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DEPT-91

\$17.00

T#4444 TRAN 0899 07/14/88 10:51:00

#1663 # D * -88-309880

COOK COUNTY RECORDER

(Space Above This Line For Recording Data)

This instrument was prepared by:

WILLIAM E. NAVOLIO/RAA
(Name)

2021 SPRING RD.
(Address)

OAK BROOK, IL 60522

MORTGAGE

88 THIS MORTGAGE Security Instrument is given on JULY 6, 1988
19 The mortgagee is DONNA M. WAIKEL, DIVORCED AND SINCE NOT REINVESTED 88-309880

OAK BROOK BANK "Borrower". This Security Instrument is given to THE STATE OF ILLINOIS which is organized and existing under the laws of THE STATE OF ILLINOIS and whose address is 2021 SPRING ROAD OAK BROOK, IL 60522 "Lender".

***** Lender for the principal sum of ONE HUNDRED TEN THOUSAND FIVE HUNDRED AND NO/100 Dollars U.S. \$110,500.00

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 JULY 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:

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF

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which has the address of 501 NEWBERRY LAGRANGE PARK
(Street) (City)
60525 Illinois ("Property Address"): 15-33-413-028
(Zip Code)

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.

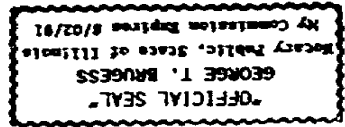
THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

1700

UNOFFICIAL COPY



BOX 164



Notary Public
George T. Bruggess

My Commission expires:

Given under my hand and official seal, this 5th day of July, 1988

set forth signed and delivered the said instrument as free and voluntary act, for the uses and purposes therein subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she personally known to me to be the same person(s) whose name(s) she do hereby certify that a Notary Public in and for said county and state.

STATE OF ILLINOIS, COOK County ss: George T. Bruggess DONNA M. WALKER

[Space Below This Line For Acknowledgment]

(Seal) Borrower

(Seal) Borrower DONNA M. WALKER

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

- Graduated Payment Rider
- Adjustable Rate Rider
- Condominium Rider
- 2-1 Family Rider
- Planned Unit Development Rider
- (Others) [Specify]

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 this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

22. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property. Instrument without charge to Borrower. Borrower shall pay any recordation costs.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument and reasonable attorneys' fees, and then to the sums secured by this Security Instrument. Lender shall release this Security Instrument and reasonable attorneys' fees, and then to the sums secured by this Security Instrument. Lender shall release this Security Instrument and reasonable attorneys' fees, and then to the sums secured by this Security Instrument. Lender shall release this Security Instrument and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

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; (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 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 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 pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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

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

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

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

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

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

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

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 30 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, (a) 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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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 a 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 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 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; 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 charges 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 deducting the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be created 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 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 designated 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 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 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 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 for each 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 attorney's 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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Property of Cook County Clerk's Office

Lot 9 in Steitner's Resubdivision of Lots 13 to 19 inclusive in Block 39 to H. O. Stone & Company's addition to LaGrange Park, a subdivision in the East 1/2 of the North East 1/4 and in the North East 1/4 of the South East 1/4 of Section 33, Township 39 North, Range 12 East of the Third Principal Meridian (except right of way of lands conveyed to Chicago Hammond and Western Railroad, Chicago and West Town Railroad Company, Indiana Harbor Belt Railroad Company and Suburban Railroad Company), all in Cook County, Illinois.

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ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 5th day of JULY, 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 OAK BROOK BANK, 2021 SPRING ROAD, OAK BROOK, IL 60522 (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

501 NEWBERRY, LAGRANGE PARK, IL 60525
(Property Address)

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.

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 SCHEDULED PAYMENT CHANGES

The Note provides for an initial interest rate of 10.250%. The Note provides for changes in the interest rate and the payments, as follows:

3. PAYMENTS

(A) Time and Place of Payments

All references in the Security Instrument to "monthly payments" are changed to "scheduled payments."

I will pay principal and interest by making payments when scheduled: (mark one):

I will make my scheduled payments on the first day of each month beginning on _____

AUGUST 1, 1988

I will make my scheduled payments as follows:

THEREAFTER UNTIL JULY 1, 2008 WHEN A FINAL PAYMENT OF \$74,132.03 WILL BE DUE.

I will make these payments as scheduled until I have paid all of the principal and interest and any other charges described in the Note.

My scheduled payments will be applied to interest before principal. If, on JULY 1, 2008, I still owe amounts under the Note, I will pay those amounts in full on that date, which is called the "maturity date."

I will make my scheduled payments at 2021 SPRING ROAD, OAK BROOK, IL 60522 or at a different place if required by the Note Holder.

(B) Amount of My Initial Scheduled Payments

Each of my initial scheduled payments will be in the amount of U.S. \$ 990.19. This amount may change.

(C) Scheduled Payment Changes

Changes in my scheduled payment will reflect changes in the unpaid principal of my loan and in the interest rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my scheduled payment in accordance with Section 4 of the Note.

4. INTEREST RATE AND SCHEDULED PAYMENT CHANGES

(A) Change Dates

Each date on which my interest rate could change is called a "Change Date." (Mark one)

The interest rate I will pay may change on the first day of JULY, 1993 and on that day every 12 month thereafter.

The interest rate I will pay may change _____ and on every _____ thereafter.

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an index. The "Index" is: WEEKLY AVERAGE YIELD ON U.S. TREASURY SECURITIES ADJUSTED TO A CONSTANT MATURITY OF 1 YEAR

The most recent Index figure available as of the date 5 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 750/1000 percentage points (2.750%) 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 scheduled payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my scheduled payment.

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(Seal)

(Seal)

Donna M. Walker

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider

THE INITIAL INDEX VALUE FOR THIS NOTE IS 7.07%

Lender will use any Funds which Lender is holding at the time to reduce the sums secured. either Lender acquires the Property or the Property is sold, then immediately before the acquisition or sale, being held by Lender. If, as a result of the exercise by Lender of any of its rights under this Security Instrument, When I have paid all of the sums secured, Lender will promptly refund to me any Funds that are then that additional amount in one or more payments as Lender may require. I will pay to Lender whatever additional amount is necessary to pay the escrow items in full. I must pay, If, when payments of escrow items are due, Lender has not received enough Funds to make those payments, of escrow items is greater than the amount necessary to pay the escrow items when they are due. the amount of the scheduled payments of Funds which I still must pay between that time and the due dates amounts if, at any time, the sum of (i) the amount of Funds which Lender is holding or reserving, plus (ii) the amount of the scheduled payments of Funds which Lender is holding or reserving, plus (iii) the amount repaid to me as a direct refund or credited to my future scheduled payments of Funds. There will be excess agreements made in this Security Instrument, I will have the right to have the excess amount either promptly this Paragraph 2 will be too large. If this happens at a time when I am keeping all of my promises and If Lender's estimates are too high or if taxes and insurance rates go down, the amount that I pay under (C) Adjustments to the Funds

Funds; or (ii) the law requires Lender to pay interest on the Funds. Lender and I agree in writing, at the time I sign this Security Instrument, that Lender will pay interest on the such a charge. Lender will not be required to pay me any interest or earnings on the Funds unless either (i) may charge me for these services if Lender pays me interest on the Funds and if the law permits Lender to make analyzing my payments of Funds, or for receiving, verifying and totaling assessments and bills. However, Lender Lender may not charge me for holding or keeping the Funds, for using the Funds to pay escrow items, for from the Funds and the reason for each deduction. without charge, an annual accounting of the Funds. That accounting must show all additions to and deductions described in this Paragraph 2. Lender will use the Funds to pay the escrow items. Lender will give to me, guaranteed by a federal or state agency. If Lender is such an institution, Lender may hold the Funds. Except as Lender will keep the Funds in a savings or banking institution which has its deposits or accounts insured or (B) Lender's Obligations

this Paragraph 2 will be called the "Funds". Lender will estimate from time to time my yearly taxes, assessments, leasehold payments or ground rents and insurance premiums, which will be called the "escrow items." Lender will use existing assessments and bills and reasonable estimates of future assessments and bills. The amount that I pay to Lender for escrow items under (iv) The estimated yearly premium for mortgage insurance (if any), divided by the number of scheduled payments in a year, plus (v) The estimated yearly premium for hazard insurance covering the Property, divided by the number of scheduled payments in a year, plus (vi) The estimated yearly leasehold payments or ground rents on the Property, if any, divided by the number of scheduled payments in a year, plus (vii) The estimated yearly taxes and assessments on the Property which under the law may be superior to this Each of my payments under this Paragraph 2 will be the sum of the following:

the Note. I will make those payments on the same day that my scheduled payments of principal and interest are due under Lender unless Lender tells me, in writing, that I do not have to do so, or unless the law requires otherwise. I (if any), and hazard insurance on the Property and mortgage insurance (if any). I will pay those amounts to I will pay to Lender all amounts necessary to pay for taxes, assessments, leasehold payments or ground rents (A) Borrower's Obligations

2. SCHEDULED PAYMENTS FOR TAXES AND INSURANCE

[Mark one] Uniform Covenant 2 of the Security Instrument is amended to read as follows: [X] Uniform Covenant 2 of the Security Instrument is amended to read as follows:

B. FUNDS FOR TAXES AND INSURANCE

have regarding the notice. law to be given me and also the title and telephone number of a person who will answer any question I may my scheduled payment before the effective date of any change. The notice will include information required by The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of (F) Notice of Changes

payment changes again. My new interest rate will become effective on each Change Date. I will pay the amount of my new scheduled payment beginning on the first scheduled payment date after the Change Date until the amount of my scheduled (E) Effective Date of Changes

[X] (3) My interest rate will never be greater than 15.25% per year. [X] (2) My interest rate will never be increased or decreased on any single change date by more than 5 percentage points from the rate of interest I have been paying for the preceding period. [] (1) There will be no maximum limit on interest rate changes. [] (1) There will be no maximum limit on interest rate changes; if no box is marked, there will be no maximum limit on changes. [Mark box (1); (2) or (3) or boxes (2) and (3) to indicate whether there is any maximum limit on interest

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