

UNOFFICIAL COPY

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T#4444 TRAN 1193 03/17/88 11:23:00
#4977 # D * 88-111393
COOK COUNTY RECORDER

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MORTGAGE 15-330329-4

THIS MORTGAGE ("Security Instrument") is given on **FEBRUARY 12, 1988**. The mortgagor is **RONALD A. GORECKI, A BACHELOR AND KATHLEEN M. TAYLOR, A SPINSTER SAVINGS AND LOAN ASSOCIATION** ("Borrower"). This Security Instrument is given to **Arlington Federal SAVINGS AND LOAN ASSOCIATION**, which is organized and existing under the laws of **THE UNITED STATES OF AMERICA**, and whose address is **25 East Campbell Street, ARLINGTON HEIGHTS, ILLINOIS 60005** ("Lender"). Borrower owes Lender the principal sum of **EIGHTY EIGHT THOUSAND AND 00/100 Dollars (U.S. \$ 88,000.00)**. 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:

-88-111393

LOT 2174 IN ELK GROVE VILLAGE SECTION 3 BEING A SUBDIVISION OF THE EAST HALF OF SECTION 33, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED ON JANUARY 16, 1959 AS DOCUMENT 1429393 IN COOK COUNTY, ILLINOIS.

PERMANENT TAX NUMBER 08-33-212-015 - G CO *223*

88111393

\$18.00 MAIL

which has the address of **1178 CARSWELL AVENUE** **[Street]**, **ELK GROVE VILLAGE** **[City]**

Illinois 60007 **(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 seised 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—FNMA/FHLMC UNIFORM INSTRUMENT

Form 3014 12/83

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ARLINGTON HEIGHTS, ILLINOIS
(Name)
BRENTWOOD, BRENTMAN
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 6/15/97

NON-UNIFORM COVENANTS, BORROWER AND LENDER, UNIFORM COVENANTS AND JOINTS
19. ACCRETION; REMEDIES. Lender shall have notice to Borrower prior to accelerating Breach of Covenants, unless applicable law provides otherwise. The notice shall specify: (a) the default or defaults upon which 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 may result in acceleration of the sums secured by this Security Instrument, foreclose after judicial proceeding and sale of the Property. The notice shall be entitled to the right to reinstate after acceleration and sale of the Property. Inform Borrower of a default or other deficiency in the notice to assert in the notice preceding the final payment in full of all sums secured by this Security Instrument by Borrower to the extent of non-payment of principal or interest, or any other sum due under this Security Instrument, or to collect the rents of the property prior to the expiration of any period of grace specified in the notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorney's fees and costs of tide service.

19. ACCRETION; REMEDIES. Lender shall have notice to Borrower prior to accelerating Breach of Covenants, unless applicable law provides otherwise. The notice shall specify: (a) the default or defaults upon which 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 may result in acceleration of the sums secured by this Security Instrument, foreclose after judicial proceeding and sale of the Property. The notice shall be entitled to the right to reinstate after acceleration and sale of the Property. The notice shall be entitled to collect the rents of the property prior to the expiration of any period of grace specified in the notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorney's fees and costs of tide service.

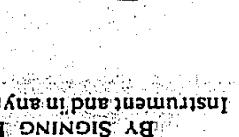
20. Lender in Possession. Upon acceleration under Paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of grace following judicial sale, Lender shall receive title to the property free of all liens, claims and encumbrances, except those arising from the acts or omissions of Lender, and Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorney's fees and costs of tide service.

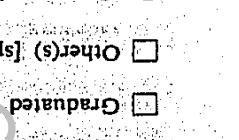
21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without further demand and may release this Security Instrument by Borrower to the extent of non-payment of principal or interest, or any other sum due under this Security Instrument, or to collect the rents of the property prior to the expiration of any period of grace specified in the notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorney's fees and costs of tide service.

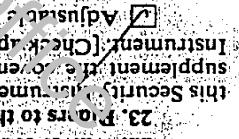
22. Waiver of Homestead. Borrower waives all right of homestead exception in the Property.

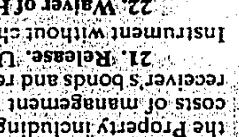
23. Frauds to this Security Instrument. If one or more trustees are executed by Borrower and recorded together with this Security Instrument, the covenants of this Security Instrument shall be incorporated into and recorded together with this Security Instrument, unless, in the opinion of the trustee, the covenants of this Security Instrument are executed by Borrower to the extent of non-payment of principal or interest, or any other sum due under this Security Instrument, or to collect the rents of the property prior to the expiration of any period of grace specified in the notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorney's fees and costs of tide service.

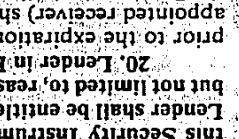
24. Family Rider. Adjusted Symmetric Rider Planned Unit Development Rider condominium Rider 24 Family Rider Other(s) [Specify] _____

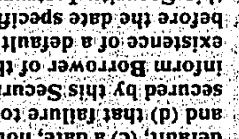
25. ASSETS AND LIABILITIES.  By signing below, Borrower agrees to the terms and conditions contained in this Security Instrument and in any rider(s) executed by Borrower to the extent of non-payment of principal or interest, or any other sum due under this Security Instrument, or to collect the rents of the property prior to the expiration of any period of grace specified in the notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorney's fees and costs of tide service.

26. SECURITY DEPOSIT.  This Security Deposit will be held by Lender until the final payment in full of all sums secured by this Security Instrument, or to collect the rents of the property prior to the expiration of any period of grace specified in the notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorney's fees and costs of tide service.

27. ATTACHMENT.  This Security Attachment will be held by Lender until the final payment in full of all sums secured by this Security Instrument, or to collect the rents of the property prior to the expiration of any period of grace specified in the notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorney's fees and costs of tide service.

28. ATTACHMENT.  This Security Attachment will be held by Lender until the final payment in full of all sums secured by this Security Instrument, or to collect the rents of the property prior to the expiration of any period of grace specified in the notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorney's fees and costs of tide service.

29. ATTACHMENT.  This Security Attachment will be held by Lender until the final payment in full of all sums secured by this Security Instrument, or to collect the rents of the property prior to the expiration of any period of grace specified in the notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorney's fees and costs of tide service.

30. ATTACHMENT.  This Security Attachment will be held by Lender until the final payment in full of all sums secured by this Security Instrument, or to collect the rents of the property prior to the expiration of any period of grace specified in the notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorney's fees and costs of tide service.

31. THE UNDERSIGNED, a Notary Public in the State of Illinois, do hereby certify that RONALD A. GORECKI, a Bachelor and KATHLEEN M. TAYLOR, a Spouse, do hereby certify that RONALD A. GORECKI, a Bachelor and KATHLEEN M. TAYLOR, a Spouse, are personally known to me to be the same persons 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 their free and voluntary act, for the uses and purposes therein intended and delivered to the foregoing instrument, appended before me, for record, and acknowledged that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein intended and delivered to the foregoing instrument, appended before me, for record.

Given under my hand and official seal, this 12th day of February, 1988.

RONALD A. GORECKI, a Bachelor and KATHLEEN M. TAYLOR, a Spouse

Notary Public
My Commission Expires 6/15/97

THE UNDERSIGNED, a Notary Public in the State of Illinois, do hereby certify that RONALD A. GORECKI, a Bachelor and KATHLEEN M. TAYLOR, a Spouse, do hereby certify that RONALD A. GORECKI, a Bachelor and KATHLEEN M. TAYLOR, a Spouse, are personally known to me to be the same persons whose name(s) are subscribed to the foregoing instrument, appended before me, for record, and acknowledged that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein intended and delivered to the foregoing instrument, appended before me, for record.

Given under my hand and official seal, this 12th day of February, 1988.

RONALD A. GORECKI, a Bachelor and KATHLEEN M. TAYLOR, a Spouse

Notary Public
My Commission Expires 6/15/97

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UNIFORM COVENANT BORROWER AND LENDER AGREEMENT FORMS 3-9-3

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

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

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

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owing payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation created by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of, the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

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

7. **Protection of Lender's Rights in the Property; Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

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

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15-330329-4

ONE YEAR CONVERTIBLE ARM RIDER

THIS CONVERTIBLE ARM RIDER is made this . . . 12TH . . . 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 Adjustable Rate Note (the "Note") to ARLINGTON HEIGHTS FEDERAL SAVINGS AND LOAN ASSOCIATION, 25 E. CAMPBELL, ARLINGTON HEIGHTS, ILLINOIS 60005 (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

1178 CARSWELL AVENUE ELK GROVE VILLAGE, ILLINOIS 60007
(Property Address)

PERMANENT TAX NUMBER 08-33-212-015

The Note contains provisions allowing for changes in the interest rate. If the interest rate increases, the Borrower's monthly payments will be higher. If the interest rate decreases, the Borrower's monthly payment will be lower. Anytime during the first five years, the Borrower may convert the adjustable rate loan into a fixed rate, level payment, fully amortizing loan. * On any anniversary change date during the first 5 years.

ADDITIONAL COVENANTS. In addition to the covenant 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 . . . 7.15 . . . %. 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 . . . 1ST day of . . . MARCH 19 89 and on that day of the month every 12 months 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 NATIONAL MONTHLY AVERAGE COST OF FUNDS TO FSLIC INSURED SAVINGS AND LOAN ASSOCIATIONS, FEDERAL HOME LOAN BANK BOARD. The most recent Index figure available as of 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 its choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding

. . . THREE percentage points (. . . 3.0 . . . %) to the Current Index. The sum will be my new interest rate. THE INTEREST RATE WILL NOT BE INCREASED OR DECREASED BY MORE THAN .2 . . PERCENTAGE POINTS ANNUALLY, BEGINNING WITH THE FIRST ADJUSTMENT, OR .6 . % OVER THE LIFE OF THE LOAN.

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

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IN WITNESS WHEREOF, BORROWER has executed this Convener, Blue ARM Rider,

Upon Borrower's delivery of the executed modification to the Note, paragraph A above shall cease to be effective.

K. EFFECTIVENESS OF PROVISIONS

Borrower must execute and deliver to Lender to document evidencing the modification of the Note without any change.

J. BORROWER'S ELECTION NO. 12 COVER

1. **SELECTION OF FIXED INTEREST RATE AND MONTHLY PAYMENT ADJUSTMENT**
THE MAXIMUM INTEREST RATE WILL NOT EXCEED 18%.
Lender shall set the fixed rate of interest payable by Borrower at a rate identical to the sum of the Federal Home
Loan Mortgage Cap plus ONE HALF OF ONE PERCENT (50%). If no such Required Net Yield is
available, Lender will determine the fixed interest rate by using a comparable figure. The new fixed interest rate
will become effective on the first Change Date or thereafter chooses to convert to a fixed interest rate.
Borrower will be charged a fee of 1% of the then principal balance of the loan to convert.
IN ADDITION,
BORROWER WILL BE CHARGED A 1% FEE ON THE PRINCIPAL BALANCE BEING CONVERTED
BORROWER'S MONTHLY PAYMENTS. The new fixed interest rate will begin as of the first monthly payment after the
first Change Date. The monthly payment amount that is necessary to repay in full the principal borrowe

1. SELECTION OF FIXED INTEREST RATE AND MONTHLY PAYMENT ADJUSTMENT

(iii) a date, not more than 15 days from the date the notice is given, by which both written notice and delivery to Lender a document in the form required by Lender evidencing the modification of the Note to provide a fixed interest rate.

(ii) The fixed interest rate payable by Borrower if Borrower converts into a fixed interest rate loan.

At Borrower's Request, Lender's "Notice of Change", to Borrower pursuant to paragraph 4(E) of the Note given prior to the first Change Date shall also contain the following additional information pertaining to Borrower's option to convert:

H. LENDE'S NOTICE TO BORROWER

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(D) 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.

(E) Notice of Changes

The Note Holder will mail or deliver to me a notice before each Change Date. The notice will advise me of:

- (i) the new interest rate on my loan as of the Change Date;
- (ii) the amount of my monthly payment following the Change Date;
- (iii) any additional matters which the Note Holder is required to disclose; and
- (iv) 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; however, 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 give Borrower a 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 the notice.

C. NOTICE

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

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 to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

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D. UNIFORM SECURITY INSTRUMENT, GOVERNING LAW, SEVERABILITY

Uniform Covenant 15 of the Security Instrument is amended to read as follows:

15. Uniform Security Instrument; Governing Law; Severability. This form of Security Instrument to constitute uniform agreements for national use and non-uniform covenants with limited variations by jurisdiction to combine:

a 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, and to this end the provisions of this Security Instrument and the Note are declared to be severable.

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

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property of an interest therein is sold, transferred or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person, within thirty days of notice of such sale or transfer, Lender shall mail Borrower notice in writing of such period. Such notice shall provide a period of not less than 30 days from the date the notice is mailed to Lender if exercise of such option to accelerate, Lender may notice Borrower to collect in acceleration within 14 days of receipt. Such notice shall provide a period of not less than 30 days from the date the notice is mailed to Lender if exercise of such option to accelerate, Lender may make payment of principal and interest due and payable to Borrower prior to the expiration of such period, Lender may pay the sums so declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may declare the note demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

Notwithstanding a sale or transfer, Borrower will continue to be obligated under the Note and this Security Instrument unless Lender has released Borrower in writing.

F. LOAN CHARGES

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, then: (1) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (2) any sums already collected from the borrower which exceed 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 under this Note.

Borrower may, at Borrower's option, modify the repayment terms of the indebtedness secured 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. * On any anniversary change date during the first 5 years.