RECORD AND RETURN TO: CITY FEDERAL SAVINGS BANK C/O CITYFED MORTGAGE COMPANY 100 NORTHWEST POINT ELK GROVE VILLAGE, IL 60007

Elaine Benes

88416235

SILl

PREPARED BY:

This Line For Recording Data LOAN NUMBER: 4737865

BORROWER: SAUCEDO

MORTGAGE

PROGRAM: D44

THIS MORTGAGE ("Security Instrument") is given on AUGUST 15, 888416235 The mortgagor is JESUS SAUCEDO, UNMARRIED

("Borrower"). This Security Instrument is given to City Federal Savings Bank, which is organized and existing under the laws of the United States of America, and whose address is 125 BELMONT DRIVE IN

SOMERSET. NEW JERSEY 08873 (Lender"). Borrower owes Lender the principal sum of SEVENTY FOUR THOUSAND AND Pollure (ILS S 74.000.00). To 74,000.00). This 00/100 debt is evidenced by Forrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full dept, if not paid earlier, due and payable on SEPTEMBER 01, 2018 Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals. extensions and modification; (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 7 (EXCEPT THE EASTER'S 3.75 PEET AS MEASURED ALONG THE NORTHERLY AND SOUTHERLY LINES THEREOF) AND LOT 8 (EXCEPT THE WESTERLY 11.75 FEET AS MEASURED ALONG THE NORTHERLY AND SOUTHERLY LINES THEREOF) IN BLOCK 11 IN FRACK A. GAGE'S ADDITION TO FRANKLIN PARK A SUBDIVISION OF THE SOUTH WEST 1/4 OF THE SOUTH WEST 1/4 OF SECTION 22, AND THE SOUTH EAST 1/4 OF THE SOUTH WEST 1/4 OF SECTION 21, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

12 21 425 022 0000 PERMANENT TAX NUMBER:

\$18.25

TRON 2184 09/13/88 11:32:00 191444

*-88--416235 8393S & X

erm. Charla exercer

9632 PACIFIC AVE.

PRANKLIN PARK

which has the address of

(Street)

60131

("Property Address");

Illinois

TOGETHER WITH all the improvements now or hereafter creeted 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.

ILLINOIS—Single Family—FHMA/FHLMC UNIFORM INSTRUMENT

[Zo Code]

Form 3014 12/83

88416235

UNOFFICIAL COPY

"OFFICIAL SEAL"

Motery Public, State of Illinois
My Commission Expires Aug. 20, 1950
My Commission Expires Aug. 20, 1950

•	Laurence	CONTRACTOR OF THE PARTY OF THE	07-03 c
Shotary Public			0.p=02.8
& Went Kown.	12		My Commission expires:
1 10 4			
		and official seal, this	
act, for the uses and pur, ocs therein set forth.			and delivered the said instrume
and acknowledged thathe signed	ne me this day in person.	strument, appeared befo	ni gniogenoì edt ot bedineedue
me person(s) whose narie(s)	known to me to be the sa	, personally	egesuces rucel inti
said county and state, do hereby certify	ary Public in and for	Not E, intermedy	1. TER L. MIN
0.	County ss:	7007	STATE OF ILLINOIS .
		_	
O_{j}	C		
(Seal)	. ,		
(1002)			
(Is92)			
newormS			
(Seal)			
		2	
Hamorio6—	CESUS SAUCEDO	•	
(Seal) (Seal)	and mary	A	
		/X,	
	with it.	Danzesal nun Jawolloo	in any rider(s) executed by E
ants contained in this Security Instrument and			
			OTHER SPECIPY -
ABGIA [Yijooqa] (a)noqiO [X] 19biS na ABGIA BIAN BIBATZUCIA	Planned Unit Developmen	☐ Ride	Smyra balanated []
☐ 1-4 Family Rider	Condominium Rider	[] If 600	Adjustable Rate F
orbid with a late	Serdemining		a statemist X
A. A			[Check applicable box(es),
ider(s) were a part of this Security Instrument.	urity Instrument as if the r	agreements of this Sec	
all be incorporated into and shall amend and	ents of each such rider sh	covenants and agreem	this Security Instrument, the
cuted by Borrower and recorded together with			
veraption in the Property.			
nt, Lender shall release this Security Instrument			without charge to Borrower,
terenteted vicinos2 sidt escalm lieds selve l. to			attorneys' fees, and then to
s, premiums on receiver's bonds and reasonable			
pied first to payment of the costs of management	tor the receiver snall be app	ופתנג כטתפכנפט של בכתמב	including mose past due. Any
openy and to collect the muts of the Propenty			
r (in person, by agent or by judicially appointed			
abandonment of the Property and at any time	to 91 dgengened tobar no	ssion. Upon acceleration	20. Lender in Posse
es and costs of title evidence.	reasunable attorneys' fe	g, but not limited to,	ibuloni ,e nqengeneq sidt
ni belivorq selbemen ani gniueruq ni berru			
and may foreclose this Security Instrument			
flul ni marveq sisibammi ariupar vam noti			
o acceleration and foreclosure. If the default			
and the right to assert in the foreclosure	oiterelecce refle etertaie	wer of the right to re	shall further inform Borry
occeeding and sale of the Property. The notice			
to Borrower, by which the default must be fied in the notice may result in acceleration			
ad tauren thuchah adt daidw vd newcennen of of	novin stanitum ant atsh 9	dt mont zveh (Æ ned) :	esel ton etable (5) :1(02)9b

of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the

Мом-Циновы Соубижить. 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

UNOFFICIAL COPY =

If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender

shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

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 Lenger 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 such payments.

10. Borrower Nit Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or medification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall the 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 rino dization 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 Bould; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and Ser cht the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and ag coments shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (1) 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.

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 interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then (2) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) inv sums already collected from Borrower which exceeded permitted limits will be 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 reiunal educes principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. Legislation Affecting Lender's Rights. If enactment of expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforcable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Ins rument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps 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 another 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 mail to Lender's address stated Lerein 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 Borrower or Linder when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal in 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 I istrument 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 or transferred and Borrower is not a natural person) without Lender's prior written consent. Lender 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 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 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.

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 (or 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: (a) 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 lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

515-257-03-0686 (Bach)

INOFFICIAL

SHYLL NOT BE A CHARGE FOR PURPOSES OF THE PRECEDING SENTENCE. STYLLINI THIS SECURITY INSTRUMENT TO PAY THE COST OF AN INDEPENDENT TAX REPORTING A CHARGE ASSESSED BY THE LENDER IN CONNECTION WITH BORROWER'S ENTERING INTO

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

Lender may take action under this paragraph 7. Lender does not have to do so. Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security covernants 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 7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the

fee title shall not merge unless Lender agrees to the merger in writing. Bortower shall comply with the provisions of the lease, and if Bortower acquires fee title to the Property, the leasehold and

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, and the Property of deteriorate or commit waste.

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

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or when the notice is given.

offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the coeffer of repair of restore the Property or to pay sums secured by this Security Instrument, whether or not then due. He despends will begin or first report) damages, it are economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the same 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 Lende, that the insurance carrier has of the Property damaged, if the restoration or repair is economically seasible and Lender's security is not lessened. If the

Unless Lender and Borrower otherwise agree in writing, insurance proceeds stall be applied to restoration or repair carrier and Lender. Lender may make proof of loss if not made promptly by Borrywer.

Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender alall receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance All insurance policies and renewals shall be acceptable to Len ler and shall include a standard mortgage clause.

unreasonably withheld. insurance carrier providing the insurance shall be chosen by Bortiwer subject to Lender's approval which shall not be resurced against loss by fire, hazards included within the tern." .xterded coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the arrounts and for the periods that Lender requires. The

5. Hazard Insurance. Borrower shall keep the impro sements now existing or hereafter erected on the Property

of the giving of notice. notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days the Property is subject to a lien which may attain p.10 ity over this Security Instrument, Lender may give Borrower a agrees in writing to the payment of the out, gation recurred 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 prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an appear of the lien to this Security Instrument. If Lender determines that any part of agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender may give flortower a Borrower shall promptly discha 'ge any lien which has priority over this Security Instrument unless Borrower: (a)

receipts evidencing the payments. pay them on time directly to the paragraph. If Recover nakes these payments directly, Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Recover nakes these payments directly, Borrower shall promptly furnish to Lender Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner. Borrower shall

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain privity over this Security Instrument, and leasehold payments or ground rents, if any, Note; third, to amount: payable under paragraph 2; fourth, to interest due; and last, to principal due.

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 creating against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs I and 2 stall be applied; first, to late charges due under the Note; second, to prepayment charges due under the Note; second

any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later Upci, gayment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower

amount necessary to make up the deficiency in one or more payments as required by Lender.

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

this Security Instrument. shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpase for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law 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 state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items. The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or

basis of current data and reasonable estimates of future escrow items. 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 one-twellth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly 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

the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note. 1, Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall prompily pay when due UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

LOAN NUMBER: 47 JOSE OFFICIAL COPY BORROWER: SAUCEDO FFICIAL COPY

PROGRAM: D44

ADJUSTABLE RATE RIDER

(1 Year Treasury Index-Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 15TH day of AUGUST
. 1988, 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 CITY FEDERAL SAVINGS BANK (the "Lender") of the same date

and covering the property described in the Security Instrument and located at:

9632 PACIFIC AVE., FRANKLIN PARK, IL 60131

(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:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 8.875 %. 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 SEPTEMBER, 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 weekly average yield on United States Treasury securities adjusted to a constant maturity of I 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 Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding TWO AND SEVEN-EIGHTHS percentage points (2 875 %) 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 not 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 matrixly 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 Change Date will not be greater than 9.875 % or less than 7.875 %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than one percentage point (1.0%) from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 14.875 %.

(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 any 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

. . .

UNOFFICIAL COPY

in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender 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 Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes 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; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. 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. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

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 perio 4, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrover.

SEE ADDENDUM TO ADJUSTABLE RATE/GRADUATED PAYMENT RIDER ATTACHED HERETO AND MADE A PART HERLO?. INITIALS

BY SIGNING 3E OW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

SAUCEDO (Seal	i Psūs s
(Scal) - Borrower	
O(Seal) - Borrower	
C	
C/O/A	·

88416235

ARS1 NUMBER: UNOFFICIAL COPY

BORROWER: SAUCEDO

PROGRAM: D44

ADDENDUM TO ADJUSTABLE RATE/GRADUATED PAYMENT RIDER (Fixed Rate Conversion Option)

THIS ADDENDUM TO ADJUSTABLE RATE RIDER OR GRADUATED PAYMENT RIDER is made this day of and of AUGUST , 19 and is incorporated into and shall be deemed to amend and supplement the Adjustable Rate Rider or Graduated Payment Rider (the "Rider") to the Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), each dated the same date as this Addendum and given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note or Graduated Payment Note, with Addendum To Adjustable Rate/Graduated Payment Note, to

(the "Lender")

and dated the same date as this Addendum (the "Note"), covering the property described in the Security Instrument and located at:

[Property Address]

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument and the Rider, Borrower and Lender further covenant and agree as follows:

A. FIXED INTEREST RATE OF FION

The Note provides for the Borro ver't option to convert from an adjustable interest rate to a fixed interest rate, as follows:

1. Option to Convert to Fixed Rate

I have a Conversion Option which I can exercise unless I am in default or this Section AI or Section A3 below will not permit me to do so. The "Conversion Option" is my option to convert the interest rate I am required to pay by the Note from an adjustable rate to a fixed rate.

The conversion can only take place on the third, fourth or fifth Change Date. Each Change Date on which my interest rate can convert from an adjustable rate to a fixed rate also is called a "Conversion Date." I can convert my interest rate only on one of these three Conversion Dates.

If I want to exercise the Conversion Option, I must first meet certain conditions. Those conditions are that: (a) I must give the Note Holder notice that I am doing so at least 15 days before the next Conversion Date; (b) on the Conversion Date, I am not in default under the Note or the Security Instrument; (c) by the Conversion Date, I must pay the Note Holder U.S. S ; (d) by the Conversion Date, if an appraisal report is required by Section A3 below, the Note Holder has received the report and I have paid the appraisal fee and any amount necessary to reduce unpaid principal; and (e) I must sign and give the Note Holder any documents the Note Holder requires to effect the conversion.

2. Calculation of Fixed Rate

My new, fixed interest rate will be equal to the Federal National Mortgage Association's required net yield for 30-year, fixed rate mortgages covered by 60-day mandatory delivery commitments in effect as of the date 45 days before the Conversion Date, plus five-eighths of one percent (0.625%). If this required net yield is not available, the Note Holder will determine my interest rate by using a comparable figure. My interest rate will never be greater than 14.875 σ_0 .

3. Reduction of Principal Balance Before Conversion; Appraisal

If the unpaid principal I am expected to owe on the Conversion Date will be greater than the original principal amount of my loan, the Note Holder may require an appraisal report on the value of the property described in the Security Instrument. The appraisal report must be prepared by a qualified appraiser chosen by the Note Holder. I will pay the Note Holder a reasonable fee for this appraisal report.

DISTRIBUTION: Original--Permanent File Copy

88416235

UNOFFICIAL COPY

the appraisal report's stated value of the property securing my loan. If so, I cannot exercise the Conversion Option unless I pay the Note Holder an amount sufficient to reduce my unpaid principal to an amount equal to 95% of the stated value of the property.

4. Determination of New Payment Amount

If I choose to exercise the Conversion Option, the Note Holder will determine the amount of the monthly payment that would be sufficient to repay the unpaid principal I am expected to owe on the Conversion Date in full on the maturity date at my new fixed interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment. Beginning with my first monthly payment after the Conversion Date, I will pay the new amount as my monthly payment until the maturity date.

B. TRANSMER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

If borrower exercises the Conversion Option under the Note as stated in Section A of this Addendum To Adjustable Rate/Graduated Payment Rider, the amendment to Uniform Covenant 17 of the Security Instrument contained in the Rider shall cease to be in effect, and the provisions of Uniform Covenant 17 of the Security Instrument shall instead be in effect, 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) without Lender's prior without consent, Lender 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 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 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 Addendum To Adjustable Rate/Graduated Payment Rider.

(Seal)	do	lass Sum
-Borrower	4:	JESUS SAUCEDO
(Seal)	<u>.</u>	*******************
-Borrower	$O_{\mathcal{K}_{\kappa}}$	
(Seal) -Borrower		**************
-Borrower		
(Seal)		*************
-Borrower		,

38416235