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THIS INSTRUMENT WAS PREPARED BY: LYNN BAUTISTA  
One North Dearborn Street  
Chicago, Illinois 60602

ADJUSTABLE RATE  
MORTGAGE

**CITICORP SAVINGS**

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

LOAN NUMBER: C00980128

**88064084**

**BOX 156**

THIS MORTGAGE ("Security Instrument") is given on **February 9**  
1988. The mortgagor is **(BRIAN D CAPLAN and AUDREY M CAPLAN, his wife**

("Borrower"). This Security Instrument is given to Citicorp Savings of Illinois, A Federal Savings and Loan Association, which is organized and existing under the laws of The United States, and whose address is One South Dearborn Street, Chicago, Illinois 60603. ("Lender"). Borrower owes Lender the principal sum of **THIRTY FIVE THOUSAND AND 00/100**  
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 **March 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 2 IN BLOCK 4 IN HOFFMAN HILLS, UNIT NO. 1, BEING A SUBDIVISION OF PART OF THE NORTHWEST 1/4 OF SECTION 16, AND PART OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF HOFFMAN ESTATES, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 30, 1978 AS DOCUMENT NO. 24693784 IN COOK COUNTY, ILLINOIS.**

I.D. #07-17-208-002 **K**

**B.B.O**

**-88-064084**

**88064084**

which has the address of **1315 JOHN DRIVE**  
[Street]  
Illinois **60194** ("Property Address");  
[Zip Code]

**\$16.00**  
**HOFFMAN ESTATES**  
[City]

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.

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Any amount 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.

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, paying reasonable attorney's fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender may include, among any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorney's 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.

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.

5. **Hazard Insurance.** Borrower shall keep the improvement in good condition and existing or hereinafter created on the Property insured against loss by fire, lightning, theft, explosion, riot, strike, sabotage, vandalism, windstorm, hail, flood, earthquake, and any other hazards for which Lender requires insurance. The insurance carrier provided by Borrower shall be acceptable to Lender and shall be subject to Lender's approval. Lender shall have the right to hold the insurance proceeds in trust for Lender. 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 a partial pool of loss if not made promptly by Borrower.

4. **Charges, Taxes.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property, which may ultimately be paid by Lender, and shall pay this Security Instrument over this Security Instrument and shall pay these obligations in the manner provided in paragraph 2. Borrower shall pay these obligations in the manner provided in paragraph 2. Borrower shall pay these obligations in the manner provided in paragraph 2. Borrower shall pay these obligations in the manner provided in paragraph 2.

3. **Application of Payments.** This Security Instrument shall be subject to the terms and conditions of the Security Instrument. Borrower shall pay these obligations in the manner provided in paragraph 2. Borrower shall pay these obligations in the manner provided in paragraph 2. Borrower shall pay these obligations in the manner provided in paragraph 2.

2. **Funds for Taxes and Insurance.** Subject to applicable law, Lender shall apply the funds to pay the escrow items, if any, on the day monthly payments are due under the Note, until the Note is paid in full. A sum ("Funds") equal to one-twelfth (1/12) of the amount of the escrow items shall be applied to the Funds on the basis of current data and reasonable estimates.

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.

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14. **Notice.** Any notice to borrower provided for in this Security Instrument shall be given by delivering it or by mailing it to the address applicable to the borrower as set forth in this Security Instrument. The notice shall be directed to the property address of the borrower designated in the Security Instrument. Any notice to lender shall be given by first class mail to the address stated herein or any other address designated 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 the law of the State of California. If any provision of this Security Instrument is held to be invalid, unenforceable or unapplicable under the law of the State of California, such provision shall not affect the other provisions of this Security Instrument and the remainder of this Security Instrument shall remain in full force and effect.

16. **Borrower's Copy.** Borrower shall be given one confirmed copy of the Note and of this Security Instrument. Note and copy shall be given to borrower at the time of the closing of this Security Instrument and the provisions of this Security Instrument shall apply to the borrower.

17. **Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in the Property is sold or transferred, or if a beneficial interest in the Property is sold or transferred and the borrower is not a natural person, the transferee or transferees shall be deemed to be the borrower for all purposes of this Security Instrument.

18. **Acceleration.** If borrower fails to pay these sums prior to the expiration of this period, lender may exercise its remedies permitted by this Security Instrument without further notice or demand on borrower. Lender shall have the right to have the sums secured by this Security Instrument accelerated and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to accelerate shall not apply in the case of acceleration under paragraphs 12 or 17.

19. **Acceleration.** Lender shall give borrower notice of acceleration. If the notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed to borrower, 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 exercise its remedies permitted by this Security Instrument without further notice or demand on borrower.

20. **Acceleration.** Lender shall give borrower notice of acceleration. If the notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed to borrower, 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 exercise its remedies permitted by this Security Instrument without further notice or demand on borrower.

21. **Acceleration.** Lender shall give borrower notice of acceleration. If the notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed to borrower, 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 exercise its remedies permitted by this Security Instrument without further notice or demand on borrower.

22. **Acceleration.** Lender shall give borrower notice of acceleration. If the notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed to borrower, 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 exercise its remedies permitted by this Security Instrument without further notice or demand on borrower.

23. **Acceleration.** Lender shall give borrower notice of acceleration. If the notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed to borrower, 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 exercise its remedies permitted by this Security Instrument without further notice or demand on borrower.

24. **Acceleration.** Lender shall give borrower notice of acceleration. If the notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed to borrower, 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 exercise its remedies permitted by this Security Instrument without further notice or demand on borrower.

25. **Acceleration.** Lender shall give borrower notice of acceleration. If the notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed to borrower, 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 exercise its remedies permitted by this Security Instrument without further notice or demand on borrower.

26. **Acceleration.** Lender shall give borrower notice of acceleration. If the notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed to borrower, 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 exercise its remedies permitted by this Security Instrument without further notice or demand on borrower.

27. **Acceleration.** Lender shall give borrower notice of acceleration. If the notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed to borrower, 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 exercise its remedies permitted by this Security Instrument without further notice or demand on borrower.

28. **Acceleration.** Lender shall give borrower notice of acceleration. If the notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed to borrower, 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 exercise its remedies permitted by this Security Instrument without further notice or demand on borrower.

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NOTICE: The Security Instrument secures a Note which contains a provision allowing for changes in the interest rate. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments.

This Rider is made this 9th day of February 19 88 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 Note to Citicorp Savings of Illinois, A Federal Savings and Loan Association.

(the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at

1315 JOHN DRIVE, HOFFMAN ESTATES, IL 60194

Property Address

MODIFICATIONS. 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 has an Initial Interest Rate of 8.875 %.

The Note interest rate may be increased or decreased on the day of the month beginning on March 1 19 89, and on that day of the month every 12 months) thereafter.

Changes in the interest rate are governed by changes in an interest rate index called the "Index". The Index is the [Check one box to indicate Index.]

(1)  The weekly average yield of United States Treasury securities adjusted to a constant maturity of 1 year(s), as made available by the Federal Reserve Board.

In no event over the full term of the Note will the interest rate be increased more than Five and 1/8 percentage points ( 5.125 %).

Before each change date the Lender will calculate the new interest rate by adding Two and 5/8 percentage points ( 2.625 % ) to the Current Index. However, the rate of interest that is required to be paid shall never be increased or decreased on any single Change Date by more than Two percentage points.

(2)  Other: \_\_\_\_\_  
\_\_\_\_\_ from the rate of \_\_\_\_\_ currently being paid.

If the interest rate changes, the amount of Borrower's monthly payment will change as provided in the Note. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments.

It could be that the loan secured by the Security Instrument is subject to a lien which sets maximum loan charges and that the amount of the loan charges collected or to be collected in connection with the loan exceed the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Lender may choose to make this refund by reducing the principal I owe under the Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

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

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

By signing this, Borrower agrees to all of the above.  
If more than one box is checked or if no box is checked, the first index named will apply.  
If Lender and Borrower do not otherwise agree in writing, the first index named will apply.

BRIAN D CAPLAN  
-BORROWER (SEAL)

AUDREY M CAPLAN  
-BORROWER (SEAL)

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Loan Number: 000980128

THIS ADJUSTABLE RATE MORTGAGE CONVERSION RIDER is made this 9TH day of FEBRUARY 19 88, and is incorporated into and shall be deemed to amend and supplement the Mortgage (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to Citicorp Savings of Illinois, A Federal Savings and Loan Association, (the "Lender") and covering the property described in the Security Instrument located at:

7315 JOHN DRIVE  
HOFFMAN ESTATES, IL 60194

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

**A. BORROWER'S OPTION TO CONVERT:** The Adjustable Rate Note Conversion Rider to Borrower's Note contains provisions that allow the Borrower to convert the Adjustable Rate Note to a fixed rate level payment fully amortizing loan. That rider provided as follows:

**A. OPTION TO CONVERT FIXED RATE**  
I have a Conversion Option which can exercise unless this Section 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 interest rate (a) to a fixed interest rate for the remaining term if my outstanding principal balance on the Conversion Date is less than or equal to Five Hundred Thousand Dollars (\$500,000.00) or (b) to a fixed interest rate for a term to maturity of fifteen (15) years from the Conversion Date if my outstanding principal balance on the Conversion Date is greater than Five Hundred Thousand Dollars (\$500,000.00). The conversion can only take place on the first FIVE Change Dates. Each Change Date on which my interest rate can convert from an adjustable rate to a fixed rate is also called a "Conversion Date". I can convert my interest rate only on this (these) Conversion Date(s).

If I want to exercise the Conversion Option, I must first meet certain conditions. Those conditions are that: (a) I am not in default of foreclosure under the Note or the Security Instrument on the Conversion Date; (b) I have not been assessed for two or more late payments in the twelve (12) months immediately preceding the Conversion Date; (c) I am current on my payments as of 45 days prior to the Conversion Date; (d) I give the Note Holder notice of my intent to convert in a fixed rate within the time specified by the Note Holder; (e) I pay a non-refundable conversion fee equal to the greater of one percent (1%) of the outstanding principal balance of my Note on the Conversion Date or \$500.00; (f) I sign any documents required by the Note Holder to effect the conversion; (g) I provide the Note Holder with current credit information; and (h) I have not exercised any Assumption Feature offered by the Note Holder and accepted by me as of the Conversion Date.

**5TH** Change Date to occur pursuant to the Adjustable Rate Note after the date of this Rider and the Note, this option to convert created by this Rider shall terminate.

**B. NOTE HOLDER'S NOTICE TO BORROWER**  
This Conversion Rate Rider is notice to me of my option to convert and the conditions for exercising that option. Note Holder may, but is not required to, provide me with additional Notice of my option to convert before each Conversion Date. That notice, if provided, will contain the following information:

(i) the fixed interest rates payable by me if I convert to a fixed interest rate loan and the amount of my new monthly payment at the fixed rate of interest; and

(ii) a date not less than 15 days from the date the notice is sent to me, which I must execute and deliver to Note Holder a document in the form required by Note Holder evidencing my election to convert to a special fixed rate loan.

**C. CALCULATION OF FIXED RATE**  
My fixed interest rate will be determined by the Note Holder FORTY-FIVE days before each Conversion Date. That interest rate will be equal to the interest rate then charged by Citicorp Savings of Illinois, A Federal Savings and Loan Association, on similar fixed rate loans with a term of 15 years if my outstanding principal balance is less than or equal to \$500,000.00 or the Conversion Date. That interest rate will be higher if the original principal amount of my loan exceeded 80% of either the purchase price of my home or the appraised value of my home at Loan Settlement as determined by the appraisal prepared and submitted to Note Holder prior to Loan Settlement. If I elect to convert, any limit on interest rate changes on a Change Date or over the term of the Note will not apply in setting the fixed interest rate.

**D. CALCULATION OF NEW PAYMENT AMOUNT**  
The new fixed interest rate will become effective on the Conversion Date if I choose to convert.

My monthly payments at the new fixed interest rate will begin with the first monthly payment due after the Conversion Date. The non-levelty payment will be the amount that is necessary to repay in full the principal I am expected to owe on the Conversion Date in substantially equal payments by the end of the term provided in "A" above.

**E. ELECTION TO CONVERT**  
I must execute and deliver to Note Holder a document in a form required by Note Holder evidencing the modifications to the Note at least fifteen (15) days prior to the effective Conversion Date. If I do not do this within the specified time, I can no longer exercise the option to convert on that particular Conversion Date. In this case, the terms of my Note will continue in effect without any change.

Failure of Note Holder to provide the notice described in Paragraph B above, will not extend the time for me to exercise this option to convert. In any event, I must deliver to Note Holder written notice of my election to convert not less than TWENTY days from the Conversion Date.

**F. CONVERSION FEE**  
I agree to pay the Note Holder at the time the document evidencing the modification of the Note is executed and delivered a non-refundable conversion fee equal to one percent (1%) of the unpaid principal balance of my Note on the Conversion Date or FIVE HUNDRED DOLLARS (\$500.00), whichever is greater. If I fail to timely pay the conversion fee in full the terms of my Note will continue in effect without any change, notwithstanding my execution, or Note Holder's execution, of the document evidencing the modification of the Note.

**G. EFFECTIVENESS OF PROVISIONS**  
Upon my delivery of the execution modification to the Note, Sections 2, 3, and 4 of the Adjustable Rate Note shall cease to be effective. By signing below, Borrower accepts and agrees to the above terms and conditions.

**IN WITNESS WHEREOF,** Borrower has executed this Adjustable Rate Mortgage Conversion Rider.

**BRIAN D CAPLAN** Borrower  
**AUDREY M CAPLAN** Borrower

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ISEALI

(Sign Original Only)

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BOX #165

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Given under my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_ 1988

*Brian D. Caplan*  
Notary Public

personally known to me to be the same Person(s) whose name(s) \_\_\_\_\_ are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that \_\_\_\_\_ they signed and delivered the said instrument as \_\_\_\_\_ (free and voluntary act, for the uses and purposes therein set forth)

THE UNDERSIGNED \_\_\_\_\_ BRIAN D CAPLAN and AUDREY M CAPLAN, his wife

STATE OF ILLINOIS \_\_\_\_\_

Borrower \_\_\_\_\_

BRIAN D CAPLAN \_\_\_\_\_ AUDREY M CAPLAN \_\_\_\_\_

BY SIGNING BELOW, Borrower agrees and agrees to the terms and covenants contained in this Security Instrument and in any

SEE RIDERS ATTACHED HERETO AND MADE A PART HEREOF

- Adjustable Rate Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Condominium Rider
- 2-4 Family Rider
- Other(s) (Specify)

19. Acceleration, Remedies, Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; and (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 the foreclosure of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

20. Lender in Possession. Upon acceleration 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 and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

21. Release. 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 or other charges and expenses incurred in this Security Instrument.

22. Waiver of Remedies. Borrower waives all right of homestead and exemption in the Property.

23. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of the Security Instrument as if the rider(s) were a part of this Security Instrument. (Check appropriate box(es)).



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