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ADJUSTABLE RATE RIDER (Home Equity Conversion Mortgage)

93722802

FHA Case Number : 131: 7086303

THIS ADJUSTABLE RATE RIDER is made on SEPTEMBER 2, 1993, 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 Senior Income Reverse Mortgage Corporation, 125 South Wacker Drive, Suite 300, Chicago, Illinois 60606 ("Lender") of the same date and to secure the Loan Agreement of the same date and covering the property described in the Security Instrument and located at:

16365 S. PAULINA AVENUE, MARKHAM, ILLINOIS 60426, COOK County

THIS RIDER CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE.

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

- Under the Note, the initial stated interest rate of FOUR AND NINETY SEVEN HUNDREDTHS per centum (4.97%) per annum ("Initial Interest Rate") on the unpaid principal balance is subject to change, as hereinafter described. When the interest rate changes, the new adjusted interest rate will be applied to the total outstanding principal balance. An increase or decrease in the interest rate may result in a change in the amount due to Lender at maturity.
- Each adjustment to the interest rate will be based upon 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 H.15 (519)). 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 Borrower to obtain such index) and after the date of such notice the substitute index will be deemed to be the Index hereunder.
- Lender will perform the calculations under Paragraphs 4 or 5 to determine the new adjusted interest rate. The amount of the new adjusted interest rate, if any, will be based on the Borrower's election to have a cap on both the annual and lifetime rate adjustments, or to have a maximum interest rate only for the life of the loan.

[Check appropriate election]

maximum interest rate for life of loan (Paragraph 5 applies).

a cap on both the annual and lifetime rate adjustments (Paragraph 4 applies).

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 COOK COUNTY RECORDER

4. Annual and Lifetime Caps.

- The first adjustment to the interest rate (if any adjustment is required) will be effective on the first day of OCTOBER, 1994, (which date will not be less than twelve (12) months nor more than eighteen (18) months from the date of closing), and thereafter each adjustment to the interest rate will be made effective on that day of each succeeding year ("Change Date") until the loan is repaid in full.
- The amount of the Index will be determined, using the most recently available figure, thirty (30) days before the Change Date ("Current Index").
- One and six-tenths percentage points (1.6%; the "Margin") will be added to the Current Index. The sum of the Margin plus the Current Index will be called the "Calculated Interest Rate" for each Change Date.
- 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:
 - If the Calculated Interest Rate is the same as the Existing Interest Rate, the interest rate will not change.
 - If the difference between the Calculated Interest Rate and the Existing Interest Rate is less than or equal to two percentage points, the new adjusted interest rate will be equal to the Calculated Interest Rate (subject to the "5% Cap" provided for in Paragraph 4(e)).
 - If the Calculated Interest Rate exceeds the Existing Interest Rate by more than two percentage points, the new adjusted interest rate will be equal to two percentage points higher than the Existing Interest Rate (subject to the 5% Cap).
 - If the Calculated Interest Rate is less than the Existing Interest Rate by more than two percentage points, the new adjusted interest rate will be equal to two percentage points less than the Existing Interest Rate (subject to the 5% Cap.)

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STATE OF ILLINOIS

IN SENATE,
January 10, 1900.

REPORT
OF THE
COMMISSIONERS OF THE LAND OFFICE,
IN RESPONSE TO A RESOLUTION PASSED
BY THE SENATE, MARCH 15, 1899,
AND BY THE HOUSE OF REPRESENTATIVES,
MAY 15, 1899.

CHICAGO: PUBLISHED BY THE STATE OF ILLINOIS,
1900.

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- (g) 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 over the term of the Security Instrument.
- (f) Any 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.

5. Lifetime Maximum Interest Rate.

- (a) The first adjustment to the interest rate (if any adjustment is required) will be effective on NOVEMBER, 1993 (which date will be the first day of the second full calendar month after closing), and thereafter each adjustment to the interest rate will be made effective on that day of each succeeding month ("Change Date") until the loan is repaid in full.
- (b) The amount of the Index will be determined, using the most recently available figure, thirty (30) days before the Change Date ("Current Index").
- (c) One and six-tenths percentage points (1.6%; the "Margin") will be added to the Current Index. The sum of the Margin plus the Current Index will be called the "Calculated Interest Rate" for each Change Date.
- (d) The lesser of 9.75% (the lifetime maximum interest rate) or the Calculated Interest Rate will be the new adjusted rate. The 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.
6. (a) If the Existing Interest Rate changes on any Change Date, Lender will apply the new Existing Interest Rate to the total outstanding principal balance. At least twenty-five (25) days before the accrued interest is added to the mortgage balance, Lender will give Borrower written notice ("Adjustment Notice") of any change in the Existing Interest Rate. 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 Current Index and the date it was published, (v) the method of calculating the adjusted interest rate, and (vi) any other information which may be required by law from time to time.
- (b) Borrower agrees to pay the interest rate by having it applied to the outstanding principal balance beginning twenty-five (25) days after Lender has given the Adjustment Notice to Borrower. Borrower will continue to pay the adjusted interest rate amount set forth in the last Adjustment Notice given by Lender to Borrower until 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 interest including interest added to the principal (caused by the recalculation of such amount under Paragraphs 4 and 5) before 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, paid any interest in excess of the amount which would have been set forth in such Adjustment Notice ("Excess Payments"), then Lender must subtract from the unpaid principal balance all 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 thereby increasing the available funds under the mortgage by the Excess Payment and the interest thereon.

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


WILLIE MAE TAYLOR, NOW KNOWN AS WILLIE MAE CANNESTRA (Borrower)

90722602

Senior Income Reverse Mortgage
125 South Wacker Drive
Suite 300
Chicago, IL 60606

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