

# UNOFFICIAL COPY

## SUBORDINATION AGREEMENT

93238397

KNOW ALL MEN BY THESE PRESENTS: THAT, WHEREAS, on the 16th day of December 1992, GEORGE NELLAMATTATHIL AND GIGY NELLAMATTATHIL, HIS WIFE, IN JOINT TENANCY, ("BORROWER"), executed a mortgage to First Federal Of Elgin, F.S.A. now known as OLD KENT BANK ("LENDER") to secure payment of Sixteen Thousand and 00/100th Dollars, (\$16,000.00), which mortgage is recorded in the Office of the Recorder of Deeds for Cook County, State of Illinois, as document number 93-063028 (the "ORIGINAL MORTGAGE") and conveyed the real estate known as:

Lot 17 in Block 33 in Northwest Land Association Subdivision of the West Half of the Northwest Quarter (except right of way of Northwestern Elevated Railroad) in Section 13, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois,

Permanent Index No.: 13-13-103-025

And Whereas, on March 22, 1993 BORROWERS executed a mortgage to Security Mortgage on the above described Property to secure payment of ONE HUNDRED THIRTY-EIGHT THOUSAND AND 00/100th Dollars (\$138,000.00) which mortgage was recorded in the Office of the Recorder of Deeds for Cook County, State of Illinois, on as document number 93238396 the ("Subsequent Mortgage").

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WHEREAS, LENDER has been requested to and has agreed to subordinate the lien of the ORIGINAL MORTGAGE to the lien of the SUBSEQUENT MORTGAGE.

NOW THEREFORE, for a good and valuable consideration, LENDER hereby agrees that the lien of the ORIGINAL MORTGAGE is subordinate and junior to the lien of the SUBSEQUENT MORTGAGE and that the lien of the SUBSEQUENT MORTGAGE shall also have a prior right over the lien of the ORIGINAL MORTGAGE to all awards and payments made as a result of the exercise of the right eminent domain against the Property, or any part, all rents, income or profits, all compensation received for the taking of the Property, or any part, by condemnation proceedings, all compensation received as damages for injury to the Property, or any part, all proceeds from insurance on improvements to Property, and all proceeds occurring as a result of foreclosure against the property, including a deed given in lieu of foreclosure.

IN WITNESS WHEREOF, the said officers of LENDER have hereunto set their hand this 22nd day of March, 1993.

ATTEST:

*Kenneth J. Schuman*  
Kenneth J. Schuman, Vice President

OLD KENT BANK  
DEPT-01 RECORDING \$23.50  
11175 TRAM 9113 03/31/93 15:05:00  
4667 # 4-93-238397  
BY: *Daniel F. Corcoran*  
Daniel F. Corcoran, Assistant Vice President

Land Title L-307134-C2

STATE OF ILLINOIS )  
                          ) 99.  
COUNTY OF KANE )

Personally came before me, this 22nd day of March 1993, the above named Daniel F. Corcoran and Kenneth J. Schuman to me known to be Assistant Vice President and Vice President of LENDER and who executed the foregoing instrument and acknowledged the same.

*Joan C. Fox*  
NOTARY PUBLIC  
93238397



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Property of Cook County Clerk's Office

93258397

George Nellamattathil  
Gigy Nellamattathil  
4724 N. Sacramento Avenue  
Chicago, IL 60625-4306

FIRST FEDERAL OF ILLINOIS, F.S.A.  
28 NORTH GROVE AVENUE  
ELOIN, ILLINOIS 60120

**Borrower's Name and Address**  
"You" means each borrower above, jointly and severally.

**Lender's Name and Address**  
"We" or "us" means the lender named above.

No. <u>84-110451-2</u>	Initial Advance \$ <u>100.00</u>	Maturity Date <u>December 15, 1997</u>
Date <u>December 15, 1992</u>	Minimum Advance \$ <u>500.00</u>	Billing Cycle: Ends <u>the last day</u>
Trans. Acct. # <u>58-110451-2</u>	Minimum Balance \$ <u>n/a</u>	of every <u>month</u>
Line of Credit \$ <u>16,000.00</u>	Draw Period <u>60 Months</u>	Payment Date <u>01/15/93</u> <u>the 15th day</u>
Triggering Balance \$ <u>n/a</u>	Repayment Period <u>60 Months</u>	of every <u>month</u>
		<u>thereafter until maturity</u>

\*\*Prime + 1% on outstanding balances over \$25,000.00 or Prime + 2% on outstanding balances under \$25,000.00. HOME EQUITY LINE OF CREDIT

**GENERALLY:** This is an agreement about your home equity line of credit. Many of the terms we use in this agreement have special meanings. The term "unpaid principal of loans made under this plan, plus unpaid but earned finance charges, plus any credit insurance premiums that are due. "Transaction Account" means an account you carry with us. The number of this account is listed at the top of the form on the line labeled "Trans. Acct. #". "Line of Credit" means the maximum amount of principal we will ordinarily allow you to owe us under this plan at any time. "Triggering Balance" is the amount you must keep in your transaction account to prevent us from lending you money under this plan.

In addition, we will use the following terms for this home equity plan: "Initial Advance" means the amount of money we will require you to accept as an advance to open the plan. "Minimum Advance" means the smallest amount of money we will advance to you at your request. The "Minimum Balance" is the amount of principal of loans we will require you to maintain outstanding during the plan. If the principal balance outstanding falls below the minimum balance, you may have to pay a fee described below.

If any term of this agreement violates any law or for some other reason is not enforceable, that term will not be part of this agreement. This agreement is subject to the laws of the state where we are located.

**TAX DEDUCTIBILITY:** You should consult a tax advisor regarding the deductibility of interest and charges under this home equity plan.

**REQUESTING A LOAN:** You request a loan under this plan whenever you:  
• write a check for at least the minimum advance listed above using one of the special checks you have for that purpose.  
• request in person that you be advanced directly an amount at least as large as the minimum advance listed above.

**HOW THE LOAN IS ADVANCED:** When you request a loan, we will, subject to any limitations contained in this agreement, advance exactly the amount you request, so long as the requested amount equals or exceeds the minimum advance listed above. We will make the advance by depositing the amount in your transaction account, by advancing the money directly to you, depending on how we agree to make the advance. We will record the amount as a loan in your loan account.

If your request is for less than the minimum advance, we may, at our option, grant the request. However, granting the request does not mean we will be required to grant requests for less than the minimum advance in the future. We always have the option to deny any such request.

However, we will not ordinarily grant any request for a loan which would cause the unpaid principal of your loan account balance to be greater than the Line of Credit listed above. We may, at our option, grant such a request without obligating ourselves to do so in the future.

**HOW FINANCE CHARGES ARE COMPUTED:** Finance charges begin to accrue immediately when we make a loan to you. To figure the finance charge for a billing cycle, we apply a daily periodic rate of finance charge to the "principal balance" of your loan account each day.

To figure the "principal balance" for each day, we first take your loan account balance at the beginning of the day and subtract any unpaid finance charges and credit insurance premiums (if any) that are due. Next, we subtract the portion of any payments or credits received that day which apply to the repayment of your loans. (A portion of each payment you make is applied to finance charges and credit insurance premiums, if any.) Then we add any new loans made that day. The final figure is the "principal balance."

The daily periodic rate of **FINANCE CHARGE** is 0.219% which is equal to an **ANNUAL PERCENTAGE RATE** of -8.0%. The annual percentage rate includes interest and not other costs.

**VARIABLE RATE:** The annual percentage rate may change, and will be \*\*See Above the following "base rate": the American National Bank of Chicago prime. The annual percentage rate may increase if this "base rate" increases. An increase will take effect on the day the rate changes. An increase will result in an increase in the finance charge and it may have the effect of increasing your periodic minimum payment. The annual percentage rate will not increase more often than once a day. A decrease will have the opposite effect of an increase disclosed above.

If the base rate changes more frequently than the annual percentage rate, we will always use the base rate in effect on the day we adjust the annual percentage rate to determine the new annual percentage rate. In such a case, we will ignore any changes in the base rate that occur between annual percentage rate adjustments.

The "annual percentage rate" referred to in this section is the annual rate which corresponds to the periodic rate applied to the balance as described above. This corresponding **ANNUAL PERCENTAGE RATE** will never exceed 22.0%, and will never exceed the highest allowable rate for this type of agreement as determined by applicable state or federal law.

~~THE ANNUAL PERCENTAGE RATE MAY EXCEED 22.0% IF THE ANNUAL PERCENTAGE RATE IS 9.0%.~~

**HOW YOU REPAY YOUR LOANS:** On or before each payment date, you agree to make a minimum payment to reduce your debt. The minimum amount is the amount of accrued finance charges and credit insurance premiums (if any) plus .50% of the principal balance.

**FINAL PAYMENT:** On the maturity date listed above, you must pay any remaining loan account balance outstanding. The minimum payment will not fully repay the principal that is outstanding on your line. At that time, you may have to pay the entire balance in a single balloon payment.

We are not obligated to refinance your loan at that time, but will consider your request to do so. If you refinance this account at maturity, you may have to pay some or all of the closing costs normally associated with a new loan even if you obtain financing from us.

**ADDITIONAL REPAYMENT TERMS:** If your loan account balance on a payment date is less than the minimum payment amount, you must pay only the loan account balance.

If you fail to make a payment, we may, but are not required to, advance money to you to make the payment. All the terms of this agreement would apply to such a loan.

You can pay off all or part of what you owe at any time. However, so long as you owe any amount you must continue to make your periodic minimum payment.

The amounts you pay will first reduce the amount owed for credit insurance (if any), then will reduce the finance charges, and finally will reduce the amount of unpaid loans.

**AUTOMATIC WITHDRAWAL:** If checked, you authorize us to automatically withdraw your payment from your transaction account on each payment date. If your transaction account does not have enough money in it to make the minimum payment, we may, but are not required to, lend you money to make the payment. All the terms of this agreement will apply to such a loan. If your loan account balance is less than the minimum payment amount, we will withdraw only the amount necessary to reduce your loan account balance to zero.

**SECURITY:** To secure the payment of what you owe, we have the right of set-off. This means we can pay the amount you owe us out of money that we are required to pay you (such as money in your savings or checking account). However, we cannot use in this way money in your IRA or other tax-deferred retirement account. State law may further limit our right of set-off.

However, we will have no right of set-off if you can obtain credit under this plan by using a debit or a credit card.

We have also secured your obligations under this plan by taking a security interest (by way of a separate security agreement, mortgage or other instrument dated December 15, 1992) in the following property, described by item or type:

92238397  
Junior Mortgage on property commonly known as:  
4724 N. Sacramento Ave., Chicago, IL 60625-4306

If checked, collateral securing other loans you have with us may also secure loans under this agreement.

Filing fees \$ n/a

Since this agreement is secured by real property, we agree to pay any expenses involved in releasing the security interest.

You may buy property insurance from anyone you want who is acceptable to us. If you buy the insurance from or through us, your premium will be n/a.

**CHANGING THE TERMS OF THIS AGREEMENT:** Generally, we may not change the terms of this agreement. However, we may change the terms in the following circumstances:

- If this is a variable rate plan, we may change the index and margin if the original index described above becomes unavailable. Any new index will have a historical movement similar to the original, and, together with a new margin, will produce a similar interest rate.
- We may make changes that you have agreed to in writing.
- We may make changes that unilaterally benefit you.
- We may make changes to insignificant terms of this agreement.

If we change the terms of this agreement, we will mail notice of the change to you. When the change becomes effective, it will apply to all outstanding loan account balances, including amounts arising out of transaction occurring before the change.

If the change has the effect of increasing your interest rate or other charges, we will mail you notice at least 30 days before the effective date of the change. In such a case, the change will take effect only if you make a purchase or obtain a loan after the date specified in the notice. Otherwise, you may pay the outstanding loan account balance according to the terms of the plan without regard to the change.

**ADDITIONAL CHARGES:** You agree to pay the following additional charges:

- A late charge on any payment not paid within 10 days of the payment date of 5.0% of the payment or \$5.00, whichever is more.
- A charge of \$20.00 for any advance made in an amount less than the minimum advance.
- Termination Fee \$ n/a; Title Insurance \$ n/a;
- (Other) Application Fee \$ 100.00

**ATTORNEY'S FEES:** You agree to pay all our costs, including reasonable attorney's fees, that we incur in legal proceedings to collect or enforce this debt should you be in default.

**NOTICE:** See the reverse side for additional terms and for information about your rights in the event of a billing error.

**SIGNATURES:** By signing below, you agree to the terms on both sides of this agreement and you promise to pay any amounts you owe under this agreement. You also state that you received a completed copy of the agreement on today's date.

Signature George Nellamattathil  
George Nellamattathil SSN325-74-7713

Signature Gigy Nellamattathil  
Gigy Nellamattathil SSN331-82-2852

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