

UNOFFICIAL COPY

RECORD AND RETURN TO:
CHICAGO FINANCIAL SERVICES, INC.

520 WEST ERIE-SUITE 240
CHICAGO, ILLINOIS 60610

97062714

Prepared by:
WENDIE HINKES
CHICAGO, IL 60610

DEPT-01 RECORDING \$45.50
T#0001 TRAN 8075 01/28/97 15:15:00
#8348 # RC *-97-062714
COOK COUNTY RECORDER

3187939

MORTGAGE

FIRST AMERICAN TITLE

C10296310
2021A

4550
B

THIS MORTGAGE ("Security Instrument") is given on JANUARY 27, 1997
ROBIN D. ARUNDALE, UNMARRIED PERSON, SINGLE NEVER MARRIED

The mortgagor is

("Borrower"). This Security Instrument is given to
CHICAGO FINANCIAL SERVICES, INC.

which is organized and existing under the laws of THE STATE OF ILLINOIS
address is 520 WEST ERIE-SUITE 240
CHICAGO, ILLINOIS 60610
SEVENTY THREE THOUSAND AND 00/100

, and whose

(Lender). Borrower owes Lender the principal sum of

Dollars (U.S. \$ 73,000.00).

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 FEBRUARY 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 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:

UNIT 10A IN 2020 LINCOLN PARK WEST CONDOMINIUM, AS DELINEATED ON A
SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:
SEE ATTACHED RIDER FOR COMPLETE LEGAL DESCRIPTION

14-33-208-028-1100

Parcel ID #: 2020 N. LINCOLN PARK WEST-UNIT 10A , CHICAGO
which has the address of Illinois 60614
Zip Code ("Property Address");

Street, City

ILLINOIS - Adopted Family-FNMA/FHLMC UNIFORM
INSTRUMENT Form 3014 9/90
Amended 8/98
-GR(I) (8808)

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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.

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items."

Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (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 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 shall promptly advise Borrower of the lien.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (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 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.

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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

Intitle: 

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Applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the 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.

22. 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.

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 box(es)]

- Adjustable Rate Rider
- Graduated Payment Rider
- Balloon Rider
- VA Rider
- Condominium Rider
- Planned Unit Development Rider
- Rate Improvement Rider
- Other(s) [specify]
- 1-4 Family Rider
- Biweekly Payment Rider
- Second Home Rider

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:

Robin D. Arundale (Seal)
ROBIN D. ARUNDALE -Borrower

(Seal) -Borrower

(Seal) -Borrower

STATE OF ILLINOIS, COOK

County ss:

I, *Ruth J. Oquendo*, a Notary Public in and for said county and state do hereby certify

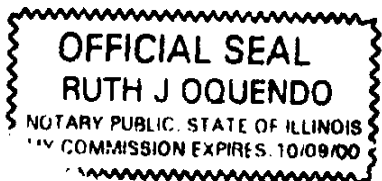
that *Robin D. Arundale*, UNMARRIED PERSON, *single never married*

, 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/SHE signed and delivered the said instrument as HIS/HER free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this *27* day of *January*, 1997.

My Commission Expires:

Ruth J. Oquendo
Notary Public



07062714

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 27TH day of JANUARY, 1997, 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 Note to CHICAGO FINANCIAL SERVICES, INC.

(the "Lender")

of the same date and covering the Property described in the Security Instrument and located at:

2020 N. LINCOLN PARK WEST-UNIT 10A, CHICAGO, ILLINOIS 60614

Property Address

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

2020 LINCOLN PARK WEST

Name of Condominium Project

(the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") hold 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. Condominium Obligations. Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Hazard Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of the yearly premium installments for hazard insurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 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.

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 unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, with any excess paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

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 (Seal)
 -Borrower

 (Seal)
 -Borrower

 (Seal)
 -Borrower

 (Seal)
 -Borrower

 (Seal)
 -Borrower

Robin D. Rundale
 ROBIN D. RUNDALÉ

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

Lender to Borrower requesting payment.

bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall be paid to Lender under this paragraph F. If Borrower does not pay condominium dues and assessments when due, then Lender may pay

maintained by the Owners Association unacceptable to Lender.

(iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association; or

(v) termination of professional management and assumption of self-management of the Owners Association; or

(vi) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender;

(vii) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a

written consent, either partition or subdivision of the Property or consent to:

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivision of the Property or consent to:

Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as

provided in Lender's Uniform Covenant to:

Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as

provided in Lender's Uniform Covenant to:

Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as

provided in Lender's Uniform Covenant to:

Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as

provided in Lender's Uniform Covenant to:

Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as

provided in Lender's Uniform Covenant to:

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FIRST AMERICAN TITLE INSURANCE COMPANY
30 North La Salle, Suite 300, Chicago, IL 60602

ALTA Commitment
Schedule C

File No.: C102963

LEGAL DESCRIPTION:

UNIT 10A IN 2020 LINCOLN PARK WEST CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:

CERTAIN LOTS AND PARTS OF LOTS IN KUHN'S SUBDIVISION OF THE EAST 1/2 OF LOT 7 IN BLOCK 31 IN CANAL TRUSTEES' SUBDIVISION AND IN JACOB REHM'S SUBDIVISION OF CERTAIN LOTS IN KUHN'S SUBDIVISION AFORESAID TOGETHER WITH CERTAIN PARTS OF VACATED ALLEYS ADJOINING CERTAIN OF SAID LOTS, ALL IN SECTION 33, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, WHICH SURVEY IS ATTACHED AS EXHIBIT "D" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT 25750909 TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS.

Office of Cook County Clerk's Office

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ADJUSTABLE RATE MORTGAGE RIDER 1-2-3 TO ONE CONVERTIBLE ARMS

THIS ADJUSTABLE RATE RIDER is made this 27TH day of JANUARY, 1997, 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 CHICAGO FINANCIAL SERVICES, INC.

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:
520 WEST ERIE-SUITE 240
CHICAGO ILLINOIS 60610

(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 ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY. THE NOTE ALSO CONTAINS THE OPTION TO CONVERT THE ADJUSTABLE RATE TO A FIXED RATE.

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

1. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 7.5000 %. The Note provides for changes in the adjustable interest rate and the monthly payments as follows:

2. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

A) Change Dates

The adjustable interest rate I will pay may change on the first day of FEBRUARY, 1999 and on that day every 12th month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date".

B) The Index

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the weekly average yield on the 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 that 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 FOURTHS percentage point(s) (2.7500 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage points (0.125%). Subject to the limits stated in Section 2(D) below, this rounded amount will be my new interest rate until the next Change Date.

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 at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of monthly payment.

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If the unpaid principal balance of my loan on the Conversion Date will be an amount greater than 90% (or such lesser percentage as is at that time the maximum loan-to-value ratio for similar loans that may then be purchased by FHLMC) of the original value of the Property securing my loan, as established by the original appraisal report, I will not have the option to convert my adjustable interest rate as described in Section A above unless I pay the Lender an amount sufficient to reduce the unpaid balance to that amount.

- 7) If the unpaid principal balance of my loan on the Conversion Date will be an amount greater than 90% (or such lesser percentage as is at that time the maximum loan-to-value ratio for similar loans that may then be purchased by FHLMC) of the original value of the Property securing my loan, as established by the original appraisal report, I will not have the option to convert my adjustable interest rate as described in Section A above unless I pay the Lender an amount sufficient to reduce the unpaid balance to that amount.
- 6) Borrower shall have delivered to Lender a written notice of Election to Convert in the form required after the Conversion Date (those requirements may change from time to time).
- 5) The loan, loan documents, Borrower and Property must comply with the requirements of the Federal Home Loan Mortgage Corporation (FHLMC) and must be eligible for purchase by FHLMC upon and requirements may change from time to time).
- 4) The loan, loan documents, Borrower, and Property must comply with the requirements of the issuer of any mortgage insurance policy that was in effect for the loan prior to the Conversion Date (those requirements may change from time to time).
- 3) The Property must be in at least as good condition as described in the original appraisal conducted by or on behalf of Lender, or at the first time occupied by Borrower thereafter.
- 2) My loan shall not be or have been delinquent or in default at any time during the 12 months preceding the Conversion Date;
- 1) I continue to occupy the Property as my principal residence;

My ability to convert my loan to a fixed contract interest rate and fixed monthly payments of principal and interest is subject to the full satisfaction (in the Lender's judgment) of each and all of the following conditions at the effective Conversion Date (as defined in Section C).

B) CONDITIONS TO CONVERSION

Conversion Date (hereinafter defined). In no event will the term be extended beyond the original maturity date. the balance of the original term of my loan or I may shorten the term until (15) years after the effective contract interest rate, I may also, if my original term was for 20 years or more, elect to continue payments over longer have the right to elect to convert this loan to a fixed interest rate loan. If I elect to convert to a fixed rate and do the other things that I must do as set forth below, within the times specified, I will thereafter no longer have the right to elect to convert this loan to a fixed interest rate loan. If I choose to convert my adjustable interest rate to a fixed interest rate, I do not give notice to the Lender that I choose to convert my adjustable interest rate to a fixed interest rate and do the other things that I must do as set forth below, within the times specified, I will thereafter no longer have the right to elect to convert this loan to a fixed interest rate loan. If I choose to convert my adjustable interest rate to a fixed interest rate, I do not give notice to the Lender that I choose to convert my adjustable interest rate to a fixed interest rate and do the other things that I must do as set forth below, within the times specified, I will thereafter no longer have the right to elect to convert this loan to a fixed interest rate loan.

A) OPTION TO CONVERT TO FIXED RATE; CONDITIONS TO OPTION

Notwithstanding anything to the contrary in the Note, but subject to all of the conditions in this Rider, I may, at any time (but only once) during the first five (5) years after the date of the Note, but not thereafter, choose to convert my adjustable contract interest rate and payments to a fixed contract interest rate and fixed payment schedule, by giving written notice to the Lender and otherwise complying with the provisions of this Note. I do not give notice to the Lender that I choose to convert my adjustable interest rate to a fixed interest rate and do the other things that I must do as set forth below, within the times specified, I will thereafter no longer have the right to elect to convert this loan to a fixed interest rate loan.

3. FIXED INTEREST RATE OPTION

The Note provides for the Borrower's option to convert from an adjustable interest rate with interest rate limits to a fixed interest rate, as follows:

The Note Holder will deliver or mail to me a notice of any changes in my adjustable interest rate and 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.

F) Notice of Changes

monthly payment changes again.

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

E) Effective Date of Changes

any single Change Date by more than TWO percentage point(s) (2.0000 %) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 12.8750 %, which is called the "Maximum Rate".

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less than 5.5000 %. Thereafter, my adjustable interest rate will never be increased or decreased on

D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 9.5000 % or

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Upon receipt of Borrower's Notice of Election to Convert, Lender is authorized to inspect the Property, obtain such credit reports for Borrower as it deems desirable, verify the employment and income of Borrower, and take such other action as Lender deems desirable to enable it to determine whether the conditions set forth above have been or will be satisfied.

C) NOTICE BY BORROWER OF ELECTION TO CONVERT

If I choose to convert my adjustable rate loan to a fixed rate loan, I must give the Lender written notice that I am doing so, and, if my original term was 20 years or more, I must also notify the Lender whether I elect to continue the original maturity date or whether I elect to shorten the maturity date to fifteen (15) years after the Conversion Date, all in form prescribed by the Lender (the "Notice") and the Lender must receive such written notice prior to the Conversion Date. I have received a form of Notice prepared by the Lender for the purpose of enabling me to exercise my option to convert to fixed rate. If my original loan term was for 20 years or more, and I do not specify the maturity date in my Notice, the maturity date and original term of the loan will not be changed. I shall also specify in the Notice an Election Date for the purpose of determining the new fixed contract interest rate to which my loan will be converted. If no Election Date is specified in the Notice, the Election Date shall be the date on which my Notice is actually received by the Lender. If I have specified a Saturday, Sunday or day on which Lender is not open for business as my Election Date, the Election Date will be the next succeeding day on which Lender is open for business. If the Notice is not received by Lender on or before seven (7) calendar days after the Election Date specified by me, the Notice shall, at Lender's option, be null and void and of no effect. MY NOTICE AND OPTION TO CONVERT ARE IRREVOCABLE, AND MAY NOT BE WITHDRAWN, NOR MAY IT BE EXERCISED MORE THAN ONCE. The Notice must be accompanied by a copy of my most recent wage statement, paycheck stub or other verification of current income satisfactory to Lender, and contain my certificate that I continue to occupy the Property subject to the Mortgage, that the Property is in at least as good condition as at the time the loan was originally made or at the time it was first occupied by the Borrower thereafter; and that the loan has not been delinquent or in default during the immediately preceding 12 months. I shall also sign, acknowledge and deliver any and all other documents, and take any and all other action, that Lender may reasonably request, but no additional fees or charges will be required to be paid to Lender for me to be able to exercise my option to convert. If the Borrower consists of more than one person then all surviving persons being a Borrower must sign the Notice of Election to Convert. If I comply with the requirements contained in this rider, my loan will be converted to a fixed rate loan as of the first day of the first calendar month after the date on which the Bank receives my Notice of Election to Convert (the "Conversion Date").

D) CONVERSION RATE INDEX

If I have elected to convert and complied with the requirements for such conversion contained in this Rider, then, beginning with the Conversion Date, my new fixed contract interest rate for the remainder of the term of my loan will be equal to the net yield for 30-year (or 15-year, if my remaining term will be 15 years or less) fixed interest rate, single family residential, first mortgage loans covered by 30 day mandatory delivery commitments that is posted by FHLMC as of the Election Date that I select in my Notice or that is determined in accordance with Section C above, plus percentage points (%), rounded up to the next highest one-eighth of one percent (0.125%) per annum. If such required net yield is not available, the Lender will determine my new fixed contract interest rate by using an index that is comparable, in its judgment.

E) DETERMINATION OF NEW PAYMENT AMOUNT

If I choose to convert to a fixed contract interest rate as provided above, the Lender will then determine the amount of my monthly payment of principal and interest that would be sufficient to repay the unpaid principal balance of my loan as of the Conversion Date in full on the maturity date, with interest at my new contract interest rate, in substantially equal monthly payments assuming that such payments would be made when due (the "New Payment Amount"). Beginning with my first monthly payment that becomes due after my Conversion Date, and continuing on the first day of each calendar month thereafter, I will pay the New Payment Amount as my monthly payment of principal and interest. So long as the loan is not in default, neither the contract interest rate nor the New Payment Amount will change from those established as of the Conversion Date.

(SEAL) - Borrower

(SEAL) - Borrower

(SEAL) - Borrower

(SEAL) - Borrower

ROBERT D. AKUNDALB

BY SIGNING BELOW, BORROWER ACCEPTS AND AGREES TO THE TERMS AND COVENANTS CONTAINED IN THIS ADJUSTABLE RATE RIDER.

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.

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 the 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 the option to require immediate payment in full, 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 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 the Security Instrument without further notice or demand on Borrower.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

Until Borrower exercises the conversion Option under the conditions stated in Section 3 of the Adjustable Rate Rider, Uniform Covenant 17 of the Security Instrument is amended to read as follows:
A) 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. Lender also shall not exercise this option if (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonable determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

B) If Borrower exercises the Conversion Option under the conditions stated in Section 3 of this Adjustable Rate Rider, the amendment to Uniform Covenant 17 of the Security Instrument contained in 4A above shall then cease to be in effect, and the provision of Uniform Covenant 17 of the Security Instrument shall instead be in effect as follows:
B) If Borrower exercises the Conversion Option under the conditions stated in Section 3 of this Adjustable Rate Rider, the amendment to Uniform Covenant 17 of the Security Instrument contained in 4A above shall then cease to be in effect, and the provision of Uniform Covenant 17 of the Security Instrument shall instead be in effect as follows:

4. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Adjustable Rate Rider, Uniform Covenant 17 of the Security Instrument is amended to read as follows:

A) Until Borrower exercises the conversion Option under the conditions stated in Section 3 of the

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