

UNOFFICIAL COPY

Page 1 of 4

FHA Illinois Mortgage - 12/83

065 315

Borrower(s) Initials: [Signature]
before the date the item becomes due.
insufficient to pay the item when due, then Borrower shall pay to Lender any amount necessary to make up the deficiency and/or
payments by Borrower, at the option of Borrower, if the total of the payments made by Borrower for item (a), (b), or (c)
excess over one-sixth of the estimated payments or credit the excess over one-sixth of the estimated payments to subsequent
payments required to pay such items when due, and if payments on the Note are current, then Lender shall either refund the
for such items payable to Lender prior to the due date of such items, exceeds by more than one-sixth the estimated amount of
if at any time the total of the payments held by Lender for items (a), (b), and (c), together with the future monthly payments
delinquent. Lender shall hold the amounts collected in trust to pay items (a), (b), and (c) before they become delinquent.
full annual amount for each item shall be accumulated by Lender within a period ending one month before an item would become
by Lender, plus an amount sufficient to maintain an additional balance of not more than one-sixth of the estimated amounts. The
Each monthly installment for items (a), (b), and (c) shall equal one-twelfth of the annual amounts, as reasonably estimated
for insurance required by paragraph 4.

together with the principal and interest as set forth in the Note and any late charges, an installment of any (a) taxes and special
assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums
2. MONTHLY PAYMENTS OF TAXES, INSURANCE AND OTHER CHARGES. Borrower shall include in each monthly payment:

1. PAYMENT OF PRINCIPAL, INTEREST AND LATE CHARGE. Borrower shall pay when due the principal of, and interest
on, the debt evidenced by the Note and late charges due under the Note.

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.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant
this Security Instrument as the "Property".

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 rights 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

which has the address of 133 SOUTH MAXON STREET, STREAMWOOD, ILLINOIS 60107 (Zip Code) (Property Address)
91295770 (Street, City)

06-23-107-015

COOK COUNTY RECORDER
DEPT-01
1991 MAR 29

1991 MAR 29
131:6341197

ILLINOIS.
RECORDED APRIL 26, 1957 AS DOCUMENT 16887912, IN COOK COUNTY,

IN THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 41 NORTH, RANGE 9,
LOT 4 IN BLOCK 2 IN STREAMWOOD UNIT NUMBER 1, BEING A SUBDIVISION

COOK County, Illinois.
under paragraph 6 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

note, with interest, and all penalties, extensions and modifications; (b) the payment of all other sums, with interest, advanced
under paragraph 6 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

Dollars (U.S.\$ 81,150.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument
AND NO/100
2021

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the
This Security Instrument is given to AT&T BANK AND TRUST

whose address is 133 SOUTH MAXON STREET, STREAMWOOD, ILLINOIS 60107
("Borrower"),

1990 SOUTH PULASKI, AT&T, ILLINOIS 60658
("Lender"),

THE MORTGAGE ("Security Instrument") is made on
MARCH 29 1991

State of Illinois
MORTGAGE

FHA Case No. 131:6341197

91295770

MORTGAGE BEING RE-RECORDED TO ADD RIDER MORTGAGE RECORDED 06-19-91 AS DOCUMENT # 91-295770

DFC 5516

103

11235770

Security Instrument

(ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this due date of the next monthly payment, or

(iii) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the immediate payment in full of all sums secured by this Security Instrument if:

(A) DEFAULT. Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require

**9. GROUNDS FOR ACCELERATION OF DEBT.**

**4. FEES.** Lender may collect fees and charges authorized by the Secretary.

Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which first to any delinquent amounts applied in the order provided in Paragraph 3, and then to prepayment of principal.

Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument. Lender shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument.

**7. 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 place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness under the Note and this Security Instrument.

Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of Lender, shall be immediately due and payable.

**6. CHANGES TO BORROWER AND PROTECTION OF LENDER'S RIGHTS IN THE PROPERTY.**

Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in Paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by Paragraph 2 or fails to perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may result in Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and may whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

**5. MAINTENANCE AND MAINTENANCE OF THE PROPERTY, LEASEHOLDS.**

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to its leasehold policies in force shall pass to the purchaser.

Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to be in a state of disrepair, or neglect to maintain or repair the Property or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned property. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

**4. FIRE, FLOOD AND OTHER HAZARD INSURANCE.**

Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

**3. APPLICATION OF PAYMENTS.**

All payments under paragraphs 1 and 2 shall be applied by Lender as follows:

First, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium, unless Borrower paid the entire mortgage insurance premium when this Security Instrument was signed;

Second, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

Third, to interest due under the Note;

Fourth, to amortization of the principal of the Note;

Fifth, to late charges due under the Note.

If Borrower tenders to Lender the full payment of all sums secured by this Security Instrument, Borrower's account shall be credited with the balance remaining for all installments for items (a), (b), and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b), and (c).

Application of payments under paragraphs 1 and 2 shall be applied by Lender as follows:

First, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium, unless Borrower paid the entire mortgage insurance premium when this Security Instrument was signed;

Second, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

Third, to interest due under the Note;

Fourth, to amortization of the principal of the Note;

Fifth, to late charges due under the Note.

01255770

**NON-LIENOR COVENANTS**

**17. FORECLOSURE PROCEDURES**

Borrower and Lender further covenant and agree as follows:  
IF LENDER REQUIRES IMMEDIATE PAYMENT IN FULL UNDER PARAGRAPH 9, LENDER 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 17, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COSTS OF TITLE EVIDENCE.  
18. RELEASE Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.  
19. WAIVER OF HOMESTEAD Borrower waives all right of homestead exemption in the Property.

shall terminate when the debt secured by the Security Instrument is paid in full.  
Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.  
Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph 16.

Borrower shall be held by Borrower as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.  
If Lender gives notice of breach to Borrower, all rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender and Borrower. Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.  
Borrower shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

**16. ASSIGNMENT OF RENTS**

**15. BORROWER'S COPY**

Borrower shall be given one conformed copy of this Security Instrument.  
Borrower shall be given one conformed copy of this Security Instrument and the Note are declared to be severable.  
14. 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 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.

**13. 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 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.

**12. SUCCESSORS AND ASSIGNS; 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 9.b. 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 term of this Security Instrument or the Note without that Borrower's consent.

**11. BORROWER NOT RELEASED; FORBEARANCE BY LENDER NOT A WAIVER**

Extension of the time of 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 successor 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.  
10. REINSTATEMENT Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

**REGULATIONS OF HUD SECRETARY**

In many circumstances regulations issued by the Secretary will limit Lender's rights in the case of payment defaults to require immediate payment in full and foreclosure if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.  
9. (C) NO WAIVER. If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.  
(D) REGULATIONS OF HUD SECRETARY. In many circumstances regulations issued by the Secretary will limit Lender's rights in the case of payment defaults to require immediate payment in full and foreclosure if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

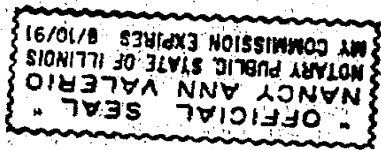
Secretary, require immediate payment in full of all the sums secured by this Security Instrument if:  
(i) All or part of the Property is otherwise transferred (other than by devise, descent) by the Borrower, and  
(ii) The Property is not occupied by the purchaser or grantee as his or her primary residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary.



# UNOFFICIAL COPY

DPS 318

01558599



ALSTIP, ILLINOIS 60658  
11900 SOUTH PULASKI

RECORD AND RETURN TO: ALSTIP BANK AND TRUST

ALSTIP, IL 60658  
JOANNE L. MC CLELLAN  
This instrument was prepared by:

My Commission expires:

01558599

*[Signature]*  
Notary Public

Given under my hand and official seal, this 29<sup>th</sup> day of *March*, 19*91*

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 he signed and delivered the said instrument as free and voluntary act, for the uses and purposes therein set forth.

I, a Notary Public in and for said county and state do hereby certify that **JON R. LEMKE AND RANEE M. LEMKE, HUSBAND AND WIFE**

STATE OF ILLINOIS

County ss: *Cook*

Borrower \_\_\_\_\_  
(Seal)

Borrower \_\_\_\_\_  
(Seal)

Borrower **RANEE M. LEMKE** \_\_\_\_\_  
(Seal) *[Signature]*

Borrower **JON R. LEMKE** \_\_\_\_\_  
(Seal) *[Signature]*

Witness:

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

- Condominium Rider
- Planned Unit Development Rider
- Adjustable Rate Rider
- Graduated Payment Rider
- Growing Equity Rider
- Other

and agreements of this Security Instrument as if the rider(s) were in a part of this Security Instrument. (Check applicable boxes)

**ADDITIONAL TO THIS SECURITY INSTRUMENT** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument.

insurance is solely due to Lender's failure to remit a mortgage insurance premium to the secretary. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of such intelligibility. A written statement of any authorized agent of the Secretary dated subsequent to 90 DAYS from the date hereof, declining to insure this Security Instrument and the note secured thereby, shall be deemed conclusive proof of such intelligibility.

eligible for insurance under the National Housing Act within 90 DAYS from the date hereof. Lender may, at its option and notwithstanding anything in Paragraph 9, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 90 DAYS from the date hereof, declining to insure this Security Instrument and the note secured thereby not be

**ACCELERATION CLAUSE**

02458816

DPS 393  
CLASS - 985

MB-201 Rev. 7/88 2921

RANEE M. LEMKE  
- Borrower  
(Seal)

JON R. LEMKE  
- Borrower  
(Seal)

02458816

Rider.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants of this Assumption

**ADDITIONAL CHARGES** In addition, Lender may charge an amount up to one percent (1%) of the current Note balance and its normal loan closing costs, except the cost of a real estate appraisal.

**ASSUMPTION RATE** Lender will allow assumption by Purchaser at Borrower's Note interest rate in effect at the time of assumption.

**APPLICABILITY** Lender is bound by these conditions and terms, as follows:  
1. This Assumption Rider applies only to the first transfer of the Property by Borrower and not to a foreclosure sale;  
2. Purchaser must be an individual, not a partnership, corporation or other entity;  
3. Purchaser must meet Lender's credit underwriting standards for the type of loan being assumed as if Lender were making a new loan to Purchaser;  
4. Purchaser shall assume only the balance due on the Note at the time of assumption for the term remaining on the Note;  
5. If applicable, Borrower's private mortgage insurance coverage must be transferred to the Purchaser in writing, unless waived by Lender;  
6. If Borrower's Note has a conversion feature and Borrower has exercised the right of conversion of this loan to a fixed rate loan from Lender, this Assumption Rider is void and Lender has no obligation to allow assumption by a Purchaser from Borrower; and  
7. Lender must reasonably determine that Lender's security will not be impaired by the loan assumption.

**AGREEMENT** Lender may require the Purchaser to sign an assumption agreement, in the form required by Lender, which obligates the Purchaser to keep all the promises and agreements made in the Note and Security Instrument. Borrower will continue to be obligated under the Note and Security Instrument unless Lender releases Borrower in writing.

**ASSUMPTION** Any person purchasing the Property from Borrower may assume full liability to repay Borrower's Note to Lender under the terms and conditions set out in this Assumption Rider.

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

THIS ASSUMPTION RIDER is made this 29TH day of MARCH, 1991, 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 person whether one or more, (the "Borrower") to secure Borrower's Note to ALSP BANK AND TRUST (the "Lender") of the same date and covering the property described in the Security Instrument and located at:  
133 SOUTH MAXON STREET, STREAMWOOD, ILLINOIS 60107  
(Property Address)



101-90-111

THIS ADJUSTABLE RATE RIDER is made this 29th day of MARCH and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to

ALSP BANK AND TRUST

(the "Lender")

of the same date and covering the property described in the Security Instrument and located at:

133 SOUTH MAXON LANE  
STEARWOOD, ILLINOIS 60107

(Property Address)

**THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.**

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

1. Under the Note, the initial stated interest rate of SEVEN AND ONE HALF per centum (7.500 %) per annum ("Initial Interest Rate") on the unpaid principal balance is subject to change, as hereinafter described. When the interest rate changes, the equal monthly installments of principal and interest also will be adjusted, as hereinafter provided, so that each installment will be in an amount necessary to fully amortize the unpaid principal balance of the Note, at the new adjusted interest rate, over the remaining term of the Note.

2. The first adjustment to the interest rate (if any adjustment is required) will be effective on the first day of JULY 1992 (which date will not be less than twelve months nor more than eighteen months from the due date of the first installment payment under the Note), and thereafter each adjustment to the interest rate will be made effective on that day of each succeeding year during the term of the Security Instrument ("Change Date").

3. Each adjustment to the interest rate will be made based upon the following method of employing the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year ("Index"; the Index is published in the Federal Reserve Bulletin and made available by the United States Treasury Department in Statistical Release 115 (S19)). As of each Change Date, it will be determined whether or not an interest rate adjustment must be made, and the amount of the new adjusted interest rate, if any, as follows:

- (a) The amount of the Index will be determined, using the most recently available figure, thirty (30) days before the Change Date ("Current Index").
- (b) TWO percentage points (2.000 %) will be added to the Current Index, plus the Current Index, will be called the "Calculated Interest Rate" for each Change Date.
- (c) The Calculated Interest Rate will be compared to the interest rate being earned immediately prior to the current Change Date (such interest rate being called the "Existing Interest Rate"). Then, the new adjusted interest rate, if any, will be determined as follows:
  - (i) If the Calculated Interest Rate is the same as the Existing Interest Rate, the interest rate will not change.
  - (ii) If the difference between the Calculated Interest Rate and the Existing Interest Rate is less than or equal to one percentage point, the new adjusted interest rate will be equal to the Existing Interest Rate (subject to the maximum allowable change over the term of the Security Instrument of five percentage points, in either direction, from the Initial Interest Rate, herein called the "5% Cap").
  - (iii) If the Calculated Interest Rate exceeds the Existing Interest Rate by more than one percentage point, the new adjusted interest rate will be equal to one percentage point higher than the Existing Interest Rate (subject to the "5% Cap").
  - (iv) If the Calculated Interest Rate is less than the Existing Interest Rate by more than one percentage point, the new adjusted interest rate will be equal to one percentage point less than the Existing Interest Rate (subject to the "5% Cap").
- (d) Notwithstanding anything contained in this Adjustable Rate Rider, in no event will any new adjusted interest rate be more than five percentage (5%) points higher or lower than the Initial Interest Rate. If any increase or decrease in the Existing Interest Rate would cause the new adjusted interest rate to exceed the 5% Cap, the new adjusted interest rate will be limited to five percentage (5%) points higher or lower, whichever is applicable, than the Initial Interest Rate.

ADJUSTABLE RATE RIDER

FIA Case No. 131:6341197

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Property of Cook County Clerk's Office



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(e) Lender will perform the functions required under subparagraphs 3(a), (b) and (c) to determine the amount of the new adjusted rate, if any. Any such new adjusted rate will become effective on the Change Date and thereafter will be deemed to be the Existing Interest Rate. The new Existing Interest Rate will remain in effect until the next Change Date on which the interest rate is adjusted.

(f) If the Index is no longer available, Lender will be required to use any index prescribed by the Department of Housing and Urban Development. Lender will notify Borrower in writing of any such substitute index (giving all necessary information for Mortgagor to obtain such index) and after the date of such notice the substitute index will be deemed to be the Index hereunder.

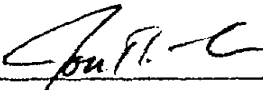
4. (a) If the Existing Interest Rate changes on any Change Date, Lender will recalculate the monthly installment payments of principal and interest to determine the amount which would be necessary to repay in full, on the maturity date, the unpaid principal balance (which unpaid principal balance will be deemed to be the amount due on such Change Date assuming there has been no default in any payment on the Note but that all prepayments on the Note have been taken into account), at the new Existing Interest Rate, in equal monthly payments. At least 25 days before the date on which the new monthly payment at the new level is due, Lender will give Borrower written notice ("Adjustment Notice") of any change in the Existing Interest Rate and of the revised amount of the monthly installment payments of principal and interest, calculated as provided above. Each Adjustment Notice will set forth (i) the date the Adjustment Notice is given, (ii) the Change Date, (iii) the new Existing Interest Rate as adjusted on the Change Date, (iv) the amount of the adjusted monthly installment payments, calculated as provided above, (v) the Current Index and the date it was published, (vi) the method of calculating the adjustment to the monthly installment payments, and (vii) any other information which may be required by law from time to time.


(b) Borrower agrees to pay the adjusted monthly installment amount beginning on the first payment date which occurs at least twenty-five (25) days after Lender has given the Adjustment Notice to Borrower. Borrower will continue to pay the adjusted monthly installment amount set forth in the last Adjustment Notice given by Lender to Borrower until the first payment date which occurs at least twenty-five (25) days after Lender has given a further Adjustment Notice to Borrower. Notwithstanding anything to the contrary contained in this Adjustable Rate Rider or the Security Instrument, Borrower will be relieved of any obligation to pay, and Lender will have forfeited its right to collect, any increase in the monthly installment amount (caused by the recalculation of such amount under subparagraph 4(a)) for any payment date occurring less than twenty-five (25) days after Lender has given the applicable Adjustment Notice to Borrower.

(c) Notwithstanding anything contained in this Adjustable Rate Rider, in the event that (i) the Existing Interest Rate was reduced on a Change Date, and (ii) Lender failed to give the Adjustment Notice when required, and (iii) Borrower, consequently, has made any monthly installment payments in excess of the amount which would have been set forth in such Adjustment Notice ("Excess Payments"), then Borrower, at Borrower's sole option, may either (1) demand the return from Lender (who for the purposes of this sentence will be deemed to be the lender, or lenders, who received such Excess Payments, whether or not any such lender subsequently assigned the Security Instrument) of all or any portion of such Excess Payments, with interest thereon at a rate equal to the sum of the Margin and the Index on the Change Date when the Existing Interest Rate was so reduced, from the date each such Excess Payment was made by Borrower to repayment, or (2) request that all or any portion of such Excess Payments, together with all interest thereon calculated as provided above, be applied as payments against principal.

5. Nothing contained in this Adjustable Rate Rider will permit Lender to accomplish an interest rate adjustment through an increase (or decrease) to the unpaid principal balance. Changes to the Existing Interest Rate may only be reflected through adjustment to Borrower's monthly installment payments of principal and interest, as provided for herein.

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

  
\_\_\_\_\_  
JON R. LEMKE (Seal)  
Borrower

  
\_\_\_\_\_  
RANEE M. LEMKE (Seal)  
Borrower

\_\_\_\_\_  
(Seal)  
Borrower

\_\_\_\_\_  
(Seal)  
Borrower

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