## **OFFICIAL**

THIS INSTRUMENT WAS PREPARED BY: MARGARET WALTER, 111 E. Rand Rd. Mt. Prospect, IL 60056 - #577-1270



ADJUSTABLE MORTGAGE LOAN

#### MORTGAGE

CITICORP SAVI

Corporate Office One South Dearborn Street Chicago, Illinois 60603 Telephone (1 312 977 5000)

NOVEMBER THIS MORTGAGE ("Security Instrument") is made this day of 15TH 19 84 . between the Mortgagor. DALE L. RUST AND MARY JO RUST, HIS WIFE

(herein "Borrower") and the Mortgagee. Citicorp Savings of Illinois, a Federal Savings and Loan Association, a corporation organized and existing under the laws of The United States, whose address is One South Dearborn Street. Chicago, Illinois 6060, (herein "Lende,").

WHEREAS, Borrowe, a codebted to Lender in the principal sum of ONE HUNDRED FORTY-FIVE THOUSAND AND 00/100 Dollars, which indebtedness is evidenced by Borrower's 11/15/84 (herein "Note"), providing for monthly installments of principal and interest. note dated of not sooner paid, due and payable on DECEMBER 01, 2014. with the balance of the indebtedness

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advarced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Burtower herein contained, and (b) the repayment of any future advances. with interest thereon. Borrower does hereby mortgage grant and convey to Lender the following described property located COOK in the County of

. State of Illinois

Lot 53 in John S. Clark's and Sons Southbridge Commons Subdivision, being a Subdivision of the East 1/2 of the Northwest 1/4 of the Southeast 1/4 of Section 16, Township 42 North, Range 12 East of the Third Principal Meridian, in Cook County, Illinois.

TAX # OH 16-407-07

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COOK COUNTY, ILLINOIS FILED FOR SECORD

1584 NOV 29 PM 1: 56

27353935

This mortgage is being re-recorded to correct the mortgage rider, 4.(B).

which has the address of

2008 BUTTERNUT LANE

NORTHBROOK

ILLINOIS 60062

(herein "Property Address"):

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures new or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property for the leasehold estate if this Mortgage is on a leasehold) as herein referred to as the "Property"

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant 1 and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Stradout and the North and the Strate Charles Charles Charles and the Stradout and the Stra their render shall shall

in accordance with Borrower's and Lender's written agreement or applicable law

saminated opinities to manufun the insurance in effect until such time as the requirement for the insurance terminates it is notes required morgaze insurance as a condition of making the four secured by this Security Instrument. Borrower

place (rd

the date of the derivation at the cone rate and shall be payable, with microst, upon notice from Lender to Borrower requesting Security Instrument. Unless Borrower and Lender agree to other terms of payment, these uniounts shall bear interest from

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ander this paragraph . Lender c 192 and entering on the Property to make repairs. Although Lender may take action a court, paying reasonable attorneys tees and entering on the Property to make repairs. Although Lender may take action

Lender's actions may include paying any sums secured by a ben which has priority over this Security Instrument, appearing in tender with the material is necessary to protect the value of the Property and Lender's rights in the Property. Aenobalogo, is a proceeding in banktuptop, probate, for condemnation of outous has or tegulations. and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's

7. Protection of Lender's Rights in the Property: Mortgage Insurance. If Borrower fails to perform the coverants shall not merge unless Lender agrees to the merger in writing.

shall comply with the provisions of the lease, and it Borrower acquires fee title to the Property, the leasehold and fee felle change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leaschold. Borrower

6. Preservation and Mantenance of Property: Leaseholds. Borrower shall not destroy, damage or substantially Instrument transchately prior to the acquisition.

from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security It under paragraph 19 the Property is acquired by Lender. Borrower's right to any insurance policies at 1 p occeds resulting postpone the due of the monthly payments referred to in paragraphs I and 2 or change the amount of the payments.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or

or to pay sums secured by this Security Instrument, whether or not then due. The 30-day rectod with begin when the notice settie a ciatim, tien Lender may collect the insurance proceeds. Lender may use the proceeds to the part of restore the Property applied to the sums section by this Security Instrument, whether or not then due, with any electes paid to Borrower. It Borrower is bandons use Property, or does not answer within 30 days a notice from Lender that the largering currier has offered to tepart of neutral policy of the second of th

Lender Lender may make proof of loss if not made promptly by Borrower.

thendring fidentoseparate of ion that short his borders of particles as worsed go appeared in the sourcess on graph to particles as worsed go appeared in the sources of that sources are considered in the sources of t

against loss by tite, havards included within the term "extended cost type" and any other havards for which Lender requires insurance classical fine header requires. The insurance carrier

5. Hazard Insurance. Borrower shall keep the improving now existing or hereafter erected on the Property mained the from Borrower and Fair-Sp. the from or take one or more of their troof ear forth above within 10 days of the giving of notice satistaciony to Londer subordinating the tien to this Seen of Tristrument. It Londer determines that any part of the Property is spired to the Moreov and priority over this Seenal Instrument, Londer may give Borrower a notice identifying Horrower shall promptly discharge any lives the hear grantly over this Security Instrument unless Borrower; in payed in the borrower shall promptly discharge any lives he he he had been supported in payed think any manual or the livest in the borrower or the object of the hear of t

pay these debymens in the manner provided in paragraph 2, or it not paid in that manner. Borrower shall pay them on time directly to me person owed payment to receipt shall promptly turnlesh to Lender all nonces or announts to be paid under time directly to me person owed payment to be suffered to these these that have directly. Borrower shall promptly furnish to Lender teccipis evidencing this paragraph. 4. Chargest Liens. Borrow "shall pay all takes, assessments, charges, times and impositions autibulable to the Property which may attain proving over the Second Instrument, and lease thought payment center it any, borrower shall

paragraphs I and 2 shall be apposed first, to late charges due under the Note: second, to propayment charges due under the Note; third, to amounts paragraph 2; fourth, to interest due, and last, to principal due.

The Note, third, to amounts paragraph 2; fourth, to interest due, and last, to principal due.

numediately priories at a of the Projecty or its aequisation by Lender, any Funds held by Lender at the time of application as a credit against the time soured by this Security Instrument.

3. Application & Payments. Unless applicable law provides otherwise, all payments received by Lender under and application of Payments. Unless application for provides and provides otherwise.

Funds hold by Londor It wider paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than

amount of the leanes noid by Lender is not sufficient to pay the eseron near when due, Borrower shall pay to Lender.

Lean pay to the leanes of the deficiency in one or more payments as required by Lender.

Leanes are full of all same secured by this Security Institution, Lender shall promptly refund to Borrower any from pay to the leanes secured by this Security Institution, Lender shall promptly refund to Borrower any built by the leanes secured by the payment Lender shall promptly refund to London. at Borrower's opinion, enther promptly, repaid to Borrower or credited to Borrower on monthly payments of Funds. If the due dates of the escrew nems; shall exceed the amount required to pay the escrew nems when due, the excess shall be:

the ansona of the Burds held by Lender, regeliter with the future monthly payments of the black payable prior to the debit to me blands was made. The Funds are pledged as additional security for the same secured by this Security Instrument. without charge, an annual accounting of the Funds showing credits and debus to the Funds and the purpose for which each to be paid. Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, Lender pays Horrower interest on the Finds and applicable law permits Lender to make such a charge. Borrower and Lender and agreement is made or applicable law requires interest ssajun πείμου πόρος οις φοίρες τος μορομαίος με μεταθέντας περοσιάνεται σε σερένει σε με καιών παίμε παίμε παίμ stranie general de volum de la conder de secondaria de condensation de la condensation de cond

The bunds shall be held in an institution the deposits of accounts of which are insured or guaranteed by a federal isman words danta to summined althnosida and and increas to siste out no cub

edo yeardy mortgage institute premiums, it any. These items are called "esorow nems." Lender may estimate the Funds paktomour) (ja čentý jerechoje bežmente 12. žvonůe tente ou me probětíř) u míží (e) žentý, prvnty mantanée břeminum Kurnoog stip 10x0 Kipond within Kum ipnih καιροή (μπουιαιοχοδ Κά posodiu) stromssosse pun soxra (έμπος) το 100 μηροκοίουσ 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") equal to

indebtedness evidenced by the Note and any prepayment and late charges due under the Note. 1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the

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

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9. 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 lieu of condemnation, are hereby assigned

and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages. Borrower fails to respond to Lender within 30 days after the date the notice is given. Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property

or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any applications 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 such payments.

10. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for 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 successors 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.

11. 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 be joint and several. Any Borrower who co-signs this Security Instrument but does not co-cete 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 accommodator swith regard to the terms of this Security Instrument or the Note without that Borrower's

consent.

12. Loan Charges. If the logal secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, there (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any such loan charge shall be reduced by the amount necessary to reduce the refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. Legislation Affecting Lender's Rights. If east ment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument uneaforceable according to its terms. Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option. Lender shall take the sleps specified in the second paragraph of paragraph 17.

14. 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 un ther 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 must to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Porsower or Lender when given as provided in this paragraph.

15. 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.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold, assigned or transferred and Borrower is not a natural person) or if Borrower enters into Articles of Agreement for Deed or any agreement for installment sale of the Property or the beneficial interest in Borrower (and Borrower is not a natural person) without Lender's prior without consent. Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. To sever, this option of all not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all a uns secured by this Security Instrument. If Borrower fails to pay these sams prior to the expiration of this period. Lender may invoke

any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of, (a) 5 days for such other period as 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, tar pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration 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 tien 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 paragraphs 13 or 17

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

19. 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 paragraphs 13 and 17 unless applicable law provides otherwise). This 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 rotice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence 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

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Please Return To: Citicorp Savings of Illinois 60056 P.O. Box 442, Mount Prospect, Illinois 60056

VCCORRI REWEEK 00054518 Space Below. Proc Line Reserved for Lender and Recorders Given under my hand and official seal, this 1889, Communication expires Newstrekens (M. Communication expires market and communication of the communication throl to missoft sovograd has viva off for them granulov has 551.5454322 vs. momentum has oft hospitals has bongiv personally known to me to be the same Personest whose namers) do hereby certify that DALE L. RUST AND MARY JO RUST, HIS WI'E county bubble in and for said county and state. the undersigned iss dr.poj STATE OF ILLIVOIS, has executed this Mongage IN WITNESS WHEREOF, Borr and in any rideress executed by Borrower and recorded with it. BY SIGMAN, a sorrower accepts and agrees to the terms and covenants contained in this Security Instrument X. Others Append Adjustable Rate Loan Convertible Rider Graduatid Payment Rider Planned Unit Development Rider 19bi Ramily Rider Condominium Rider X. Adjustable Rate Rider [Check adducting a special] supplement the covenants and agreements of this Security Instrument as it the riderty were a part of this Security Instrument. this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and 23. Biders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with 22. Waiver of Homestead. Borrower warves all right of homestead exemption in the Property. Notwithstanding the foregoing Borrower shall pay his cross of recordation, it any

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior cytics expiration of any period of redemption following judicalisals. Lender on person by judicality appearance receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the receiver shall be applied first to payment of the costs of including mose past due. Any costs collected by Lender or the receiver shall be applied first to payment of the costs of including mose past due. Any costs collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's feets on receiver's bonds and reasonable attention.

21. Release. Upon payment of all sams secured by this Security Instrument.

22. Release. Upon payment of all sams secured by the Security Instrument.

23. Actions of the Security Instrument in the Pederal Home Lender shall release this Security Instrument in the Pederal Santonal Monter of preparation and delivery of a release deed. Borrower and Lender agree that if the Pederal Santonal Monter and property of the same of the Security Instrument is an elease deed. Borrower and Lender agree that the Pederal Santonal Monter and property of a release deed shall be without charge. Lender's interest under this Security Instrument, such preparation and delivery of a release deed shall be without charge.

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 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

#### **ADJUSTABLE RATE** LOAN RIDER ..

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Citicorp Savings of Illinois A Federal Savings and Loan Association

000545418

NOTICE: The Security Instrument secures a Note which contains a provision allowing for changes in the interest rate. Increase													
in the interest rate will r	esult in hig	her payment	ts. Decreases in the in	terest rate will res	ult in lower payments.								
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	rest rate will result in higher payments. Decreases in the interest rate will result in lower payments.
This Rider	is made this 15th day of November , 19 84 , and is incorporated into and shall be deemed
	and supplement the Mortgage, Deed of Trust, or Deed to secure Debt (the "Security Instrument") of the same date given by signed (the "Borrower") to secure Borrower's Note to
	Citicorp Savings of Illinois, A Federal Savings and Loan Association
	der") of the same date (the "Note") and covering the property described in the Security Instrument and located at
(tile Delli	2008 Butternut Lane, Northbrook, Illinois 60062
	Property Address
MODIFIC	ATIONS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further
	and agree as .oli )ws:
A. Interes	t Rate and Mont ily Payment Changes
	te has an "Initial Interest Rate" of 11.125 %. The Note interest rate may be increased or decreased on the
day of	the month beginning on December 1st , 19.85 and on that day of the month every 12
month(	(s) thereafter.
Change	s in the interest rate are governed by changes in an interest rate index called the "Index". The Index is the: [Check one
box to	indicate Index.]
(1) 🖾	The weekly average yield on United States freasury securities adjusted to a constant maturity of one year, as made avail-
	able by the Federal Reserve Board. Five and One-Eighth
	In no event over the full term of the Note will the interest rate be increased or decreased more than percentage
	points (5.125 %) from the Initial Rate of in terest.
	Before each Change Date the Note Holder will calculy to the new interest rate by adding Two and One-Halfpercentage
	points (2,50, %) to the Current Index. However, the rate of interest that is required to be paid shall never be in-
	creased or decreased on any single Change Date by more than <u>Two</u> percentage points ( %) from the
	rate of interest currently being paid.
(2) ∐*	Other:
	· CA
if the l	nterest rate changes, the amount of Borrower's monthly payments will change as promaed in the Note. Increases in the
	rate will result in higher payments. Decreases in the interest rate will result in lower payments.
B, Loan C	hanges I be that the loan secured by the Security Instrument is subject to a law which sets maximum loan cultiges and that law is
interore	eted so that the interest or other loan charges collected or to be collected in connection with the loan y ould exceed permitted
limits.	If this is the case, then: (A) any such loan charges shall be reduced by the amount necessary to reduce the charge to the per-
	limit; and (B) any sums already collected from Borrower which exceeded permitted limits will be refund & to Borrower.

C. Prior Liens

If Lender determines that all or any part of the sums secured by this Security Instrument are subject to a lien which has priority over this Security Instrument, Lender may send Borrower a notice identifying that lien. Borrower shall promptly act with regard to that lien as provided in paragraph 4 of the Security Instrument or shall promptly secure an agreement in a form satisfactory to Lender subordinating that lien to this Security Instrument.

D. Transfer of the Property

If there is a transfer of the Property subject to paragraph 17 of the Security Instrument, Lender may require (1) an increase in the current Note interest rate, or (2) an increase in (or removal of) the limit on the amount of any one interest rate change (if there is a limit), or (3) a change in the Base Index figure, or all of these, as a condition of Lender's waiving the option to accelerate provided in paragraph 17.

By signing this, Borrower agrees to all of the above.

If more than one box is checked or if no box is checked, and Lender and Borrower do not otherwise agree in writing, the first Index named will apply.

(Seal) — Borrower

Horrower

(Seal) 'Jヿ

# 85 268 32

# ADJUSTABLE RATE NOFFICIAL COPYCORP SAVINGS CONVERTIBLE RIDER

THIS CONVERTIBLE LOAN RIDER is made this
Citicorp Savings of Illinois, A Federal Savings and Loan Association
(the "Lender") of the same date and covering the property described in the Security Instrument and located at:
2000 7 55-44 5 1-4- 20011-4-1 1111-4 (00/0
2008 Butternut Lane, Northbrook, Illinois 60062 (Property Address)
(Property Address)
The Adjustable Note contains provisions allowing for changes in the interest rate. If the interest rate increases, the Borrower's monthly payments will be higher. If the interest rate decreases, the Borrower's monthly payments will be lower. On every Change Date, Borrower may convert the adjustable rate loan into a fixed rate, level payment, fully amortizing loan or into an adjustable rate loan with a different Change Date period.
ADDITIONAL COVERANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:
A. INTEREST RATE AND MONTHLY DAYMENT CHANGES The Note provides for an initial interest rate of 11.125 G. Section 4 of the Note provides for changes in the interest rate and the monthly payments, as follows:
4. INTEREST RATE AND MONTHLY PAYMENT CHANGES
(A) Change Dates  The interest rate I will pay may change on the first day of
(B) The Index  Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of year(s), as made available by the Federal Reserve Board. The most recent Index figure available as of the date 60 days before each Change Date is called the "Current Index".

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding Two and One-Half percentage points (2.50 %) to the Current Index.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal balance of my loan I am expected to owe on the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation is called the "Full Payment Amount", and it will be the new amount of my monthly payment, subject to subsection (D) below.

(D) Limits on Interest Rate Changes

If checked below, the Note provides for certain limits on interest rate changes:

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- (i) The rate of interest I am required to pay shall never be increased or decreased on any single Interest Change Date by more than \_2.00\_\_\_ ? from the rate of interest I have been paying for the preceeding \_12\_\_ months.
- [1] (ii) My interest rate will never increase more than 5.125 9 from the rate established in Section 2.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will mail or deliver to me a notice of any changes in the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any questions I may have regarding the notice.

#### B. BORROWER'S OF TION TO CONVERT

Borrower may, at Borrower's ontion, modify the repayment terms of the indebtedness on every Change Date. At that time, Borrower may convert the Adjustable Rate Loan into: (i) a fixed interest rate loan to be fully amortized over a reduced (e) n, of 15 years, (ii) a fixed interest rate loan to be fully repaid in equal monthly payments of principal and interest over the remaining term of the loan; or (iii) an Adjustable Rate Loan with a different Change Date period.

Borrower may choose the option to convert if the following conditions are met: (i) the adjustable rate loan is not currently in foreclosure or default; (ii) the adjustable rate loan payments are current as of 45 days prior to the effective conversion date; and, (iii) there have not been two or more late charges in the twelve (12) months prior to the effective conversion date.

In addition, Borrower may only choose the option to convet (15% fixed interest rate loan to be fully repaid in equal monthly payments of principal and interest over a reduced term or fifteen (15) years (180 months), upon a review of Borrower's credit information to determine if it meets the Lender's normal credit standards for this type of loan.

#### C. LENDER'S NOTICE TO BORROWER

Lender's Notice of Changes to Borrower pursuant to the Adjustable Rate Note given prior to each Change Date shall also contain the following additional information pertaining to Borrower's option to convert:

- (i) the fixed interest rate payable by Borrower if Borrower converts to one of the fixed interest rate loan, and the amount of Borrower's new monthly payments at the fixed rates of interest; and
- (ii) the interest rates for each alternate adjustable rate loan payable by Borrower if Borrower converts to another adjustable rate loan, and the amount of Borrower's new monthly payment at each interest rate for each adjustable rate loan; and
- (iii) a date, not more than 15 days from the date the notice is given, by which Borrower must execute and deliver to Lender a document in the form required by Lender evidencing the modification of the Note to provide for either a fixed interest rate loan or an adjustable rate loan with a different Change Date period.

### D. SELECTION OF FIXED RATE OR ALTERNATIVE ADJUSTABLE RATE LOAN AND MONTHLY PAYMENT ADJUSTMENT

Lender shall set the interest rates payable by the Borrower 45 days prior to the Conversion Date as follows:

the fixed interest rate of loans for the remaining term is the sum of the current Federal Home Loan Mortgage Corporation's Required Net Yield for 60-day delivery of 30 year, fixed rate mortgages plus Five-Eighth's (-.625 - G).

#### **ADJUSTABLE RATE** NOTES -CONVERTIBLE RIDER

(continued) page 3

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(ii) the fixed interest rate of loans for the remaining term or fifteen (15) years (180 months), whichever is less, is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 7 years, plus (2.50 - 9) as made available by the Federal Reserve Board.

mortgage. The	year(s), plus rate of interest will ne 2,00 % from	ver increase	or decrease o	n any sub	sequent Change Date b	) 5
	yearts), plus _					
mortgage. The	rate of interest will ne	ver increase	or decrease o	n any sub	sequent Change Date b	Y
mc.e than		the rate of i	nterest paid	in the pri	eceeding 36	_
months.						
•5	yçar(s) plus _	2.25	% for a _	5	year adjustable rat	e
	rate of interest will ne		or decrease o	n any sub	sequent Change Date b	٤
more than		nis rate.				
•	vear(s), plus _	2.25	% for a	77	vear adiustable rat	ι€
mortgage. The	rate of interest will ne	ver increase	or decrease o	n any subs	sequent Change Date b	Ŋ
	4.00 % from th			J	•	•
•10	year(s), plus _	2.25	% for a	10	year adiustable rat	E
mortgage. The	rate of interest will ne	ver increase	redecrease o	n any subs	sequent Change Date b	ķ
			7%		<b>3</b>	#
					established in Section	_

If any of the indexes are no longer available, the Lender will choose new indexes which are based on comparable information. The new interest rate will become effective on the Conversion Date if the Borrower chooses to convert.

Borrowers monthly payments at the new interest rate will begin as of the first monthly payment after the Conversion Change Date. The monthly payment will be the amount that is necessary to repay in full the principal Borrower is expected to owe on the Conversion Change Date in substantially equal payments by the maturity date at the new interest rate.

#### E. BORROWER'S ELECTION NOT TO CONVERT

Borrower must execute and deliver to Lender the document evidencing the modification of the Note within the period set in Lender's notice as provided in paragraph H above. If Borrower does not do this within the specified date, Borrower can no longer exercise the option to convert. In this case, the terms of Borrower's Note will continue in effect without any change.

#### F. CONVERSION FEE

Borrower agrees to pay the Lender at the time the document evidencing the modification of the Note is executed and delivered a nonrefundable conversion fee equal to \_One\_Half Per Cent \_\_\_\_ (\_\_\_\_50\_%) of the unpaid principal balance as of the Change Date or \$.500.00. whichever is greater.

#### **ADJUSTABLE RATE** CONVERTIBLE RIDER UNOFFICIAL COPY (continued) page 4

#### G. EFFECTIVENESS OR PROVISIONS

Upon Borrower's delivery of the executed modification of the Note, paragraph A above shall cease to be effective.

In Witness Whereof, Borrower has executed this Convertible Loan Rider.

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(Sign Original Only)