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PREPARED BY:
CARLA SMITH
CHICAGO, IL 60607

91513406



RECORD AND RETURN TO:
COLE TAYLOR BANK
850 WEST JACKSON BOULEVARD
CHICAGO, ILLINOIS 60607

91513406

[Space Above This Line For Recording Data]

THE TERMS OF THIS LOAN **MORTGAGE** 0290010405
CONTAIN PROVISIONS WHICH WILL REQUIRE A BALLOON PAYMENT AT MATURITY.

THIS MORTGAGE ("Security Instrument") is given on SEPTEMBER 26, 1991 . The mortgagor is
MARCOS NEVAREZ
AND HERLINDA NEVAREZ, HUSBAND AND WIFE

("Borrower"). This Security Instrument is given to
COLE TAYLOR BANK

DEPT-91 RECORDING \$19.29
TR#2222 TRAM 9147 10/02/91 16:04:00
#2832 # B *-91-513406
COOK COUNTY RECORDER

which is organized and existing under the laws of THE STATE OF ILLINOIS , and whose
address is 850 WEST JACKSON BOULEVARD
CHICAGO, ILLINOIS 60607 ("Lender"). Borrower owes Lender the principal sum of
FIFTY THOUSAND
AND 00/100 Dollars (U.S. \$ 50,000.00)

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 OCTOBER 1, 1998
This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals,
extensions and modifications of the Note; (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:
THAT PART OF LOTS 1, 2 AND 3 IN THE SUBDIVISION OF LOT 44 IN GEORGE A.
SEAVERNS SUBDIVISION OF BLOCK 15 IN CANAL TRUSTEE'S SUBDIVISION OF
SEE ATTACHED RIDER FOR LEGAL DESCRIPTION

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17-31-216-054

which has the address of 1931 WEST 33RD STREET, CHICAGO
Illinois 60608 ("Property Address");
Zip Code

Street, City

ILLINOIS Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Page 1 of 6

DPS 1038
Form 3014 9/90

UNIFORM INSTRUMENT (9/90)

UNIFORM MORTGAGE INSTRUMENTS - (313)293-8100 - (800)521-7291

Initials: M. N.

1997 Mail

M. N.

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Form 3014 3/90
DPS 1080

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

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

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs
1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2;
this Security Instrument.

of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as credit against the sums secured by
Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale
Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any
twelve monthly payments, at Lender's sole discretion.

shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than
time is not sufficient to pay the Escrow items when due. Lender may so notify Borrower in writing, and, in such case Borrower
for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any
If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower
debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each
Borrower and Lender may agree in writing, however, the interest shall be paid on the Funds. Lender shall give to Borrower,
applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds.
used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or
a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service
verifying the Escrow items, unless Lender pay. Borrower interest on the Funds and applicable law permits Lender to make such
Escrow items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or
(including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentally, or entity
Escrow items or otherwise in accordance with applicable law.
Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future
sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount.

1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds
related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of
Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally
the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow items."
if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with
or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums,
and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments
Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to
principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:
various by jurisdiction to constitute a uniform security instrument covering real property.
THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited
and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.
grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants
BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage,
instrument. All of the foregoing is referred to in this Security Instrument as the "Property."
fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security
TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and

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8. Mortgage Insurance. 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 mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve

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.

7. Protection of Lender's Rights in the Property. 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 forfeiture or to enforce laws or regulations), then Lender may do and 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.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 5, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

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 21 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.

5. Hazard or Property 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, including floods or flooding, 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. If Borrower fails to maintain insurance coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

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.

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payments may no longer be required. If the portion of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained, Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. **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.

10. **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 in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

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.

11. **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.

12. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. **Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

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

15. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

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24. 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))

- | | | |
|---|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> Graduated Payment Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input checked="" type="checkbox"/> Balloon Rider | <input type="checkbox"/> Rate Improvement Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> V.A. Rider | <input type="checkbox"/> Other(s) (specify) | |

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

Witness

Marcos Nevarez
MARCOS NEVAREZ

(Seal)

Borrower

Witness

Herlinda Nevarez
HERLINDA NEVAREZ

(Seal)

Borrower

(Seal)

Borrower

(Seal)

Borrower

STATE OF ILLINOIS, COOK

County ss:

a Notary Public in and for said

I, The undersigned
county and state do hereby certify that
MARCOS NEVAREZ AND HERLINDA NEVAREZ, HUSBAND AND WIFE

personally known to me to be the same person(s) whose name(s) 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 set forth.

Given under my hand and official seal, this 26th day of September

My Commission Expires:

OFFICIAL SEAL
Kelly A. Seal
Notary Public, State of Illinois
My Commission Expires

Notary Public

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RIDER - LEGAL DESCRIPTION 3 4 0

THAT PART OF LOTS 1, 2 AND 3 IN THE SUBDIVISION OF LOT 44 IN GEORGE A. SEAVENS SUBDIVISION OF BLOCK 15 IN CANAL TRUSTEE'S SUBDIVISION OF THE EAST 1/2 OF SECTION 31, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE WEST LINE OF LOT 3 AND THE SOUTH LINE OF WEST 33RD STREET; THENCE SOUTHERLY, ALONG SAID WEST LINE OF LOT 3, A DISTANCE OF 88 FEET; THENCE NORTHEASTERLY IN STRAIGHT LINE, A DISTANCE OF 135 FEET, MORE OR LESS, TO A POINT IN SAID SOUTH LINE OF WEST 33RD STREET A DISTANCE OF 102 FEET EAST OF SAID POINT OF BEGINNING; THENCE WEST ALONG SAID SOUTH LINE OF WEST 33RD STREET A DISTANCE OF 102 FEET TO THE POINT OF BEGINNING (EXCEPT THE COAL, OIL, GAS, ORES AND OTHER MINERALS WHETHER SIMILAR OR DISSIMILAR OR NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED OF EVERY KIND IN, ON OR UNDER SAID PREMISES AND ALL RIGHTS AND EASEMENTS IN FAVOR OF SAID MINERAL ESTATE) IN COOK COUNTY, ILLINOIS.

17-31-216-054

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Property of Cook County Clerk's Office

THIS BALLOON RIDER is made this 26TH day of SEPTEMBER, 1991, 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 the Borrower's Note to COLE TAYLOR BANK

(the "Lender") of the same date and covering the property described in the Security Instrument and located at: 1931 WEST 33RD STREET CHICAGO, ILLINOIS 60608

(Property Address)

The interest rate stated on the Note is called the "Note Rate." The date of the Note is called the "Note Date." I understand the Lender may transfer the Note, Security Instrument and this Rider. The Lender or anyone who takes the Note, the Security Instrument and this Rider by transfer and who is entitled to receive payments under the Note is called the "Note Holder."

ADDITIONAL COVENANTS. In addition to the covenants and agreements in the Security Instrument, Borrower and Lender further covenant and agree as follows (despite anything to the contrary contained in the Security Instrument or the Note):

1. CONDITIONAL RIGHT TO REFINANCE

At the maturity date of the Note and Security Instrument (the "Maturity Date"), I will be able to obtain a new loan ("New Loan") with a new Maturity Date of OCTOBER 1, 2021 and with an interest rate equal to the "New Note Rate" determined in accordance with Section 3 below if all the conditions provided in Sections 2 and 5 below are met (the "Conditional Refinancing Option"). If those conditions are not met, I understand that the Note Holder is under no obligation to refinance or modify the Note, or to extend the Maturity Date, and that I will have to repay the Note from my own resources or find a lender willing to lend me the money to repay the Note.

2. CONDITIONS TO OPTION

If I want to exercise the Conditional Refinancing Option at maturity, certain conditions must be met as of the Maturity Date. These conditions are: (1) I must still be the owner and occupant of the property subject to the Security Instrument (the "Property"); (2) I must be current in my monthly payments and cannot have been more than 30 days late on any of the 12 scheduled monthly payments immediately preceding the Maturity Date; (3) no lien against the Property (except for taxes and special assessments not yet due and payable) other than that of the Security Instrument may exist; (4) the New Note Rate cannot be more than 5 percentage points above the Note Rate; and (5) I must make a written request to the Note Holder as provided in Section 5 below.

3. CALCULATING THE NEW NOTE RATE

The New Note Rate will be a fixed rate of interest equal to the Federal National Mortgage Association's required net yield for 30-year fixed rate mortgages subject to a 60-day mandatory delivery commitment, plus one-half of one percentage point (0.5%), rounded to the nearest one-eighth of one percentage point (0.125%) (the "New Note Rate"). The required net yield shall be the applicable net yield in effect on the date and time of day that the Note Holder receives notice of my election to exercise the Conditional Refinancing Option. If this required net yield is not available, the Note Holder will determine the New Note Rate by using comparable information.

4. CALCULATING THE NEW PAYMENT AMOUNT

Provided the New Note Rate as calculated in Section 3 above is not greater than 5 percentage points above the Note Rate and all other conditions required in Section 2 above are satisfied, the Note Holder will determine the amount of the monthly payment that will be sufficient to repay in full (a) the unpaid principal, plus (b) accrued but unpaid interest, plus (c) all other sums I will owe under the Note and Security Instrument on the Maturity Date (assuming my monthly payments then are current, as required under Section 2 above), over the term of the New Note at the New Note Rate in equal monthly payments. The result of this calculation will be the amount of my new principal and interest payment every month until the New Note is fully paid.

5. EXERCISING THE CONDITIONAL REFINANCING OPTION

The Note Holder will notify me at least 60 calendar days in advance of the Maturity Date and advise me of the principal, accrued but unpaid interest, and all other sums I am expected to owe on the Maturity Date. The Note Holder also will advise me that I may exercise the Conditional Refinancing Option if the conditions in Section 2 above are met. The Note Holder will provide my payment record information, together with the name, title and address of the person representing the Note Holder that I must notify in order to exercise the Conditional Refinancing Option. If I meet the conditions of Section 2 above, I may exercise the Conditional Refinancing Option by notifying the Note Holder no later than 45 calendar days prior to the Maturity Date. The Note Holder will calculate the fixed New Note Rate based upon the Federal National Mortgage Association's applicable published required net yield in effect on the date and time of day notification is received by the Note Holder and as calculated in Section 3 above. I will then have 30 calendar days to provide the Note Holder with acceptable proof of my required ownership, occupancy and property lien status. Before the Maturity Date the Note Holder will advise me of the new interest rate (the New Note Rate), new monthly payment amount and a date, time and place at which I must appear to sign any documents required to complete the required refinancing. I understand the Note Holder will charge me reasonable fees and the costs associated with exercising the refinance option.

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

MARCOS NEVAREZ (Seal) Borrower

HERLINDA NEVAREZ (Seal) Borrower

(Seal) Borrower

(Seal) Borrower

(SIGN ORIGINAL ONLY)

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