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mail to [handwritten initials]

PREPARED BY AND
AFTER RECORDING MAIL TO

GREAT WESTERN MORTGAGE CORPORATION
P.O. BOX 1900
Northridge, CA 91328

DEPT-01 RECORDING 137.50
10222 TRAM 9038 05/09/95 11128100
19610 + KE * 95-303539
COOK COUNTY RECORDER

ATCO TEX 370

SPACE ABOVE THIS LINE FOR RECORDING DATA

MORTGAGE
ADJUSTABLE INTEREST RATE MORTGAGE

COUNTY CODE: 016
OFFICE NUMBER: 348
LOAN NO.: 1-826093-9

THIS MORTGAGE ("Security Instrument") is given on **May 2, 1995**
The mortgagor is
DAVID RIOS, UNMARRIED

("Borrower")

This Security Instrument is given to
GREAT WESTERN MORTGAGE CORPORATION, A DELAWARE CORPORATION

which is organized and existing under the laws of **THE STATE OF DELAWARE**, and whose
address is

9451 CORBIN AVENUE, NORTHRIDGE, CA 91324

("Lender"). Borrower owes Lender the principal sum of
FIFTY FOUR THOUSAND AND 00/100

Dollars (U.S. **\$54,000.00**). 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 15, 2025**. 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:

**THE NORTH TWENTY (N.20) FEET OF LOT FORTY-THREE (43) AND THE SOUTH
TWENTY (S.20) FEET OF LOT FORTY-FOUR (44) IN BLOCK SEVEN (7) IN S.F.
GROSS' UNDER DEN LINDEN ADDITION TO CHICAGO, OF SECTION TWENTY FOUR
(24), TOWNSHIP FORTY (40) NORTH, RANGE THIRTEEN (13) EAST OF THE THIRD
PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.**

PIN/TAX ID: **13-24-318-002-0000**

which has the address of **3251 N TROY STREET**

CHICAGO
Illinois **60618** ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements,
appurtenances, and 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.

ILLINOIS: Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
(L084R04 (R3/95))

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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.

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.

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 18, 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.

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 pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may 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.

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.

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 coverage 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 payments may no longer be required, at the option 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.

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In the event of a total taking of the Property, the proceeds shall be applied to the Security Instrument whether or not then due, with any excess paid to Borrower. If the fair market value of the Property immediately before the taking is greater than the amount of the sums secured by this Security Instrument, the sums secured by this Security Instrument shall be paid to Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be paid to Borrower by the amount of the proceeds multiplied by the following fraction: (a) the amount of the sums secured by this Security Instrument 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, the fair market value of the Property immediately before the taking is less than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the proceeds shall be applied to the sums secured by this Security Instrument until the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower to make an award or settle a claim for damages, Borrower fails to do so within the time specified in the notice, after the date the notice is given, Lender is authorized to collect and apply the proceeds to the cost of restoration or repair of the Property or to the sums secured by this Security Instrument until the sums are then due.

Unless Lender and Borrower otherwise agree in writing, any application for a loan extension shall not extend or postpone the due date of the monthly payments referred to in Paragraph 10, and the amount of each payment shall remain the same.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension or modification of amortization of the sums secured by this Security Instrument or the assignment of the Security Instrument to a successor in interest of Borrower shall not operate to release the liability of Borrower or any successors in interest. Lender shall not be required to commence proceedings to enforce the Security Instrument or to refuse to extend time for payment or otherwise modify amortization of the Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Forbearance by Lender in exercising any right or remedy shall not be a waiver of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The obligations of this Security Instrument shall bind and benefit the successors and assigns of Borrower and shall be subject to the provisions of Paragraph 17. Borrower's covenants and agreement in this Security Instrument shall apply to Borrower who co-signs this Security Instrument but does not execute the Note. Borrower who co-signs this Security Instrument but does not execute the Note shall be jointly and severally obligated to pay the sums secured by this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; (c) agrees that Lender and any other Borrower may agree to extend the term of this Security Instrument or to modify the terms of this Security Instrument or to accommodate with regard to the terms of this Security Instrument or to extend the term of this Security Instrument without the consent of Borrower.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law that prohibits the collection of loan charges, and that law is finally interpreted so that the interest or other charges collected in connection with the loan exceed the permitted limits, then: (a) the amount of the charges collected shall be reduced by the amount necessary to reduce the charge to the permitted limits; (b) the amount of the charges collected from Borrower which exceeded permitted limits will be refunded to Borrower; (c) if the law requires a refund reduces principal, the reduction will be treated as a partial prepayment of the loan under the Note.

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

15. Governing Law; Severability. This Security Instrument shall be governed by 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 the validity of this Security Instrument or the Note which can be given effect without the conflict. If any provision of this Security Instrument or the Note is declared to be severable from the Security Instrument and the Note are declared to be severable from each other.

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

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or part of the interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may, at its option, require payment in full of all sums secured by this Security Instrument. However, the requirement of Lender's consent is prohibited by federal law as of the date of this Security Instrument.

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Loan No.: 1-626093-9

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 those 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.

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) 60 days (or 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 as if no acceleration had 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 attorneys' 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 continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with Paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this Paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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

21. 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 Paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure 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 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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22. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument to Borrower. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under applicable law.

23. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

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 line(s)]

- | | | |
|---|---|---|
| <input checked="" 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 type="checkbox"/> Balloon Rider | <input type="checkbox"/> Rate Improvement Rider | <input type="checkbox"/> Second Home 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.

Witnesses:

_____ (Seal) Borrower

_____ (Seal) Borrower

_____ (Seal) Borrower

_____ (Seal) Borrower

(Space Below This Line For Acknowledgment)

State of Illinois, COOK County ss:

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that DAVID RIOS 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 HIS free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 2nd day of May, 1995

My Commission expires: 9-29-98 _____ Notary Public

This instrument was prepared by:
JONDA HEYBACH
2500 S. HIGHLAND AVENUE
SUITE 250
LOMBARD, ILLINOIS 60148



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ADJUSTABLE RATE RIDER ARM 6

Loan No.: 1-629093-9

THIS ADJUSTABLE RATE RIDER dated **May 2, 1995** changes and adds to the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") I signed this day. The Security Instrument secures my Note (the "Note") to

GREAT WESTERN MORTGAGE CORPORATION, A DELAWARE CORPORATION

(the "Lender"), also signed this day, and covers my property as described in the Security Instrument and located at:

**3251 N TROY STREET
CHICAGO, IL 60618**

(Property Address)

ATTENTION: THE NOTE CONTAINS PROVISIONS ALLOWING FOR ADJUSTMENTS TO MY INTEREST RATE AND MY MONTHLY INSTALLMENT. THE NOTE LIMITS THE MINIMUM AND MAXIMUM INTEREST I MUST PAY.

INTEREST RATE AND MONTHLY INSTALLMENT ADJUSTMENTS

The Note provides for adjustments to my interest rate and my monthly installments as follows:

Initial Interest Rate **6.150%**

First Interest Rate Adjustment Date **November 15, 1995**

Initial Monthly Installment **\$328.99**

Installment Due Date **15th**

First Installment Due Date **June 15, 1995**

Maturity Date **May 15, 2025**

First Installment Adjustment Date **December 15, 1995**

Minimum Rate* **6.150%**

Maximum Rate* **12.150%**

Rate Differential* **2.600**

*The Minimum Rate, Maximum Rate and Rate Differential are subject to adjustment as provided in Section 1(f).

1. METHOD OF COMPUTING INTEREST RATE ADJUSTMENTS.

- (a) **Interest Rate Adjustment Dates.** The interest rate I will pay may be adjusted on each Interest Rate Adjustment Date .

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- (b) **The Index.** Beginning with the **First Interest Rate Adjustment Date**, my interest rate will be based on an Index. The "Index" is the monthly weighted average cost of savings, borrowings and advances published from time to time by the Federal Home Loan Bank of San Francisco (called the "Bank"). If the Index is no longer published during the term of the Note or if Note Holder, in its sole discretion, finds that the Index no longer represents the current monthly weighted average cost of savings, borrowings, and advances by the Bank available to Arizona, California and Nevada savings institutions of a type that were eligible to be members of the Bank on August 8, 1989, then the Note Holder may select an alternate Index to calculate the interest rate, and that alternate index shall be the "Index." If the alternate index selected by the Note Holder is no longer published during the term of the Note, the Note Holder may choose another alternate index to calculate the interest rate. Each published update of the Index is called the "Current Index."

The "Rate Differential" is the percentage shown above, or, if Note Holder selects an alternate index, the Rate Differential may go up or down so that the interest rate in effect just before the alternate index is selected is the same as the interest rate in effect just after the alternate index is selected.

- (c) **Calculation of Interest Rate Adjustment.** The Note Holder will determine each adjusted interest rate by adding the Rate Differential (shown on the front of this Rider) to the Current Index published in the second calendar month before the month that the adjustment starts. For example, if the interest rate is adjusted June 1, the Current Index published in April will be used. The sum of the Current Index and the Rate Differential is the interest rate that will apply to my loan until the next Interest Rate Adjustment Date.

The Note Holder may choose not to increase my interest rate even if an increase is permitted because of an increase in the Current Index. The Note Holder is not required to give me advance notice of interest rate adjustments.

- (d) **Limits on Interest Rate Adjustments.** Each time my interest rate is adjusted, it will go up or down not more than one percentage point (1%) from what it was just before the adjustment.
- (e) **Maximum and Minimum Rates.** The interest rate I am required to pay during the term of this loan will not ever be greater than the Maximum Rate (even if the sum of the Current Index and Rate Differential is higher) nor less than the Minimum Rate (even if the sum of the Current Index and Rate Differential is lower), unless the property securing this loan is sold and the loan is assumed. Sale of the property and assumption of my loan require the Note Holder's written consent. My Maximum Rate and Minimum Rate are shown above.
- (f) **Adjustment on Sale.** If the property is sold and my loan is assumed, the Note Holder may adjust the Maximum Rate up to five percentage points (5.0%) above the interest rate in effect on the date of the assumption. The Note Holder may also adjust the Minimum Rate up to five percentage points (5.0%) below the interest rate in effect on the date of the assumption. The Note Holder may increase the Rate Differential by one-quarter of a percentage point (0.25%) above the Rate Differential in effect on the date of assumption. The Note Holder may increase or decrease the Maximum Rate, the Minimum Rate and/or increase the Rate Differential each time the Property is sold and the loan is assumed. The Note Holder, however, may choose not to adjust some or all of these things each time the property is sold and the loan is assumed. The Note Holder's choice whether to adjust, some or all of these things will be made at the time the Note Holder consents to the sale and assumption.

2. METHOD OF COMPUTING ADJUSTMENTS TO THE MONTHLY INSTALLMENT.

- (a) **Monthly Installment Adjustment Dates.** My monthly installment may be adjusted on each Installment Adjustment Date.

The new monthly installment will be calculated approximately sixty (60) days before the Installment Adjustment Date by using the new interest rate which will be in effect on that Installment Adjustment Date, and using the loan balance which would be owing on the Installment Adjustment Date. Any prepayment I make during the sixty (60) days before that Installment

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Adjustment Date will not reduce the loan balance used in the calculation. The new monthly installment will be an amount that is sufficient to repay, in substantially equal monthly installments, the loan balance used in the calculation over the remaining term of the loan at the interest rate used in the calculation.

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

A. FUNDS FOR TAXES AND INSURANCE

The third sentence in the second paragraph of Uniform Covenant 2 of the Security Instrument is changed to read as follows: Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge, provided however, that Lender may impose upon Borrower at closing a fee to compensate a third party who shall be responsible for the monitoring and payment of real estate taxes without thereby becoming obligated to pay Borrower interest on the funds.

B. OCCUPANCY AGREEMENT

If Borrower was required to execute an Occupancy Agreement as a condition for obtaining the loan secured by this Security Instrument, the terms of the Occupancy Agreement, including the provisions which make a violation of its terms an event of default under this Security Instrument, are incorporated herein by this reference.

SIGNATURES OF BORROWERS:

(Please sign your name exactly as it appears below.)

BY SIGNING BELOW, I accept and agree to the terms and covenants in this Adjustable Rate Rider.


DAVID RIOS

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

(Seal)

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