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PREPARED BY:  
QUALITY DOCUMENT PROCESSING  
1211 VISTA DRIVE  
WILMINGTON, ILLINOIS 60481

RETURN TO:  
AMERIFED FEDERAL SAVINGS BANK  
NUMBER FOUR PLAZA  
PARK FOREST, ILLINOIS 60456



DEPT-01 RECORDING  
18222 TRAN 5919 11/22/08 1644100  
937.2  
COOK COUNTY RECORDER

CF 26052 2008

(Space Above This Line For Recording Date)

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on NOVEMBER 21 19 88 The mortgagor is RANDALL L. DRAHOS AND JERI L. DRAHOS, HUSBAND AND WIFE

("Borrower"). This Security Instrument is given to AMERIFED FEDERAL SAVINGS BANK

which is organized and existing under the laws of THE UNITED STATES OF AMERICA, and whose address is NUMBER FOUR PLAZA, PARK FOREST, ILLINOIS 60456

("Lender").

Borrower owes Lender the principal sum of THIRTY FIVE THOUSAND AND NO/100-----

-----Dollars (U.S. \$ 35,000.00-----). 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 DECEMBER 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 6 IN CREEKSIDE SUBDIVISION PHASE 1 BEING A SUBDIVISION OF PART OF THE SOUTH WEST 1/4 OF SECTION 17, TOWNSHIP 35 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN #31-17-303-001

1785

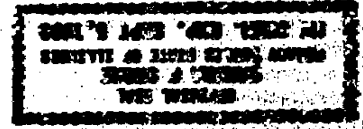
which has the address of 460 HIGHLAND, MATTESON, ILLINOIS 60443 (City) Illinois (Zip Code) ("Property Address");

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



Notary Public

*Jerry L. Drahos*

Notary Public Expires:

Given under my hand and official seal, this 21st day of NOVEMBER, 1988

not forth.

signed and delivered the said instrument as THEIR free and voluntary act, for the uses and purposes therein

subjected to the foregoing instrument, appeared before me this day in person, and acknowledged that they

WIFE, personally known to me to be the same person(s) whose name(s) ARE

do hereby certify that RANDALL L. DRAHOS AND JERI L. DRAHOS, HUSBAND AND

I, THE UNDERSIGNED, a Notary Public in and for said county and state,

STATE OF ILLINOIS,

COOK

County as:

(Please Print This Line For Administrative Purposes)

\_\_\_\_\_  
(Seal) - Borrower

\_\_\_\_\_  
(Seal) - Borrower

\_\_\_\_\_  
(Seal) - Borrower  
*Jerry L. Drahos*

\_\_\_\_\_  
(Seal) - Borrower  
*Randall L. Drahos*

By executing this Security, Borrower accepts and agrees to the terms and covenants contained in this Security instrument and in any rider(s) attached to this Security instrument and recorded with it.

Other (Specify) Fixed Rate Conversion Rider

Attached Page Rider

Planned Unit Development Rider

Condominium Rider

2-4 Family Rider

20. Lender in Possession. Upon acceptance under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property, by agent or by judicially appointed receiver, including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the Property including the cost of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument. Lender shall retain the Security Instrument and all sums secured by this Security Instrument. Lender may charge to Borrower, Borrower shall pay any recordation costs.

21. Interest. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

22. Power of Foreclosure. Borrower waives all right of foreclosure exemption in the Property. Lender shall be entitled to collect all expenses incurred in exercising the remedies provided in the paragraph 19, including, but not limited to, reasonable attorney's fees and costs of this evidence.

23. Accelerating 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). The 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 notice shall further specify the right to redeem after acceleration and the right to accretion in the foreclosure proceeding. The notice shall further specify the date of the notice, Lender at its option may require immediate payment in full 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 exercising the remedies provided in the paragraph 19, including, but not limited to, reasonable attorney's fees and costs of this evidence.

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

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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 condemner 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 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 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 execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

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: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any 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 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 enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable 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 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 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 Borrower 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 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 Reinstatement.** 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.

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## ADJUSTABLE RATE RIDER

(Interest Rate Limits)

THIS ADJUSTABLE RATE RIDER is made this 21st day of NOVEMBER, 19 89 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note to AMERIFED FEDERAL SAVINGS BANK (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at:

460 HIGHLAND, MATTESON, ILLINOIS 60443

[Property Address]

This note contains provisions allowing for changes in the interest rate every year after the first one year subject to the limits stated in the Note. 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.

**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 7.50%. 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 DECEMBER, 19 89, 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" will be the Federal Home Loan Bank Board monthly median cost of funds (Annualized). 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 2.50 percentage points (2.50%) 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 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 will be the new amount of my monthly payment.

**(D) Limit on Interest Rate Changes**

The rate of interest I am required to pay shall never be increased on any single Change Date by more than  one percentage point (1.0%)  two percentage points (2.0%) [Check only one box] from the rate of interest I have been paying for the preceding twelve months.\* My interest rate also shall never be greater than 13.50% NOR LESS THAN 5.00%.

**(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 question I may have regarding the notice.

**B. CHARGES; LIENS**

Uniform Covenant 4 of the Security Instrument is amended to read as follows:

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Property which may attain a priority over this Security Instrument, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument; provided, that Borrower shall not be required to discharge any such lien so long as Borrower: (a) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender; (b) shall in good faith contest such lien by, or defend against enforcement of such lien in, legal proceedings which in the opinion of Lender operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof; or (c) shall secure from the holder of such lien an agreement in a form satisfactory to Lender subordinating such lien to this Security Instrument.

If Lender determines that all or any part of the Property is subject to a lien which may attain a priority over this Security Instrument, Lender shall send Borrower notice identifying such lien. Borrower shall satisfy such lien or take one or more of the actions set forth above within ten days of the giving of notice.

\*On the first change date the interest shall not be increased by more than two percentage points (2.00%).

88-5 9169

[Sign Original Only]

Borrower  
(Seal)

Borrower  
(Seal)

Borrower  
(Seal)

JERRY L. DRAHOS

RANDALL E. DRAHOS

IN WITNESS WHEREOF, Borrower has executed this Adjustable Rate Rider. See attached conditions.

I. Option to convert to fixed rate... Lender, at Lender's option, may declare all sums secured by the Security Instrument to be immediately due and payable...

II. LEGISLATION

If the loan secured by the 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 permitted limits...

G. LOAN CHARGES

Non-Uniform Covenant 21 of the Security Instrument ("Future Advances") is deleted.

F. COVENANT DELETED

The Note and this Security Instrument unless Lender has released Borrower in writing... Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof...

Lender if exercise is prohibited by Federal law as of the date of this Security Instrument... Lender may, at Lender's option, declare all the sums secured by this Security Instrument to be immediately due and payable.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or an interest therein is sold or transferred...

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

E. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Uniform security instrument covering real property. 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...

18. Uniform Security Instrument Governing Law; Severability. This form of Security Instrument complies with Uniform Covenant 15 of the Security Instrument is amended to read as follows:

D. UNIFORM SECURITY INSTRUMENT; GOVERNING LAW; SEVERABILITY

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein...

C. NOTICE

Uniform Covenant 14 of the Security Instrument is amended to read as follows:

DATE: 11/17/11



I. Conversion Feature

(i) Borrower may, at Borrower's option and provided Borrower has been current on the loan each month for twelve months prior to the applicable Change Date, modify the repayment terms of the indebtedness secured hereby prior to the first through fifth Change Date. At that time Borrower may convert the adjustable rate loan evidenced by the Note into a fixed interest rate loan to be fully repaid in equal monthly payments of principal and interest over the remaining term of the loan.

(ii) Note holder's "Notice of Periodic Adjustment" to Borrower pursuant to paragraph 4(F) of the Note given prior to the first through fifth Change Date shall contain the following information pertaining to Borrower's option to convert:

(a) the approximate fixed interest rate payable by Borrower if Borrower converts into a fixed interest rate loan (the actual rate will be the rate in effect 25 days prior to the Change Date);

(b) the approximate amount of Borrower's new monthly payment at the fixed rate of interest; and

(c) a date, at least 15 days from the date the notice is given, by which Borrower must notify the Note holder in writing of Borrower's intent to exercise said option, and a subsequent date (no later than the applicable Change Date) by which the Borrower must complete, execute and deliver to Note Holder a document in the form required by Note Holder evidencing the modification of the Note to provide a fixed interest rate.

(iii) The fixed rate of interest payable by Borrower will be based on the Federal Home Loan Mortgage Corporation 60 day delivery rate on 30 year fixed rate loans plus one half of one percent (.50%) rounded to the next highest even one-quarter percent (.25%), as of 25 days prior to the Change Date. The new fixed interest rate will become effective on the applicable Change Date. (If such required rate is not available, Note Holder will determine Borrower's new fixed rate by using a comparable figure.) The maximum interest rate will not exceed 13.50 percent. Borrower's monthly payments at the new fixed interest rate will begin as of the first monthly payment after the applicable Change Date. The monthly payment will be the amount necessary to repay in full the principal Borrower will owe (assuming timely payment of all amounts due prior to that date) on the Change Date in substantially equal payments by the maturity date set forth in the Note at the fixed interest rate.

(iv) Borrower must notify Note Holder in writing and must complete, execute and deliver to Note Holder the document evidencing the modification of the Note prior to the applicable dates set forth in Note Holder's Notice of Periodic Adjustment as provided above. If Borrower fails to do so within the specified time frames, Borrower can no longer exercise the option to convert and in this case the terms of the Note will continue in effect without any change.

(v) Upon Borrower's timely delivery of the executed modification to the Note, paragraph 4 of the Note and Rider shall cease to be effective.

(vi) Conversion Fee

For choosing to convert any adjustable interest rate payments to fixed rate payments, as provided above, Borrower's will pay the Note Holder a conversion fee equal to 1.0 percent (1%) of that part of principals that, as of the Effective Conversion Date, has not been paid with a minimum charge of \$300. Borrower's will pay the conversion fee on or before the date of the modification agreement.

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

X Randall L. Drahos SEAL  
RANDALL L. DRAHOS

X Jeri L. Drahos SEAL  
JERI L. DRAHOS

DATE: NOVEMBER 21, 1989

SEAL

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