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RECORD AND RETURN TO:
SMART MORTGAGE ACCESS
835 STERLING AVENUE-SUITE 230
PALATINE, ILLINOIS 60067

Prepared by: WENDY S. ORT
PALATINE, IL 60067

• DEPT-01 RECORDING 143.00
• T#0012 TRAN 6783 09/23/97 15:51:00
• #2852 & CG # -97-704608
• COOK COUNTY RECORDER

HM 20-300 61 SL #

State of Illinois PURCHASE MONEY
MORTGAGE

FHA Case No.
131:8829339-731

43-00

6455534

THIS MORTGAGE ("Security Instrument") is given on SEPTEMBER 16, 1997
The Mortgagor is
OFELIA T. RARANG, SINGLE WOMAN

("Borrower"). This Security Instrument is given to
SMART MORTGAGE ACCESS

which is organized and existing under the laws of THE STATE OF ILLINOIS, and
whose address is 835 STERLING AVENUE-SUITE 230
PALATINE, ILLINOIS 60067 ("Lender"). Borrower owes Lender the principal sum of
NINETY TWO THOUSAND FIVE HUNDRED AND 00/100 Dollars (U.S. \$ 92,500.00).
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 OCTOBER 1
2027. 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

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FHA Illinois Mortgage - 4/96

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VMP MORTGAGE FORMS 18001521 7291

Page 1 of 8

Initials

DPS 1609

BOX 333-CTI

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amounts due for the mortgage insurance premium. Lender may, at any time, collect and hold amounts for Escrow items in an aggregate amount not to exceed the maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. Section 2601 et seq. and implementing regulations, 24 CFR Part 3500, as they may be amended from time to time ("RESPA"), except that the cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Borrower's payments are available in the account may not be based on

items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds." Lender may, at any time, collect and hold amounts for Escrow items in an aggregate amount not to exceed the maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. Section 2601 et seq. and implementing regulations, 24 CFR Part 3500, as they may be amended from time to time ("RESPA"), except that the cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Borrower's payments are available in the account may not be based on items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds."

1. Payment of Principal, Interest and Late Charge. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and late charges due under the Note.

UNIFORM COVENANTS

Borrower and Lender covenant and agree as follows:

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.

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.

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."

which has the address of 758 WEST DEMPSTER-UNIT D04, MT. PROSPECT, Illinois 60056 [Zip Code] ("Property Address"); (Street, City),

Parcel ID #: 08-14-302-017-1188

DECLARATION OF EASEMENTS RECORDED AS DOCUMENT NUMBER 04007894. PARCEL 01 EASEMENT FOR THE BENEFIT OF PARCEL 1 AS SET FORTH IN INTEREST IN THE COMMON ELEMENTS.

NUMBER 04007894 AND AS AMENDED TOGETHER WITH ITS UNDIVIDED PERCENTAGE EXHIBIT 'A' TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT MENDOTA, IN COOK COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED AS SECTION 14, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL PART OF THE SOUTH 20 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF

ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: PARCEL 1: UNIT 789-4 IN THE CONDOMINIUMS OF BIRCH MANOR AS DELINEATED

COOK does hereby mortgage, grant and convey to the Lender the following described property located in County, Illinois:

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If the amounts held by Lender for Escrow Items exceed the amounts permitted to be held by RESPA, Lender shall account to Borrower for the excess funds as required by RESPA. If the amounts of funds held by Lender at any time are not sufficient to pay the Escrow Items when due, Lender may notify the Borrower and require Borrower to make up the shortage as permitted by RESPA.

The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. If Borrower tenders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance remaining for all installment items (a), (b), and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b), and (c).

3. Application of Payments. All payments under paragraphs 1 and 2 shall be applied by Lender as follows:

First, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium;

Second, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

Third, to interest due under the Note;

Fourth, to amortization of the principal of the Note; and

Fifth, to late charges due under the Note.

4. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any proceeds shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged Property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Lien; 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 (or within sixty days of a later sale or transfer of the Property) and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender determines that requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or

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[Handwritten Signature]

DPS 1612

if:

approval of the Secretary, require immediate payment in full of all sums secured by this Security Instrument of the Garn-St. Germain Depository Institutions Act of 1982, 12 U.S.C. 1701j-3(d)) and with the prior

(b) **Sale Without Credit Approval.** Lender shall, if permitted by applicable law (including Section 341(d) of the Uniform Residential Security Instrument Act), sell the Property, if permitted by applicable law (including Section 341(d) of the Uniform Residential Security Instrument Act), in this Security Instrument.

(ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

(1) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or

(2) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument in full of all sums secured by this Security Instrument, if:

(a) **Default.** Lender may, except as limited by regulations issued by the Secretary, in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument, if:

9. Grounds for Acceleration of Debt.

8. Fees. Lender may collect fees and charges authorized by the Secretary.

above within 10 days of the giving of notice.

Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth in this Security Instrument.

Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give

(a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the

rate, and at the option of Lender, shall be immediately due and payable.

secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of Lender, shall be immediately due and payable.

Any amounts disbursed by Lender under this paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of Lender, shall be immediately due and payable.

rights in the Property, including payment of taxes, hazard insurance and other items mentioned in paragraph 2.

regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's

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, for condemnation or to enforce laws or

If Borrower fails to make these payments or the payments required by paragraph 2, or fails to perform any other

evidencing these payments.

these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts

governmental or municipal charges, fines and impositions that are not included in paragraph 2. Borrower shall pay all

7. **Charges to Borrower and Protection of Lender's Rights in the Property.** Borrower shall pay all

Security Instrument shall be paid to the entity legally entitled thereto.

payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this

paragraph 2, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in paragraph 2, or change the amount of such

under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness

under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness

hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid

any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are

6. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with

leasehold and fee shall not be merged unless Lender agrees to the merger in writing.

leasehold. Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the

information) in connection with the loan evidenced by the Note, including, but not limited to, representations

materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material

abandoned Property. Borrower shall also be in default if Borrower, during the loan application process, gave

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(i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent), and

(ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) **No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

(d) **Regulations of HUD Secretary.** In many circumstances regulations issued by the Secretary will limit Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) **Mortgage Not Insured.** Borrower agrees that if this Security Instrument and the Note are not determined to be eligible for insurance under the National Housing Act within 60 days from the date hereof, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 60 days from the date hereof, declining to insure, this Security Instrument and the Note, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

10. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time of 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 successor 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.

12. 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 9(b). 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.

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18. Foreclosure Procedure. If Lender requires immediate payment in full under paragraph 9, Lender 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 18, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under Paragraph 9, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 U.S.C. 3751 *et seq.*) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this Paragraph 18 or applicable law.

19. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

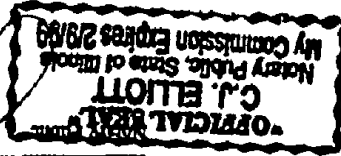
20. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

21. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants 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 box(es)].

Condominium Rider Growing Equity Rider Other [specify]
 Planned Unit Development Rider Graduated Payment Rider

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[Signature]
day of *16th* *February* 19*97*

My Commission Expires: *2/28/09*

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 signed and delivered the said instrument as free and voluntary act, to be used and purposes therein set forth.
Given under my hand and official seal, this *16th* day of *February* 19*97*

STATE OF ILLINOIS
I, *C.J. ELLIOTT*, a Notary Public in and for said county and state do hereby certify that
OFELIA T. RARANG, SINGLE WOMAN
County ss: _____

[Signature]

(Seal)
-Borrower

[Signature]

(Seal)
-Borrower

[Signature]

(Seal)
-Borrower

[Signature]

(Seal)
-Borrower

[Signature]

(Seal)
-Borrower

[Signature]

(Seal)
-Borrower

[Signature]

(Seal)
-Borrower

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in this Security Instrument and to any rider(s) executed by Borrower and recorded with it.
Witnesses:
[Signature]

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FHA Case No.

131:8829339-731

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 16TH day of SEPTEMBER 1997, 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 to

SMART MORTGAGE ACCESS

("Lender") of the same date and covering the Property described in the Security Instrument and located at:

758 WEST DEMPSTER-UNIT DG4, MT. PROSPECT, ILLINOIS 60056

Property Address

The Property Address includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

CONDOMINIUMS OF BIRCH MANOR

Name of Condominium Project

("Condominium Project"). If the owners association or other entity which acts for the Condominium Project ("Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

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

- A. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring all property subject to the condominium documents, including all improvements now existing or hereafter erected on the Property, and such policy is satisfactory to Lender and provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and other hazards included within the term "extended coverage," and loss by flood, to the extent required by the Secretary, then: (i) Lender waives the provision in Paragraph 2 of this Security Instrument for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property, and (ii) Borrower's obligation under Paragraph 4 of this Security Instrument to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy. Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage and of any loss occurring from a hazard. In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the condominium unit or to the common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by this Security Instrument, with any excess paid to the entity legally entitled thereto.
- B. Borrower promises to pay Borrower's allocated share of the common expenses or assessments and charges imposed by the Owners Association, as provided in the condominium documents.

FHA Multistate Condominium Rider - 2/91

Page 1 of 2

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VMP MORTGAGE FORMS - (313)293-8100 - (800)621-7291

DPS 1489

Initials: *[Signature]*

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Property of Cook County Clerk's Office

Space Below This Line Reserved for Acknowledgment

-Borrower
(Seal)

-Borrower
(Seal)

-Borrower
(Seal)

-Borrower
(Seal)

ORLITA T. BARANG

Barang

Condominium Rider.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this

C. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph C shall become additional debt of Borrower secured by the 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.

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FHA Case No.
131:8829339-731

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 16TH day of SEPTEMBER, 1997, 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 SMART MORTGAGE ACCESS

(the "Lender") of the same date and covering the property described in the Security Instrument and located at: 758 WEST LEMPSTER-UNIT DG4, MT. PROSPECT, ILLINOIS 60056

[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:

INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Date

The interest rate may change on the first day of JANUARY 1, 1999, and on that day of each succeeding year. "Change Date" means each date on which the interest rate could change.

(B) The Index

Beginning with the first Change Date, the interest rate will be based on an Index. "Index" means the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board. "Current Index" means the most recent Index figure available 30 days before the Change Date. If the Index (as defined above) is no longer available, Lender will use as a new Index any index prescribed by the Secretary. As used in this Rider, "Secretary" means the Secretary of Housing and Urban Development or his or her designee. Lender will give Borrower notice of the new Index.

(C) Calculation of Interest Rate Changes

Before each Change Date, Lender will calculate a new interest rate by adding a margin of TWO AND THREE FOURTHS percentage point(s) (2.750 %) to the Current Index and rounding the sum to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in paragraph (D) of this Rider, this rounded amount will be the new interest rate until the next Change Date.

(D) Limits on Interest Rate Changes

The interest rate will never increase or decrease by more than one percentage point (1.0%) on any single Change Date. The interest rate will never be more than five percentage points (5.0%) higher or lower than the initial interest rate.

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Initials *[Signature]*

[Space Below This Line Reserved for Acknowledgment]

Borrower (Seal)

Borrower (Seal)

OFFELIA T. KARANG

Borrower (Seal)

Rate Rider.

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

the demand for return is made. return any excess payment with interest on demand as the Note rate, with interest thereon at the Note rate, be applied as payment of principal. Lender's obligation to excess payment, with interest thereon at the Note rate, which should have been stated in a timely notice, or (ii) request that any rate (a rate equal to the interest rate which shows the return to Borrower of any excess payment, with interest thereon at the Note has the option to either (i) demand the return to Borrower of any excess payment, with interest thereon at the Note rate, which should have been stated in a timely notice, or (ii) request that any payment amounts exceeding the required notice, but Lender failed to give timely notice of the decrease and Borrower made any monthly of this Rider decreased, Lender has given the required notice. If the monthly payment amount calculated in accordance with paragraph (E) Lender has given the required notice. If the monthly payment amount calculated in accordance with paragraph (E) of this Rider calculated in accordance with paragraph (E) of this Rider for any payment increase in the monthly payment amount (F) of this Rider. Borrower shall have no obligation to pay any increase in the monthly payment amount beginning on the first payment date which occurs at least 25 days after Lender has given Borrower the notice of changes required by paragraph (F) of this Rider. Borrower shall make a payment in the new monthly amount beginning on the first payment date which occurs at least 25 days after Lender has given Borrower the notice of changes required by paragraph (F) of this Rider. A new interest rate shall be calculated in accordance with paragraphs (C) and (D) of this Rider will become effective on the Change Date. Borrower shall have no obligation to pay any increase in the monthly payment amount beginning on the first payment date which occurs at least 25 days after Lender has given Borrower the notice of changes required by paragraph (F) of this Rider.

(B) Calculation of Payment Change. Lender will calculate the amount of monthly payment of principal and interest which would be necessary to repay the unpaid principal balance in full at the maturity date of the new interest rate through substantially equal payments. In making such calculation, Lender will use the Note, reduced by the amount of any prepayments to principal. The result of this calculation will be the amount of unpaid principal balance which would be owed on the Change Date. If there had been no default in payment on the Note, reduced by the amount of any prepayments to principal. (C) Effective Date of Changes. A new interest rate shall be calculated in accordance with paragraphs (C) and (D) of this Rider will become effective on the Change Date. Borrower shall have no obligation to pay any increase in the monthly payment amount beginning on the first payment date which occurs at least 25 days after Lender has given Borrower the notice of changes required by paragraph (F) of this Rider. (D) of this Rider. Borrower shall have no obligation to pay any increase in the monthly payment amount beginning on the first payment date which occurs at least 25 days after Lender has given Borrower the notice of changes required by paragraph (F) of this Rider. (E) of this Rider. Borrower shall have no obligation to pay any increase in the monthly payment amount beginning on the first payment date which occurs at least 25 days after Lender has given Borrower the notice of changes required by paragraph (F) of this Rider. (F) Notice of Changes. Lender will give notice to Borrower of any change in the interest rate and monthly payment amount, the date of the notice, (i) the new interest rate, (ii) the old interest rate, (iii) the method of calculating the change in monthly payment amount, (iv) the new interest rate, (v) the new monthly payment amount, (vi) the Current Index and the date it was published, (vii) the method of calculating the change in monthly payment amount, and (viii) any other information which may be required by law from time to time.

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