UNOFFICIAL3COPY :

COCK COUNTY, ILL INDIS

1988 AUG 29 AM ID: 45

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\$17.00

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LOAN NO. 011819111

MORTGAGE

THIS MOR" GAGE ("Security Instrument") is given on AUGUST 23, 1988 . The mortgagor is This Security Instrument is given to ST. PAUL FEDERAL BANK FOR SAVINGS, which is organized and existing under the laws of the United States of America, and whose address is 6700 W. North Avenue, Chicago, Illinois 60635 ("Lender"). Borrower oves Lender the pricipal sum of NINETY EIGHT THOUSAND, FOUR HUNDRED AND NO /100-(U.S. 98,400.00 7. 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 SEPTEMBER 1, 2018 his Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renevals, 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 County, Illinois:

LOT 25 IN BLOCK 7 IN FAIR OAKS PURRACE, A SUBDIVISION OF THE EAST 50 ACRES OF THE NORTH 75 ACRES OF THE NORTH WEST 1/4 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 1) EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, JULINOIS. The Clark's Office

PERMANENT INDEX NUMBER: 16-05-110-026-0000

which has the address of ("Property Address");

/1115 N HAYES ST OAK PARK IL 60302

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 selsed 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.

OTTET BITT

BOX 333-CC

CHICAGO, IL 60635 AM HERBON M 0019

MICHAEL J. O'COMOR

This institunions propored by:

ST PAUL PRIERAL BANK FOR SAVINGS

MY COMMISSION EXPIRES 9/20/91 NODEALG STATE OF ILLINOIS OFFICIAL SEAL My commission expires: P. P. M. Given under my hand and official seal, this free and volumers and for the uses and purposes therein Including an instrument and the said instrument as Enell' subscribed to the foregoing instrument, appeared before me this day in Jerst n, and acknowledged that 🕳 -, personally known to me to or the same person(s) whose name(s) do hereby certify that NICHEL A STITIES WHO BIR STITIES A LEAHOIM a Notary Public in and for said county and state, County sa: State of Illinois, firstrument and in any rider(s) executed by Borrower and recorded with it. BY SIGNING BELOW Borrower accepts and agrees to the terms and covenants contained in this Security RIOTH M O.J [lipage] (a)nahrO [Z Planned Unit Development Rider Graduated Promon, Rider Adjustable Kece Rider Condominium Rider prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent of by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the receiver shall be applied first to payment of the receiver's fees, premiums on receiver's management of the Property including the property and collected by Lender of the imited to, receiver's fees, premiums on teceiver's bonds and reasonable attorneys's 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.

22. Walver of Homestead. Borrower walves all right of homestead exemption in the Property.

23. Relieve of this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the coverants and agreements of each such rider shall be incorporated into and shall amend and supplement be coverants and agreements of each such rider shall be incorporated into and shall amend and Dasplement. Security Instrument as if the rider(s) were a part of this Security Instrument. Security Instrument of this Security Instrument. Received applicable box(es)] Instrument. [Cneck applicable box(es)] prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by Judicially 39. Lender in Posession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time date specified in the notice, Lender at its option may require immediate procession of all aums secured by 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 collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to collect all expenses and costs of title evidence. of any coverant or agreement in this Security Inches to motive to acceleration to not more than 2017. Acceleration; remedials, kender also motive and acceleration to agreement in this Security Inches Security inches to the acceleration under paragraphs 13 and 17 unless applicable has provides otherwise). The notice shall appetly (a) the default of the accurate the default must be cure the default in the default must be cure the detail on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and as a property. The notice shall further inform Becurity Instrument, foreclosure by judicial proceeding and seem the Property. The notice shall further inform Borrower of the right to reinates after acceleration and 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 other acceleration and foreclosure. If the default is not cured by this Security detains in the protection of the protection of the notice.

NON-UNIFORM COVENANTS. Borrower and Lender further cuvenant and agree as follows:

19. Acceleration; Remedies, Lender shall give notice to Borrower prior to acceleration following Borrower's breach

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 paymen' 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 ravinents. Unless applicable law provides otherwise, all payments received by Lender under paragraphs I and 2 shall be applied: first, to amounts payable under paragraph 2; second, 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 tien which has priority over this Security Instrument unless Borrower. (a) agrees in writing to the payment of the obligation recurred by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forferure 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 "xit inded 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 Borrow ensubject 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 she', to 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 proceed, to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30 dr.y period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal their 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.

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

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

condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned 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 connection with any condemnation. The proceeds of all the process of the condemnation of opening the process of the condemnation are processed or claim to the condemnation are processed or condemnation.

in the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security and shall be paid to Lender.

paid to Borrower. unless Botrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be Instrument, whether or not then due, with any excess paid to Borrower, in the event of a partial taking of the Property,

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 surforized to collect and apply the proceeds, at its option, either to restoration or repair of the Property if the Property is abandoned by borrower, or if, after notice by Lender to Borrower that the condemnor offers to

10. Borrowar 14: Released, Forbearance By Lender Not a Waiver. Extension of the time for payments. or to the surnal coured by this Security Instrument, whether or not then due.
Unless Lende, and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or

remedy shall not be a waiver of or preclude the exercise of any right or remedy. made by the original Borrower of Borrower's successors in interest. Any forbearance by Lender in exercising any right or Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise mod to unortization of the sums secured by this Security Instrument by reason of any demand interest of Borrower spall int operate to release the liability of the original Borrower or Borrower's successors in interest. modification of and plantication of the sums secured by this Security instrument granted by Lender to any successor in

that Borrower's interest in the Property under 1, e terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, paragraph 17. Borrower's covenants and ag recments shall be joint and several. Any Borrower who co-signs this Security Instrument only to mortgage, grant and convey fastrument but does not execute the Mite. 4) is co-signing this Security Instrument only to mortgage, grant and convey Security instrument shall bind and benefit the successors and sasigns of Lender and Borrower, subject to the provisions of 11. Successors and Assigns South; Joint and Several Liability; Co-Signera. The covenants and agreements of this

12. Loan Charges. If the loan secured by this Sciurity Instrument is subject to a law which sets maximum loan charges, and that the loan exceed so that the interpreted so that the interpreted in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount connection with the loan exceeded the permitted limits, then: (a) any such loan charge shall be reduced by the amount that Borrower's consent. modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without

partial prepayment without any prepayment charge under the Mote under the Note or by making a direct payment to Borrower. If a re under the Note or by making a direct payment to Borrower. If a re under the Note or by making a direct payment to Borrower. permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed necessary to reduce the charge to the permitted limit; and (b) ray sums already collected from Borrower which exceeded

paragruph 17 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 In trun ent and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of 13. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering

mailing it by first class mail unless applicable law requires use of another method. Tite notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by cotice 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 for in this Security Instrument shall be deemed to have been given to Borrower. 14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by

provided in this paragraph.

Note are declared to be severable. Note conflicts with applicable law, such conflict shall not affect other provisions of this Security marninent or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security instrument and the 15. Governing Law; Severability. This Security Instrument shall be governed by feders, haw 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

without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a person) 16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument. "I Transfer of the Property or a Beneficial Interest in Borrower. It all or any part of the Property or any interest in

of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by by fine source; source; I be notice of acceleration. The notice shall provide a period if Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period if Lender exercises this option, Lender shall sum secured by by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as remedies permitted by this Security Instrument without further notice or demand on Borrower. this Security Instrument, if Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any

had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17. Burtower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by occurred; (b) cures any default of any other coverants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's applicable taw may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in 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 and pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration

LOAN NO. DATE

011819111 AUGUST 23, 1988

THIS RIDER is incorporated into a certain Security Instrument dated of even date herewith given by the undersigned (the "Borrower") to St. Paul Federal Bank For Savings (the "Lender") to secure a mortgage indebtedness; said Security Instrument encumbers real property commonly described as:

1115 N HAYES ST, OAK PARK IL 60302

(PROPERTY ADDRESS)

- 1.) Borrower and Lender agree that notwithstanding anything contained in Uniform Covenant 21 of the Security Instrument, Lender is hereby authorized to charge a reasonable fee for the preparation and delivery of a release deed.
- 2.) Borrower and Lender agree that if the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation buy all or some of the Lender's rights under the Security Instrument, this Rider will no longer have any force or effect.

IN WITNESS WHEREOF, BORROWER has executed this RIDER

MICHAEL A LADYER

Borrower

משתינת גם בנאגרצו

Borrower

UNOFFICIAL COPY

Proberty of Cook County Clerk's Office

(Seal) -Borrower



LOAN NO.011819111 AUGUST 23, 1988 DATE

This Rider 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 ST. PAUL FEDERAL BANK FOR SAVINGS, (the "Lender" or "Note Holder') of the same date herewith (the "Note") and covering the Property described in the Security Instrument and located at:

> 1115 N HAYES ST, OAK PARK IL 60302 (Property Address)

NOTICE TO BORROWER: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS PRO-VISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND MONTHLY PAYMENTS. THE BORROWER'S MONTHLY PAYMENTS ARE IN FIXED AMOUNTS DURING THE YEAR(S) OF THE NOTE. THE REMAINING MONTHLY PAYMENTS COULD INCREASE OR DECREASE, DEPENDING ON CHANGES IN THE INTEREST RATE.

Modifications, in addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:
INTEREST RATE AND MONTHLY PAYMENT CHANGES
The Note has an Initial interest Rate of
the principal am sunt of the Note. The Note interest rate may be changed on the 1st day of the month beginning on SEPTEMSER 1, 989———————————————————————————————————
Changes in the interest rate are governed by changes in an interest rate index called the "index". The Index is the Federal Home Loan Bank Board Monthly National Median Annualized Cost of Funds for FSLIC-insured savings and loan associations.
To set the new interest rate before each interest Change Date the Note Holder will first add
The Current Index is the most recent Index figure available 45 days prior to each Change Date. The Note Holder will then round the result of this addition to the nearest one-cighth of one percentage point (0.125%). This rounded amount will be the new interest rate until the next Change Date provided that on the first Change Date provided that the fi
Date the new interest rate will not be increased more than————————————————————————————————————
The first monthly payments due under the Note will each be in the amount of S827.40 Beginning with the 13th payment,
the amount of the monthly payments will be determined in accordance with the terms of the Note and will always be sufficient to repay the unpaid principal balance in full, in substantially equal payments by the final payment date.
By signing this, Borrower agrees to all of the above.
MICHAEL A PAINTER (Seal)
PILCHNED A FAIRTER

Donna Painta

DONNA PAINTER

2425 MAR 88 (ARM 2N MR1)(BUYDOWN)

(Fixed Rate Conversion and Assumption Options)

LOAN NO. DATE

011819111 AUGUST 23, 1988

THIS ADDENDUM TO ADJUSTABLE RATE LOAN RIDER is incorporated into and shall be deemed to amend and supplement the Adjustable Rate Loan Rider(the "Rider") to the Mortgage, Deed of Trust or Security Deed(the 'Security Instrument'), each dated the same date as this Addendum and given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note with Addendum To Adjustable Rate Note to ST. PAUL FEDERAL BANK FOR SAVINGS, (the "Lender") and dated the same date as this Addendum (the "Note"). covering the property described in the Security Instrument and located at:

1115 N HAYES ST, OAK PARK IL 60302 (Property Address)

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

A. FIXED INTEREST RATE OPTION

The Note provides for the Borrower's option to convert from an adjustable interest rate to a fixed interest rate, as follows:

1. Option to Convert to Fixed Rate

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

The conversion will be become on the first day of any month when a payment is due provided I have given the notice set forth below. The date on which the conversion will be effective is called the "Conversion Date".

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

2. Calculation of Fixed Rate

My new, fixed interest rate will be equal to the Federal Home Loan Mortgage Corporation's required net yield for 30-year, fixed rate mortgages covered by 60-day risindatory delivery commitments in effect as of the date 15 days before the Conversion Date, plus THREE EIGHTHS OF ONE PERCENT (.375%) . At no time that the interest rate at conversion be above 13.5% per annum. If this required net yield is not available, the Note Holder will determine my interest rate by using a comparable figure.

3. Reduction of Principal Balance Before Conversion; Appraisal

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

The unpaid principal I am expected to owe on the Conversion Date could be an amount greater than 95% of the appraisal report's stated value of the property securing my loan. If so, I cannot exercise the Conversion Option unless I pay the Note Holder an amount sufficient to reduce my unpaid principal to an amount equal to 95% of the stated value of the property,

4. Determination of New Payment Amount

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

UNOFFICIAL COPY

B. ASSUMPTION OPTION

The provisions of Uniform Covenant 17 of the Security Instrument provides as follows;

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior 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 II 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 malled within which Borrower must pay all sums secured by this Security Instrument. If Borrower falls to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security instrum in without further notice or demand on Borrower.

Notwithstanding the provisions of Uniform Covenant 17 of the Security Instrument, Lender shall waive such option to accelerate and shall release Borrower from all obligations under the Security Instrument and the Note provided their, prior to the sale or transfer, (a) Borrower is not in default of the terms and conditions of the Security Instrument and the Note, (b) the credit of the person to whom the Property is to be sold or transferred is satisfactor, to Lender, (c) Lender is paid Lender's then applicable assumption fee, (d) the person to whom the property is to be sold or transferred executes an assumption agreement acceptable to Lender wherein such person agrees to assume all of the Borrower's obligations under the Security Instrument and the Note.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Addendum To Adjustable Rate Loan Fider.

OOA COUNTY (Seal) BOTTOWN MICHAEL A PAINTER Painter (Seal) Вогтомы DONNA PLITTER