

UNOFFICIAL COPY

This instrument was prepared by:

KENNETH KORANDA

(Name)

40 WEST 47TH ST.

(Address)

WESTERN SPRINGS, IL 60558

Mail to.

86208310

BOX 333-CA

ADJUSTABLE RATE JUNIOR MORTGAGE FOR MIDAMERICA FEDERAL SAVING'S CAP LOAN

THE INTEREST RATE AND MONTHLY PAYMENT ARE ADJUSTED ANNUALLY

THIS MORTGAGE is made this 21st day of MAY 19 86, between the Mortgagor, JEFFREY D. BRANSKY AND LAUREL A. BRANSKY HUSBAND AND WIFE

(herein "Borrower"), and the Mortgagee, MidAmerica Federal Savings & Loan Association, a corporation organized and existing under the laws of the United States of America, whose address is 40 WEST 47TH ST., WESTERN SPRINGS, IL 60558 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the "Current Principal Sum" of THIRTY-THREE THOUSAND AND NO/100 (\$33,000.00) Dollars, which indebtedness is evidenced by Borrower's Adjustable Rate Note dated 05/21/86 (herein "Note"), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on JUNE 1, 2001

Terms and provisions of said Note secured by this Mortgage, provide for increasing the Current Principal Sum stated above by adding to said indebtedness all Future Advances including advances to secure the performance of the Borrower's obligations contained herein, which Future Advances are made to the Borrower at the Lender's option prior to release of this Mortgage.

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon, all Future Advances, including advances to secure performance of the Borrower's obligations contained herein, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of COOK, State of Illinois:

LOT 15 IN BLOCK 9 IN LAGRANGE, A SUBDIVISION OF THE EAST 1/2 OF THE SOUTH WEST 1/4 AND THAT PART OF THE NORTH WEST 1/4 LYING SOUTH OF CHICAGO, BURLINGTON AND QUINCY RAILWAY EXCEPT THAT PORTION THEREOF KNOWN AS ROBBVILLE IN SECTION 4, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 18-04-311-003-0000 No.

COOK COUNTY, ILLINOIS

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which has the address of 233 S. KENSINGTON, LA GRANGE, (City)

ILLINOIS 60525 (herein "Property Address"); (State and Zip Code)

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 now 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 (or the leasehold estate if this Mortgage is on a leasehold) are herein-referred to 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, 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.

09888-85-01

A. DESCRIPTION OF THE ADJUSTABLE RATE NOTE WHICH THIS MORTGAGE SECURES

1. It is the intent of the Borrower and Lender to enter into a mortgage loan governed by the provisions of Title 12, Code of Federal Regulations, Section 545.33(e).

2. By the terms of the Note the Borrower is indebted to the Lender for the original principal sum stated on the first page of this Mortgage, together with any additional sums added to principal by reason of Future Advances authorized herein.

3. Said indebtedness is evidenced by Borrower's Adjustable Rate Note of even date (herein "Note") providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on the final payment date stated on the first page of this Mortgage which date shall not exceed forty (40) years from the date of the Note.

4. The Borrower has the right to prepay at any time in full or in part, the unpaid principal balance of the loan which is secured by this Mortgage.

5. Interest Rate and Monthly Payment Changes

The Note provides for an initial interest rate of 9.000%. The Note provides for changes in the interest rate and the monthly payments, as follows:

(A) Change Dates

The interest rate Borrower will pay may change on the first day of JUNE, 19 87, and on that day every 12th month thereafter. Each date on which Borrower's interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, Borrower's 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 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 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 Borrower notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate Borrower's new interest rate by adding THREE percentage points (3.000%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one eighth of one percentage point (0.125%). Subject to the limits stated in Section 5 (D) below, this rounded amount will be Borrower's new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the maturity date at Borrower's new interest rate in substantially equal payments. The result of this calculation will be the new amount of Borrower's monthly payment.

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than 11.000% or less than 7.000%. Thereafter, Borrower's interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest Borrower has been paying for the preceding twelve months. Borrower's interest rate will never be greater than 15.000%.

(E) Effective Date of Changes

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

(F) Notice of Changes

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

6. The Note which this Mortgage secures provides that the Borrower may not be charged any cost or fees in connection with regularly scheduled adjustments to the interest rate, the monthly installment, the outstanding principal balance or the loan term.

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

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note and late charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Mortgage.

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 installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Mortgage, and ground rents on the property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional lender.

If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay Lender any amount necessary to make up the deficiency within 30 days from the date notice is mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 17 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

4. **Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Borrower's covenants to make payments when due. Borrower shall promptly pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any.

5. **Hazard 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 such other hazards as Lender may require and in such amount and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender, provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier.

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