominee for Lender and Lender's successors and assigns) and to the successors and assigns of MERS, the following described property located in Cook County, Illinois: THE NORTH HALF (1/2) OF LOT SIXTY TWO (62) IN E. A. CUMMINGS AND COMPANY'S

ODDEN AVENUE SUBDIVISION OF LOTS 63, 64 AND 65 AND THE WEST 37 FEET OF LOTS 66, 67 AND 68, ALL IN THE CIRCUIT COURT PARTITION OF PART OF SECTION 31, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN.

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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.

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 payments.

If Borrower fails to make these payments or the payments required by paragraph 2, or fails to perform any other 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, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in paragraph 2.

Any amounts disbursed by Lender under this paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of Lender, shall be immediately due and payable.

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.

8. Fees. Lender may collect fees and charges authorized by the Secretary.

9. Grounds for Acceleration of Debt.

(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:

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

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

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SKB

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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

the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser. In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding principal shall not extend or postpone the due date of the monthly payments which are referred to in paragraph 2, or of principal, or (b) to the restoration or repair of the damaged Property. Any application of the proceeds to the this Security Instrument, first to any delinquent amounts applied in the order in paragraph 3, and then to prepayment proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment in the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not clauses in favor of, and in a form acceptable to, Lender.

approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which **4. Fire, Flood and Other Hazard Insurance.** Borrower shall insure all improvements on the Property, whether

Fifth, to late charges due under the Note.
Fourth, to amortization of the principal of the Note; and
Third, to interest due under the Note;
insurance premiums as required;

Second, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard Secretary record of the monthly mortgage insurance premium;

First, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the **3. Application of Payments.** All payments under paragraphs 1 and 2 shall be applied by Lender as follows:

credited with any balance remaining for all installments for items (a), (b), and (c). Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. remaining for all installment items (a), (b), and (c) and any mortgage insurance premium installment that Lender has Borrower tenders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. If make up the shortage as permitted by RESPA.

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 If the amounts held by Lender for Escrow Items exceed the amounts permitted to be held by RESPA, Lender

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(i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent), and

(ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) **No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

(d) **Regulations of HUD Secretary.** In many circumstances regulations issued by the Secretary will limit Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) **Mortgage Not Insured.** Borrower agrees that if this Security Instrument and the Note are not determined to be eligible for insurance under the National Housing Act within 60 days from the date hereof, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 60 days from the date hereof, declining to insure this Security Instrument and the Note, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

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 attorneys' 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.

Initials: JMC
SKB

Initials
SJS
MK

assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This 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. 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.

Borrower shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant. 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

trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument. (b) Lender shall be If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as rents constitutes an absolute assignment and not an assignment for additional security only.

Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to

of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs 17. Assignment of Rents. Borrower unconditionally assigns and transfers to Lender all the rents and revenues and Lender further covenant and agree as follows:

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows: jurisdiction where the Property is located that relate to health, safety or environmental protection.

and radioactive materials. As used in this paragraph 16, "Environmental Law" means federal laws and laws of the petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic

As used in this paragraph 16, "Hazardous Substances" are those substances defined as toxic or hazardous substances in this paragraph 16, "Hazardous Substances" are those substances defined as toxic or hazardous

necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. or regulatory authority, that any removal or other remediation of any Hazardous Substances affecting the Property is

Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action

recognized to be appropriate to normal residential uses and to maintenance of the Property. the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to

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 Instrument.

15. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument and the Note are declared to be severable.

the Note which can be given effect without the conflicting provision. To this end the provisions of this Security or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument

14. Governing Law; Severability. This Security Instrument shall be governed by Federal law and the law of given as provided in this paragraph.

Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given by first class mail to Lender's address stated herein or any address Lender designates by notice to Borrower. The Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to

13. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or AP# 20 BEARD,S LN# 1392844

AP# 20 BEARD.S LN# 1392844

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.

Witnesses:

_____ (Seal) _____ (Seal)
 SHAWN K. BEARD -Borrower

_____ (Seal) _____ (Seal)
 JULIE M. CAMPBELL -Borrower

_____ (Seal) _____ (Seal)
 -Borrower -Borrower

_____ (Seal) _____ (Seal)
 -Borrower -Borrower

_____ (Seal) _____ (Seal)
 -Borrower -Borrower

STATE OF ILLINOIS,

I, *the undersigned*

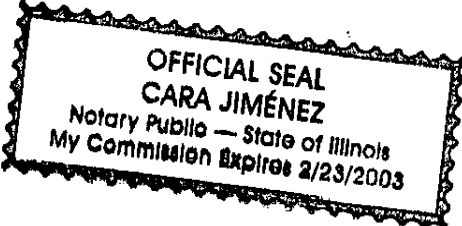
County ss: *Cook*

, a Notary Public in and for said county and state do hereby certify that SHAWN K. BEARD, A SINGLE MAN NEVER MARRIED and JULIE M. CAMPBELL, A SINGLE WOMAN NEVER MARRIED

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

Given under my hand and official seal, this 30th day of November, 1999

My Commission Expires:



Cara Jiménez

 Notary Public

JR
MR Initials

Property of Cook County Clerk's Office

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

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)].

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

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.

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.

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.

AP# 20 BEARD.S LN# 1392844

AP# 20 BEARD,S
LN# 1392844

FHA Case No.
137:0239998/729

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 30th day of November, 1999, 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 ALL AMERICAN MORTGAGE

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:

3601 SOUTH SCOVILLE AVENUE, BERWYN, IL 60402
[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 April, 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.

FHA Multistate ARM Rider - 10/95

VMP-591(9601) MW 01/96

VMP MORTGAGE FORMS - (800)521-7291

Initials: *SAB/jme*



(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 / Quarters percentage point(s) (2.7500 %) 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.

(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.

(F) Notice of Changes

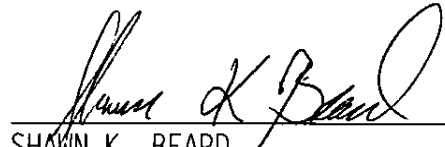
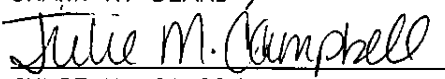
Lender will give notice to Borrower of any change in the interest rate and monthly payment amount. The notice must be given at least 25 days before the new monthly payment amount is due, and must set forth (i) the date of the notice, (ii) the Change Date, (iii) the old interest rate, (iv) the new interest 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.

(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 decreased, but Lender failed to give timely notice of the decrease and Borrower made any monthly payment amounts 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 the Note is otherwise assigned before the demand for return is made.

Initials: *SRB*
JMC

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

_____ (Seal)		_____ (Seal)
-Borrower	SHAWN K. BEARD	-Borrower
_____ (Seal)		_____ (Seal)
-Borrower	JULIE M. CAMPBELL	-Borrower
_____ (Seal)	_____	_____ (Seal)
-Borrower		-Borrower
_____ (Seal)	_____	_____ (Seal)
-Borrower		-Borrower

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