

# UNOFFICIAL COPY

DELIVER TO

96229601

BOX

- DEPT-01 RECORDING \$35.00
- T80G12 TRAN 9796 03/26/96 13:04:00
- #8042 4 ER \*-96-229601
- COOK COUNTY RECORDER

Prepared by:

VASANTI B DAVE  
800 BURR RIDGE PKWY  
BURR RIDGE, IL 60521-6486

36

75-919946-  
5001049971

## MORTGAGE

ADJUSTMENT

THIS MORTGAGE ("Security Instrument") is given on **MARCH 20, 1996**, The mortgagor is  
**ANTHONY J GREMO MARRIED TO SHERRI GREMO**

("Borrower"). This Security Instrument is given to

**STANDARD FEDERAL BANK FOR SAVINGS**

which is organized and existing under the laws of **THE UNITED STATES OF AMERICA**, and whose address is **4192 S. ARCHER AVE., CHICAGO, ILLINOIS 60632** (Lender). Borrower owes Lender the principal sum of

**NINETY THOUSAND DOLLARS & NO CENTS**

Dollars (U.S. \$ **90,000.00** ).

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 **APRIL 1, 2026**. 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**:

**LOT 18 IN TRIEZENBERG'S AND COMPANY 3RD ADDITION TO PALOS WESTGATE VIEW BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF THE NORTHWEST 1/4 AND PART OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS**

**PIN # 24-31-114-005-0000**

96229601

which has the address of  
Illinois **60463**

ILLINOIS State Family FNMA/FHLMC UNIFORM  
INSTRUMENT Form 3014 9/90  
Amended 5/91

2000 RELEASE BY

Page 1 of 6

[Zip Code] (Property Address);  
PALOS HTS  
12960 FORESTVIEW RD  
Printed on Recycled Paper  
VMP MORTGAGE FORMS - (800)521-7781

[Street, City]



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to the Borrower shall pay monthly installments which are based upon the amount of the principal balance outstanding at the time of the Note and the interest rate specified in the Note. The Note is payable in full on the tenth day of each month or on demand by the Lender, or at such other times as may be agreed upon by the parties.

If the Borrower makes any payment which is in excess of the amount required by the Note, the Lender shall apply such payment to the next due date of the Note. If the Borrower fails to make any payment when due, the Lender may require the Borrower to pay all accrued interest and any other amounts due under the Note.

3. **Application of Payments.** Unless otherwise provided in the Note, all payments received by the Lender under paragraph 1 and 2 shall be applied first to any prepayment charges due under the Note; second, to amounts payable under paragraph 2;

of the Property, shall apply any funds held by Lender in the time of acquisition or sale as a credit, except that the sum secured by funds held by Lender, II, under paragraph 2, Lender shall acquire of all the property, Lender, prior to the acquisition or sale of the Security instrument, shall apply the amount paid by the Borrower to the security instrument.

Upon payment in full of all sums secured by this Security instrument, Lender shall promptly refund to Borrower any unused monthly payments, at Lender's sole discretion.

If the Funds held by Lender exceed the amount necessary to make up the deficiency, Borrower shall make up the deficiency in no more than days pay to Lender the amount necessary to pay the Lender items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to pay the Lender items when due, Lender shall make up the deficiency in no more than days is not sufficient to pay the Lender items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to pay the Lender items when due, Lender shall make up the deficiency in no more than days for the excess funds in accordance with the requirements of applicable law, if the funds held by Lender at any time exceed the amount necessary to pay the Lender items when due, Lender shall account to Borrower.

If the Funds held by Lender exceed the amount necessary to pay the Lender items when due, Lender shall account to Borrower.

If the Funds held by Lender were pledged as additional security for all sums secured by this Security instrument, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds, Lender shall give to Borrower, applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds held by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or a charge. However, Lender may require Borrower to pay an one-time charge for an independent real estate tax reporting service covering the Escrow Items, unless Lender pays to Lender interest on the Funds and applicable law permits Lender to make such payment to the Lender, Lender may not charge Borrower for holding and applying the Funds, immediately after closing the escrow account, or including Lender, it Lender is such an instrument or in any Federal Home Loan Bank, Lender shall apply the Funds to pay the escrow items or other items in accordance with applicable law.

The Funds shall be held in an escrow account established by a federal agency, instrumentalities, or entity including Lender, it Lender is such an instrument or in any escrow account established by a federal agency, instrumentalities, or entity.

Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future less a lesser amount. It so, Lender may, in any time, collect and hold Funds in an amount not to exceed the lesser amount less a mileage from time to time, 12 U.S.C., Section 2601 et seq. ("KfSPAs"), unless another law limits application of any such mileage to any charge for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974, as amended from time to time.

Lender may, in any way, collect and hold Funds in an amount not to exceed the maximum amount a Lender for a federal real estate may, in any way, charge for the payment of mortgage insurance premiums. These items are called "Escrow Items," the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. The Escrow Items are defined "Escrow Items," if any; (c) yearly mortgage insurance premiums, if any; and (d) any sums payable by Borrower to Lender, in accordance with or ground rents on the Property, if any; (e) yearly hazard or property insurance premiums; (f) yearly flood insurance premiums and assessments which may affect this Security instrument as a lien on the Property; (g) yearly leasehold payments Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for (h) yearly taxes 2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

1. **Payment of Principal and Interest Prepayment and Late Charges.** Borrower shall promptly pay after due the UNIFORM Covenants, Borrower and Lender covenant and agree as follows:

THIS SECURITY INSTRUMENT contains uniform covenants for natural gas and non-natural gas conveyances with limited duration by jurisdiction to constitute a uniformly instrument covering real property.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby contained in the "Property," and will defend bona fide to the title to the Property against all creditors and demands, subject to any encumbrances of record, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record, Borrower warrants

together with all of the foregoing is referred to in this Security instrument as the "Property."

Guarantors now or hereafter a part of the property. All representations and additons and warranties made by this Security instrument, all of the foregoing is referred to in this Security instrument as the "Property."

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

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this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

**5. Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts 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 unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall 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

Initials

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14. Notices. Any notice to Borrower provided for in this Security Lien Agreement shall be given by mailing it by first class mail and airmail address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to

13. **Loan charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is similarly 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 loan to the permitted limits; and (b) any sum 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. It is agreed redress principal, the reduction will be treated as a partial prepayment for purposes of Section 3.1.

12. **Successors and Assigns** **Bound and Severed Liabilities:** Co-signers, The co-owners and agreeesments of this security instrument shall bind and benefit the successors and assigees of lessee and severallies.

11. Borrower shall Release; Forfeiture by Lender Notwithstanding any provision of the time for payment of installments of amortization of the sums secured by this Security instrument given 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 release the liability of the original Borrower or Borrower's successors in interest, Lender shall not be liable to any successor in interest of Borrower for any amount due to Lender by reason of any provision of this instrument or otherwise.

Secured by this Security Instrument, whether or not it has been  
recorded by the Recorder and Borrower after receipt of payment in full,  
any application of proceeds to principal shall not exceed or  
exceed the date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condominium 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 of its option, either to restoration or repair of the Property or to the sum awarded or settled.

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 the sums are then due. Whether or not due, with any excess paid to Borrower, in the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by the Security Instrument held before the taking, unless Borrower and Lender otherwise agree in writing, the excess shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

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

insurmountable with its accompanying agreement between Borrower and Lender or applicable law.

obtain coverage substantially equivalent to the insurance premium previously in effect, at a cost substantially equivalent to the cost to Bottowever of the mortgage insurance premium in effect, from an ultimate mortgage insurer approved by Lender. If substantially equivalent coverage is not available, Bottowever shall pay to Lender each month a sum equal to one-twelfth of the yearly non-tangible insurance premium being paid by Bottowever when the insurance coverage passed to be in effect under this section, less and retain those premiums as a loss reserve in lieu of mortgage insurance. Loss reserve be in effect Lender will accept, use and retain those premiums as a loss reserve in lieu of mortgage insurance. Lender may pay premiums to Lender under this provision, if in the opinion of Lender, it is more effective than coverage (in the amount and for the period pay premiums only no longer be required), provided by an insurer approved by Lender under a policy or certificate and is retained. Bottowever shall pay a Lender whatever, provided by an insurer approved by Lender under a policy or certificate and is retained. Bottowever shall pay premiums to Lender under this provision, if in the opinion of Lender, it is more effective than coverage (in the amount and for the period pay premiums only no longer be required), provided by an insurer approved by Lender under a policy or certificate and is retained. Bottowever shall pay premiums to Lender under this provision, if in the opinion of Lender, it is more effective than coverage (in the amount and for the period pay premiums only no longer be required), provided by an insurer approved by Lender under a policy or certificate and is retained.

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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.

**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 (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.

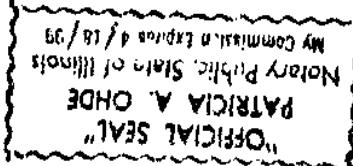
As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing 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

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Page 6 of 6 Form 301A 9/90



Notary Public

My Commission Expires:

Given under my hand and affixed seal, this  
1996 20th day of MARCH  
free and voluntary act, for the uses and purposes herein set forth,  
subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that  
permanently known to me to be the same person as whose name(s)

## AND SECURITY AGREEMENT

ANTHONY J. GREGO MARRIED TO SHERRI CROMO

a Notary Public in and for said county and state do hereby certify  
County of COOK

Borrower  
(Seal)

Lender  
(Seal)

PURPOSE OF MAINTAINING HOMESTEAD RIGHTS  
SHELDON GREGO SIGNER SOLICIT FOR THE  
Borrower

(Seal)

Borrower  
(Seal)

ANTHONY J. GREGO

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

Witnesses:

24. Rider(s) 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 this Security Instrument as if the riders were a part of this Security Instrument.  
 Adjustable Rate Rider  
 Graduated Payment Rider  
 Cordandomium Rider  
 1st Family Rider  
 Biweekly Payment Rider  
 Planned Trust Development Rider  
 Rate Improvement Rider  
 Second Home Rider  
 Other(s) [Specify] \_\_\_\_\_

25. Rider(s) 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 riders were a part of this Security Instrument.

26. Waiver of Homestead, Borrower waives all right of homestead exception in the property,  
without charge to Borrower, Borrower shall pay any recording costs.
27. Release, Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument  
immediately, but not limited to, reasonable attorney fees and costs of title evidence.
28. Recourse, Lender shall be entitled to collect all expenses incurred in preserving the remedies provided in this paragraph  
secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial  
or before the date specified in the note, Lender, at its option, may require immediate payment in full of all sums  
non-excessive of a default or any other deficiency of Borrower to acceleration and foreclosure. If the default is not cured on  
written notice of the right to accelerate after acceleration and the right to assert in the foreclosure proceeding the  
secured by this Security Instrument, foreclosure by judicial proceeding and sale of the property. The notice shall further  
(d) than 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  
(e) a due, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and  
applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default;

1030601  
03/23/99

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5001049971  
ARM PLAN NO. 0033

## ADJUSTABLE RATE RIDER (1 Year Treasury Index - Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this **20TH** day of **MARCH**, **1996**, 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 (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to

**STANDARD FEDERAL BANK FOR SAVINGS**  
(the "Lender") of the same date and covering the property described in the Security Instrument and located at:

12960 FORESTVIEW RD                    PALOS HTS                    IL                    60463  
(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:

### A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of **6.875** %. The Note provides for changes in the interest rate and the monthly payments, as follows:

### 4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

#### (A) Change Dates

The interest rate I will pay may change on the first day of **APRIL 1, 2001**, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

#### (B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

#### (C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding **TWO AND THREE QUARTERS** percentage point(s) (**2.75** %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

MULTISTATE ADJUSTABLE RATE RIDER - ARM/AROMA IS NOW KNOWN AS THE Multistate Uniform Adjustable Rate Mortgag

Form 3111 3/85

VME-822B 19108102

VME MORTGAGE FORMS • (800) 621-7291



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*(Signature)*

Borrower  
(Seal)

Borrower  
(Seal)

Borrower  
(Seal)

Borrower  
(Seal)

*(Signature)*

## 8. TRANSFER OF PROPERTY OR A BENEFICIAL INTEREST IS BORROWER'S

(4) **Notice of Changes**  
The **Joe's Holders** will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

(D) Limits on Interest Rate Changes	The interest rate I am required to pay at the first Change Date will not be greater than 8 • 875 %
(E) Effective Date of Changes	The interest rate I am required to pay at the first Change Date will not be greater than 8 • 875 % or less than 4 • 875 %. Therefore, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%). From the date of interest I have been paying for the preceding twelve months, my interest rate will never be greater than 12 • 875 %.
(F) Effective Date of Changes	My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payments changes again.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date of my note taking into account my substantially equal payments. The result of this calculation will be the new amount of my monthly payment.