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COOK COUNTY, ILLINOIS  
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1987 DEC 21 PM 3:05

87668874

LOAN NUMBER 09-58-71616

(Space Above This Line For Recording Data)

## MORTGAGE

\$16.00

THIS MORTGAGE ("Security Instrument") is given on DECEMBER 14,  
19 87 The mortgagor is HERMANN J. SCHNEIDER AND CHRISTINE SCHNEIDER HIS WIFE  
CHRISTINE *SCHNEIDER*

("Borrower") This Security Instrument is given to SEARS MORTGAGE CORPORATION

which is organized and existing under the laws of THE STATE OF OHIO  
300 KNIGHTSBRIGE PARKWAY #500 LINCOLNSHIRE, ILLINOIS 60069 , and whose address is

("Lender").

Borrower owes Lender the principal sum of ONE HUNDRED FORTY FIVE THOUSAND DOLLARS AND NO/100

Dollars (U.S. \$ 145,000.00

). 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 JANUARY 1, 2018. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (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 4 IN BLOCK 3 IN SUNSET RIDGE FARMS UNIT NO. 1, BEING A SUBDIVISION  
OF PART OF SECTION 26, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD  
PRINCIPAL MERIDIAN, AND A RESUBDIVISION OF PART OF LOTS 3 AND 4 IN  
SUNSET RIDGE ESTATES, IN COOK COUNTY, ILLINOIS.

G-A-O

PERMANENT INDEX NUMBER 01 26 402 004 0000 (9)  
VOLUME NUMBER 001

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which has the address of

8 BUCKTHORN  
(Street)

SOUTH BARRINGTON

Illinois 60010  
(Zip Code)

("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 rights and stock and all 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 combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

# UNOFFICIAL COPY

STATEWIDE TITLE COMPANY

755 N QUENTIN ROAD  
PALATINE IL 60067

SCHAUERBERG, ILLINOIS 60183  
1834 WADDELL OFFICE SQUARE ST 200  
SEARS MORTGAGE CORPORATION

MAIL TO:  
CATHERINE FRAZER

NON-UNIFORM FORMS  
My Commission expires: 1 GS-58

Given under my hand and official seal, this

set forth.

signed and delivered the said instrument as free and voluntary act, for the uses and purposes herein  
subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that + he  
personally known to me to be the same person(s) whose name(s) are

do hereby certify that He-Man & Schneiders and Christopher J. Schneiders, his wife  
, Notary Public in and to said county and state,

I, He-Man & Schneiders

STATE OF ILLINOIS, COOK

County is:

(Space Below This Line for Acknowledgment)

-Borrower  
(Seal)

19  
day of  
198

198

87668874

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

Instrument and in any rider(s) executed by Borrower and recorded with it.

Other(s) (Specify)

Graduated Payment Rider

Planned Unit Development Rider

Condominium Rider

Family Rider

Adjustable Rate Rider

Fixed Rate Rider

24 Month Rider

36 Month Rider

48 Month Rider

60 Month Rider

72 Month Rider

84 Month Rider

96 Month Rider

108 Month Rider

120 Month Rider

132 Month Rider

144 Month Rider

168 Month Rider

180 Month Rider

192 Month Rider

216 Month Rider

240 Month Rider

252 Month Rider

264 Month Rider

276 Month Rider

288 Month Rider

300 Month Rider

312 Month Rider

324 Month Rider

336 Month Rider

348 Month Rider

360 Month Rider

372 Month Rider

384 Month Rider

396 Month Rider

408 Month Rider

420 Month Rider

432 Month Rider

444 Month Rider

456 Month Rider

468 Month Rider

480 Month Rider

492 Month Rider

504 Month Rider

516 Month Rider

532 Month Rider

544 Month Rider

560 Month Rider

576 Month Rider

592 Month Rider

608 Month Rider

624 Month Rider

640 Month Rider

656 Month Rider

672 Month Rider

688 Month Rider

704 Month Rider

720 Month Rider

736 Month Rider

752 Month Rider

768 Month Rider

784 Month Rider

800 Month Rider

816 Month Rider

832 Month Rider

848 Month Rider

864 Month Rider

880 Month Rider

896 Month Rider

912 Month Rider

928 Month Rider

944 Month Rider

960 Month Rider

976 Month Rider

992 Month Rider

1008 Month Rider

1024 Month Rider

1040 Month Rider

1056 Month Rider

1072 Month Rider

1088 Month Rider

1104 Month Rider

1120 Month Rider

1136 Month Rider

1152 Month Rider

1168 Month Rider

1184 Month Rider

1196 Month Rider

1212 Month Rider

1228 Month Rider

1244 Month Rider

1260 Month Rider

1276 Month Rider

1292 Month Rider

1308 Month Rider

1324 Month Rider

1340 Month Rider

1356 Month Rider

1372 Month Rider

1388 Month Rider

1404 Month Rider

1420 Month Rider

1436 Month Rider

1452 Month Rider

1468 Month Rider

1484 Month Rider

1500 Month Rider

1516 Month Rider

1532 Month Rider

1548 Month Rider

1564 Month Rider

1580 Month Rider

1596 Month Rider

1612 Month Rider

1628 Month Rider

1644 Month Rider

1660 Month Rider

1676 Month Rider

1692 Month Rider

1708 Month Rider

1724 Month Rider

1740 Month Rider

1756 Month Rider

1772 Month Rider

1788 Month Rider

1804 Month Rider

1820 Month Rider

1836 Month Rider

1852 Month Rider

1868 Month Rider

1884 Month Rider

1900 Month Rider

1916 Month Rider

1932 Month Rider

1948 Month Rider

1964 Month Rider

1980 Month Rider

1996 Month Rider

2012 Month Rider

2028 Month Rider

2044 Month Rider

2060 Month Rider

2076 Month Rider

2092 Month Rider

2108 Month Rider

2124 Month Rider

2140 Month Rider

2156 Month Rider

2172 Month Rider

2196 Month Rider

2212 Month Rider

2228 Month Rider

2244 Month Rider

2260 Month Rider

2276 Month Rider

2292 Month Rider

2308 Month Rider

2324 Month Rider

2340 Month Rider

2356 Month Rider

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2916 Month Rider

2932

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UNIFORM COVENANT SECURITY AGREEMENT AND DEED OF TRUST

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") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. 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. 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 the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

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 19 the Property is sold or 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 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 late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

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 forfeiture of any part of the Property; 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 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 for which Lender requires insurance. This insurance shall be maintained in the amounts and 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.

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 19 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. **Preservation and Maintenance of Property; Leaseholds.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the Property; Mortgage Insurance.** 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 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.

**"A CHARGE ASSESSED BY LENDER IN CONNECTION WITH BORROWER'S**

**ENTERING INTO THIS SECURITY INSTRUMENT TO PAY THE COST OF AN  
INDEPENDENT TAX REPORTING SERVICE SHALL NOT BE A CHARGE FOR  
PURPOSES OF THE PRECEDING SENTENCE."**

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18. Borrower's Right to Remonstrate. 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 (or such other period as applicable law may specify for remonstrance) before sale of the Property pursuant to any power of sale contained in this Security instrument; or (b) entry of a judgment enjoining this Security instrument. Those conditions are that Borrower: (a) pays Lender all sums which he would be due under this Security instrument and the Note had no acceleration accrued; (b) uses any default of any other debt under this Security instrument to pay all expenses incurred in connection with the enforcement of any agreement or instrument of which he is a party; (c) pays all expenses incurred in connection with this Security instrument; or (d) fails to make timely payment of any sum required by this Security instrument to pay Lender all sums which he would be due under this Security instrument and the Note had no acceleration accrued.

11. **Debt Securities** exercisers thus option, under this notice, may exercise a portion of their security instrument prior to the date of mailing within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

performed) without Lennder's prior written consent. Lennder may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lennder if exercise is prohibited by general law as of the date of this Security Instrument.

16. Borrower shall be given one conformed copy of the Note and of this Security Instrument.  
Notice the debtors to be severable.

17. Transferor 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 or transferred and Borrower is not a natural person) the transferor 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 or transferred and Borrower is not a natural person) the transferor of the Property or a Beneficial Interest in Borrower.

whole communities with applicable law, such commercial users may select other provisions of this Security Instrument and the which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the

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 of this Security Instrument or the Note is held to be illegal or unenforceable, such provision shall be deemed severable from the remainder of the Note.

mailing it by first class mail unless otherwise required by law. The notice shall be directed to the address of another method. Any notice given to Lender by Borrower or any other address by registered mail to Lender's address set forth in the Note or in this instrument shall be deemed to have been given to Lender to Borrower. Any notice provided for in this instrument shall be given to Lender to Borrower or to either when given as provided

13. **Deployment**: After the Note of this Security Instrument is signed, it will be delivered to the other party.  
14. **Notices**: Any notice or information provided for in this Security Instrument shall be given by delivery or by  
15. **Remedies**: Any provision of the Note of this Security Instrument concerning remedies, at its election,  
16. **Entire Agreement**: This Security Instrument is the entire agreement between the parties and  
17. **Graph**: The Note of this Security Instrument is handwritten and typed, and both versions are  
18. **Law**: The Note of this Security Instrument is governed by the laws of the State of California.

12. **Loan Charges.** If the loan secured by this security instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the lender or other loan charges collected in connection with the loan exceed the permitted limits, then (a) any such loan charges collected by the lender will be reduced by the amount necessary to reduce the charge to the permitted limit, and (b) any sums already collected from the borrower under the note or by making a direct payment to the lender will be reduced by the amount necessary to reduce the charge to the permitted limit.

that Borrower's instruments in the property and the terms of this Security Instrument, (c) is the Borrower may agree to extend, modify, forbear or make any accommodations which regard to the terms of this Security Instrument or the Note without the same security instrument, and (d) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations which regard to the terms of this Security Instrument or the Note without their Borrower's consent.

11. Successors and Assignees; Joint and Several Liability; Co-Signers. The covenants 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 of Lender and Borrower, who co-signs this Security instrument but does not execute the Recite; (1) is co-signing this Security instrument only to mortgage, grant or convey his security interest in his Security instrument to Lender, and (2) is not responsible for any other obligation of Borrower.

by the original Borrower or his Securitily Instrument made by the original Borrower or his Securitily Instrument in exercise of any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

10. Borrower, Not Releasable, Not Releasable By Lender Not A Waiver. Extension of the time for payment of principal or interest or any other sum due under this Note shall not affect the liability of the Borrower to pay such amounts when due according to the terms of this Note.

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

If the Borrower is abandoned by a Lender or if, after notice by Lender to Borrower that the condominium offers to pay to Borrower, or if, after notice by Lender to Borrower that the condominium offers to make an award under Article 8 of the Damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect the proceeds, at its option, either to repossess or repart of the property of Borrower.

In the event of a total taking of the Property, the proceeds shall be applied to the sums received by this Security assignee and paid to Lender.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with the condemnation of any part of the property, or for conveyance in lieu of condemnation, are hereby shall give Borrower notice at the time of or prior to an inspection specifically reasonable cause for the condemnation.

However, such pay-the-premiums required to minimize the difference in effect, until such time as the requirements for the insurance companies to do so are met, will result in many more people buying insurance than ever before.

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Loan No. 09-58-71616

## SEARS MORTGAGE CORPORATION

### ADJUSTABLE RATE RIDER (1 YEAR TREASURY INDEX-RATE CAPS)

THIS ADJUSTABLE RATE RIDER is made this 14<sup>TH</sup> day of DECEMBER 1987 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to Sears Mortgage Corporation (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

8 BUCKTHORN SOUTH BARRINGTON, ILLINOIS 60010  
(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND MONTHLY PAYMENTS. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWERS 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:

#### A. INTEREST AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 7.75 %. The Note provides for changes in the interest rate and 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 JANUARY 1, 1989 and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

###### (B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the monthly 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 me notice of this choice.

###### (C) Calculation of Interest Rate Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding TWO AND 75/100THS percentage points 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 4(D) below, this rounded amount will be my 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 I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

###### (D) Limits On Interest Rate Changes

The interest rate I am required to pay at the first Interest Change Date will not be greater than 9.75 % or less than 5.75 %. Thereafter, my interest rate will never be increased or decreased on any single Interest Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 12.95 %.

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Loan No. 09-58-71616

## (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 deliver or mail to me a notice of any changes in my interest rate and 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 my question I may have regarding the notice.

## B. Transfer Of The Property Or A Beneficial Interest In Borrower

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

"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 or transferred and Borrower is not a natural person), Borrower shall cause to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee. If the intended transferee meets Lender's qualification and underwriting criteria to be approved for a new loan as well as all closing conditions, Lender shall allow the assumption to occur. If the intended transferee fails to meet Lender's qualification and underwriting criteria to be approved for a new loan as well as all closing conditions, the Lender will not allow the assumption. Lender may require immediate payment in full of all sums secured by the Security Instrument if Lender, following the guidelines set forth above, can not approve the transferee or the transferee fails to meet all closing conditions and therefore Lender does not allow the assumption, but Borrower nevertheless proceeds with the sale or transfer to an unapproved transferee."

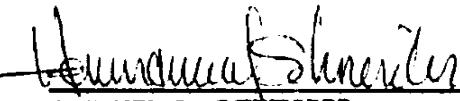
"To the extent permitted by applicable law, Lender may charge a reasonable assumption fee as a condition to Lender's consent to any loan assumption. That assumption fee shall be in an amount not greater than one percent (1%) of the outstanding principal balance of the loan as of the date of the sale or transfer. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. That assumption agreement shall contain a provision under which the maximum interest rate of the loan as specified in Section 4(D) of the Note will be changed so that subsequent interest rate adjustments shall result in an interest rate that is the greater of interest rate in effect at the time of the loan assumption plus 5 percentage points or 12.95."

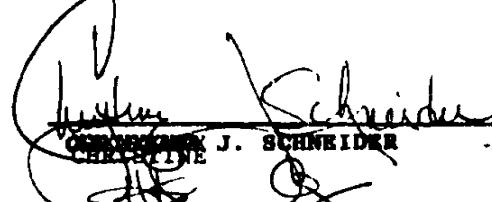
"If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower."

By Signing Below, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

  
\_\_\_\_\_  
-Witness

  
\_\_\_\_\_  
-Witness

  
\_\_\_\_\_  
HERMANN J. SCHNEIDER  
-Borrower

  
\_\_\_\_\_  
HERMANN J. SCHNEIDER  
-Borrower

82889624