

UNOFFICIAL COPY

PREPARED BY:  
TINA DZINGELESKI  
SCHAUMBURG, IL 60173

91186603

RECORD AND RETURN TO:  
MORTGAGE CAPITAL CORPORATION  
1000 E. WOODFIELD ROAD-SUITE 240  
SCHAUMBURG, ILLINOIS 60173

91186603

DEPT-01 RECEIVED  
MAY 23 1996  
186603

(Space Above This Line For Recording Date)

9800487235

# MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on **APRIL 22**, 1991.  
The mortgagor is **DAVID L. CARLOS, JR**  
**AND DENISE P. CARLOS, HUSBAND AND WIFE**

("Borrower"). This Security Instrument is given to **MORTGAGE CAPITAL CORPORATION**, which is organized and existing under the laws of **THE STATE OF MINNESOTA**, and whose address is **111 EAST KELLOGG BOULEVARD ST. PAUL, MINNESOTA 55101** ("Lender").

Borrower owes Lender the principal sum of **ONE HUNDRED SEVENTY THOUSAND AND 00/100 Dollars (U.S. \$ 170,000.00)**

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 **MAY 1, 1996**. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in **COOK** County, Illinois:

**LOT 20 IN LINCOLNWOOD DRIVE ADDITION TO EVANSTON, A SUBDIVISION OF THE SOUTHEAST FRACTIONAL QUARTER OF SECTION 11, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.**

10-11-412-020

which has the address of **2149 FORESTVIEW ROAD** **EVANSTON**  
(Street) (City)  
Illinois **60201** ("Property Address")  
(Zip Code)

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

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

**UNIFORM COVENANTS:** Borrower and Lender covenant and agree as follows:

**1. PAYMENT of PRINCIPAL and INTEREST; PREPAYMENT and LATE CHARGES.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

ILLINOIS—Single Family—FNMA/FHLMC UNIFORM INSTRUMENT

Borrower(s) Initials *DL DC*

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Amended 5/87

DPS 420

MS-264 Rev. 10/89 14564

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Lender may take action under this paragraph 7, Lender does not have to do so.  
 instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although  
 in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security  
 regulations, then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights  
 covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect  
 if Borrower fails to perform the

**7. PROTECTION OF LENDER'S RIGHTS IN THE PROPERTY; MORTGAGE INSURANCE**

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

**6. PRESERVATION and MAINTENANCE of PROPERTY; LEASEHOLDS**

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

restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will  
 offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or  
 Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has  
 applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If  
 restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be  
 the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the  
 Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of  
 carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.  
 receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance  
 shall have the right to hold the policies and renewals. If Lender requires, Lender shall promptly give the Lender all  
 All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender  
 unreasonably withheld.

**5. HAZARD INSURANCE**

insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender  
 requires insurance. This insurance shall be maintained in the amount(s) 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  
 the giving of notice.  
 identifying the lien. Borrower shall satisfy the lien or take on or more of the actions set forth above within 10 days of  
 the Property is subject to a lien which may attain priority over this Security Instrument. Lender may give Borrower a notice  
 agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of  
 prevent the enforcement of the lien or forfeiture of any part of the Property; or fail to secure from the holder of the lien an  
 faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to  
 in good faith the obligations secured by the lien in a manner acceptable to Lender. (b) consents in good  
 Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees  
 evidencing the payments.

**4. CHARGES, LIENS**

under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts  
 time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amount to be paid  
 shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on  
 Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower  
 Note: third, to amounts payable under paragraph 2; fourth, to interest due, and last, to principal due.  
 paragraphs 1 and 2 shall be applied. First, to late charges due under the Note; second, to prepayment charges due under the  
**3. APPLICATION of PAYMENTS** Unless applicable law provides otherwise, all payments received by Lender under

**2. FUNDS FOR TAXES AND INSURANCE**

application as a credit against the sums secured by this Security Instrument  
 immediately prior to the sale of the Property or its acquisition by Lender, any funds held by Lender at the time of  
 Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than  
 Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any  
 amount necessary to make up the deficiency in one or more payments as required by Lender.  
 amount of the funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any  
 Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of funds. If the  
 dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at  
 If the amount of the funds held by Lender, together with the future monthly payments of funds payable prior to the due  
 the funds was made. The funds are pledged as additional security for the sums secured by this Security Instrument.  
 charge, an annual accounting of the funds showing credits and debits to the funds and the purpose for which each debit to  
 Lender shall not be required to pay Borrower any interest or earnings on the funds. Lender shall give to Borrower, without  
 writing that interest shall be paid on the funds. Unless an agreement is made or applicable law requires interest to be paid,  
 reporting service shall not be a charge for the purposes of the preceding sentence. Borrower and Lender may agree in  
 by Lender in connection with Borrower's entering into this Security Instrument to pay the cost of an independent tax  
 Lender pays Borrower interest on the funds and applicable law permits Lender to make such a charge. A charge assessed  
 Lender may not charge for holding and applying the funds, analyzing the account or verifying the escrow items, unless  
 state agency including Lender if Lender is such an institution. Lender shall apply, the funds to pay, the escrow items.  
 The funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or  
 current dates and reasonable estimates of future escrow items.  
 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 be paid in full; (b) yearly hazard insurance premiums; and (c) yearly  
 leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage  
 interest premiums, if any. These items are called "escrow items." Lender may estimate the funds due on the basis of

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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.

**8. INSPECTION.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

**9. CONDEMNATION.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

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

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

**10. BORROWER NOT RELEASED; FORBEARANCE BY LENDER NOT A WAIVER.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**11. SUCCESSORS and ASSIGNS BOUND; JOINT and SEVERAL LIABILITY; CO-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (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.

**12. LOAN CHARGES.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan 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.

**13. LEGISLATION AFFECTING LENDER'S RIGHTS.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

**14. NOTICES.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notices will 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.

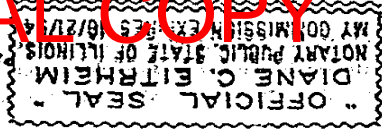
**16. BORROWER'S COPY.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

**17. 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 if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

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Borrower(s) Initials Acc Drc



Notary Public

*Diane C. Eitheim*

My Commission Expires: 10-21-94

Given under my hand and official seal, this 12 day of April 91

purposes therein set forth signed and delivered the said instrument as 'THEIR' free and voluntary act, for the uses and foregoing instrument, appeared before me this day in person, and acknowledged that THEY personally known to me to be the same Person(s) whose name(s) ARE subscribed to the HUSBAND AND WIFE

DAVID L. CARLOS AND DENISE P. CARLOS, for said county and state, do hereby certify that

1, a Notary Public in and State of Illinois, COOK County SS

(Space Below This Line for Acknowledgment)

DAVID L. CARLOS, JR. (Seal) DENISE P. CARLOS (Seal)

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 Instrument and

- Adjustable Rate Rider
Condominium Rider
1-4 Family Rider
Planned Unit Development Rider
Graduated Payment Rider
Balloon Rider
Other(s) (Specify)

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

23. RIDERS TO THIS SECURITY INSTRUMENT: If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend the Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

21. RELEASE: Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower.

20. LENDER IN POSSESSION: Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of a period of redemption following judicial sale, Lender in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those payable. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument.

18. BORROWER'S RIGHT TO REINSTATE: If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days for such other period as applicable law may specify for reinstatement before sale of the Property pursuant to any power of sale contained in this Security Instrument or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorney's fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property, and Borrower's obligation to pay the sums secured by this Security Instrument shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

19. ACCELERATION; REMEDIES: LENDER SHALL GIVE NOTICE TO BORROWER PRIOR TO ACCELERATION FOLLOWING BORROWER'S BREACH OF ANY COVENANT OR AGREEMENT IN THIS SECURITY INSTRUMENT BUT NOT PRIOR TO ACCELERATION UNDER PARAGRAPHS 13 AND 17 UNLESS APPLICABLE LAW PROVIDES OTHERWISE. THE NOTICE SHALL SPECIFY: (A) THE DEFAULT; (B) THE ACTION REQUIRED TO CURE THE DEFAULT; (C) A DATE, NOT LESS THAN 30 DAYS FROM THE DATE THE NOTICE IS GIVEN TO BORROWER, BY WHICH THE DEFAULT MUST BE CURED; AND (D) THAT FAILURE TO CURE THE DEFAULT ON OR BEFORE THE DATE SPECIFIED IN THE NOTICE MAY RESULT IN ACCELERATION OF THE SUMS SECURED BY THIS SECURITY INSTRUMENT. FORECLOSURE BY JUDICIAL PROCEEDING AND SALE OF THE PROPERTY, THE NOTICE SHALL FURTHER INFORM BORROWER OF THE RIGHT TO REINSTATE AFTER ACCELERATION AND THE RIGHT TO ASSERT IN THE FORECLOSURE PROCEEDING THE NON-EXISTENCE OF A DEFAULT OR ANY OTHER DEFENSE OF BORROWER TO ACCELERATION AND FORECLOSURE. IF THE DEFAULT IS NOT CURED ON OR BEFORE THE DATE SPECIFIED IN THE NOTICE, LENDER AT ITS OPTION MAY REQUIRE IMMEDIATE PAYMENT IN FULL OF ALL SUMS SECURED BY THIS SECURITY INSTRUMENT WITHOUT FURTHER DEMAND AND MAY FORECLOSE THIS SECURITY INSTRUMENT BY JUDICIAL PROCEEDING. LENDER SHALL BE ENTITLED TO COLLECT ALL EXPENSES INCURRED IN PURSUING THE REMEDIES PROVIDED IN THIS PARAGRAPH 19, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEY'S FEES AND COSTS OF TITLE EVIDENCE.

NON-INFORM COVENANTS: Borrower and Lender further covenant and agree as follows:

17. BORROWER'S OBLIGATIONS: Borrower shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

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**UNOFFICIAL COPY**  
**BALLOON RIDER**  
**(CONDITIONAL RIGHT TO REFINANCE)**

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PT-01-009

THIS BALLOON RIDER is made this 22ND day of APRIL, 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 MORTGAGE CAPITAL CORPORATION (the "Lender") of the same date and covering the property described in the Security Instrument and located at: 2149 FORESTVIEW ROAD  
EVANSTON, ILLINOIS 60201

(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 "Note Maturity Date"), I will be able to obtain a new loan ("New Loan") with a new Maturity Date of MAY 1, 2021, the ("New Maturity Date") and with an interest rate equal to the "New Loan Rate" determined in accordance with Section 3 below if all the conditions provided in Sections 2 and 5 below are met (the "Conditional Refinance Option"). If those conditions are not met, I understand that the Note Holder is under no obligation to refinance the Note or to modify the Note, reset the Note Rate, or extend the Note 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 Refinance Option, certain conditions must be met as of the Note 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 Note Maturity Date; (3) there are no liens, defects, or encumbrances against the Property, or other adverse matters affecting title to the Property (except for taxes and special assessments not yet due and payable arising after the Security Instrument was recorded); (4) the New Loan 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 LOAN RATE**

The New Loan Rate will be a fixed rate of interest equal to the Federal Home Loan Mortgage Corporation's required net yield for 30-year fixed rate mortgages subject to a 60-day mandatory delivery commitment, plus one-half of one percent (0.5%), rounded to the nearest one-eighth of one percent (0.125%) (the "New Loan 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 Refinance Option. If this required net yield is not available, the Note Holder will determine the New Loan Rate by using comparable information.

**4. CALCULATING THE NEW PAYMENT AMOUNT**

Provided the New Loan 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 Note Maturity Date (assuming my monthly payments then are current, as required under Section 2 above), over the term of the New Loan at the New Loan Rate in equal monthly payments. The result of this calculation will be the new amount of my principal and interest payment every month until the New Loan is fully paid.

**5. EXERCISING THE CONDITIONAL REFINANCE OPTION**

The Note Holder will notify me at least 60 calendar days in advance of the Note Maturity Date and advise me of the principal, accrued but unpaid interest, and all other sums I am expected to owe on the Note Maturity Date. The Note Holder also will advise me that I may exercise the Conditional Refinance 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 Refinance Option. If I meet the conditions of Section 2 above, I may exercise the Conditional Refinance Option by notifying the Note Holder no earlier than 60 calendar days and no later than 45 calendar days prior to the Note Maturity Date. The Note Holder will calculate the fixed New Loan Rate based upon the Federal Home Loan Mortgage Corporation'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 Note Maturity Date the Note Holder will advise me of the new interest rate (the New Loan 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 a \$250 processing fee and the costs associated with the exercise of the Conditional Refinance Option, including but not limited to the cost of updating the title insurance policy.

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

  
\_\_\_\_\_  
(Seal)  
Borrower  
DAVID L. CARLOS JR

  
\_\_\_\_\_  
(Seal)  
Borrower  
DENISE P. CARLOS

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

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

(Sign Original Only)

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Property of Cook County Clerk's Office

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