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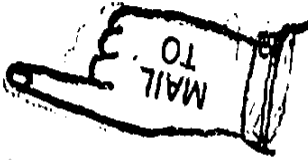
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This document was prepared by:
First Federal Bank for Savings
770 Dundee Road
Arlington Heights, IL 60004

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A.G.F.
BOX 370



COOK COUNTY
RECORDER
JESSE WHITE
ROLLING MEADOW

State of Illinois

Space Above This Line For Recording Data

MORTGAGE

(With Future Advance Clause)

1. DATE AND PARTIES. The date of this Mortgage (Security Instrument) is March 27, 1997 and the parties, their addresses and tax identification numbers, if required, are as follows:

MORTGAGOR:
BRIAN A SZALAJ , AN UNMARRIED MAN
ANNA E SZALAJ , MARRIED TO HARRY M SZALAJ
2319 E OLIVE STREET #1D
ARLINGTON HEIGHTS, IL 60004

LENDER:

First Federal Bank for Savings
770 Dundee Road
Arlington Heights, IL 60004

2. CONVEYANCE. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, sells, conveys, mortgages and warrants to Lender the following described property:
SEE ATTACHED LEGAL

The property is located in COOK (County)
2319 E OLIVE STREET #1D (Address), ARLINGTON HEIGHTS (City), Illinois 60004 (ZIP Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, ditches, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property").

3. SECURED DEBT AND FUTURE ADVANCES. The term "Secured Debt" is defined as follows:
A. Debt incurred under the terms of all promissory note(s), contract(s), guaranty(s) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. (When referencing the debts below it is suggested that you include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.)

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ILLINOIS - MORTGAGE (NOT FOR FNMA, FILMC, FHA OR VA USE)

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APP ID 7063

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- B. All future advances from Lender to Mortgagor or other future obligations of Mortgagor to Lender under any promissory note, contract, guaranty, or other evidence of debt executed by Mortgagor in favor of Lender executed after this Security Instrument whether or not this Security Instrument is specifically referenced. If more than one person signs this Security Instrument, each Mortgagor agrees that this Security Instrument will secure all future advances and future obligations that are given to or incurred by any one or more Mortgagor, or any one or more Mortgagor and others. All future advances and other future obligations are secured by this Security Instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as if made on the date of this Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment must be agreed to in a separate writing.
- C. All obligations Mortgagor owes to Lender, which may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Mortgagor and Lender.
- D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Security Instrument.

This Security Instrument will not secure any other debt if Lender fails to give any required notice of the right of rescission.

4. **PAYMENTS.** Mortgagor agrees that all payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.
5. **PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagor agrees:
- A. To make all payments when due and to perform or comply with all covenants.
 - B. To promptly deliver to Lender any notices that Mortgagor receives from the holder.
 - C. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.
6. **CLAIMS AGAINST TITLE.** Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgagor may have against parties who supply labor or materials to maintain or improve the Property.
7. **DUE ON SALE OR ENCUMBRANCE.** Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full and this Security Instrument is released.
8. **PROPERTY CONDITION, ALTERATIONS AND INSPECTION.** Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor shall not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims and actions against Mortgagor, and of any loss or damage to the Property.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for

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the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

9. **AUTHORITY TO PERFORM.** If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.
10. **ASSIGNMENT OF LEASES AND RENTS.** Mortgagor irrevocably grants, bargains, sells, conveys and warrants to Lender as additional security all the right, title and interest in and to any and all existing or future leases, subleases, and any other written or verbal agreements for the use and occupancy of any portion of the Property, including any extensions, renewals, modifications or substitutions of such agreements (all referred to as "Leases") and rents, issues and profits (all referred to as "Rents"). Mortgagor will promptly provide Lender with true and correct copies of all existing and future Leases. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default under the terms of this Security Instrument.

Mortgagor agrees that this assignment is immediately effective after default between the parties to this Security Instrument and effective as to third parties on the recording of the Security Instrument, and this assignment will remain effective during any period of redemption by the Mortgagor until the Secured Debt is satisfied. Mortgagor agrees that Lender may take actual possession of the property without the necessity of commencing legal action and that actual possession is deemed to occur when Lender, or its agent, notifies Mortgagor of default and demands that any tenant pay all future Rents directly to Lender. On receiving notice of default, Mortgagor will endorse and deliver to Lender any payment of Rents in Mortgagor's possession and will receive any Rents in trust for Lender and will not commingle the Rents with any other funds. Any amounts collected will be applied as provided in this Security Instrument. Mortgagor warrants that no default exists under the Leases or any applicable landlord/tenant law. Mortgagor also agrees to maintain and require any tenant to comply with the terms of the Leases and applicable law.

11. **LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS.** Mortgagor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Mortgagor will perform all of Mortgagor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.
12. **DEFAULT.** Mortgagor will be in default if any party obligated on the Secured Debt fails to make payment when due. Mortgagor will be in default if a breach occurs under the terms of this Security Instrument or any other document executed for the purpose of creating, securing or guarantying the Secured Debt. A good faith belief by Lender that Lender at any time is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment or the value of the Property is impaired shall also constitute an event of default.
13. **REMEDIES ON DEFAULT.** In some instances, federal and state law will require Lender to provide Mortgagor with notice of the right to cure or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Secured Debt and foreclose this Security Instrument in a manner provided by law if Mortgagor is in default. Upon default, Lender shall have the right, without declaring the whole indebtedness due and payable, to foreclose against all or part of the Property. This Mortgage shall continue as a lien on any part of the Property not sold on foreclosure.

At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the terms of the Secured Debt, this Security Instrument and any related documents. All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum

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in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require complete cure of any existing default. By not exercising any remedy on Mortgagor's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

- 14. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS.** Except when prohibited by law, Mortgagor agrees to pay all of Lender's expenses if Mortgagor breaches any covenant in this Security Instrument. Mortgagor will also pay on demand any amount incurred by Lender for insuring, inspecting, preserving or otherwise protecting the Property and Lender's security interest. These expenses will bear interest from the date of the payment until paid in full at the highest interest rate in effect as provided in the terms of the Secured Debt. Mortgagor agrees to pay all costs and expenses incurred by Lender in collecting, enforcing or protecting Lender's rights and remedies under this Security Instrument. This amount may include, but is not limited to, attorneys' fees, court costs, and other legal expenses. This Security Instrument shall remain in effect until released. Lender agrees to pay any recordation costs of such release.
- 15. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.** As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), and all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law.

Mortgagor represents, warrants and agrees that:

- A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance is or will be located, stored or released on or in the Property. This restriction does not apply to small quantities of Hazardous Substances that are generally recognized to be appropriate for the normal use and maintenance of the Property.
- B. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have been, are, and shall remain in full compliance with any applicable Environmental Law.
- C. Mortgagor shall immediately notify Lender if a release or threatened release of a Hazardous Substance occurs on, under or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor shall take all necessary remedial action in accordance with any Environmental Law.
- D. Mortgagor shall immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.
- 16. CONDEMNATION.** Mortgagor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.
- 17. INSURANCE.** Mortgagor shall keep Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. 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 Mortgagor subject to Lender's approval, which shall not be unreasonably withheld. If Mortgagor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Security Instrument.

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All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "loss payee clause." Mortgagor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Mortgagor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Mortgagor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Mortgagor.

Unless otherwise agreed in writing, all insurance proceeds shall be applied to the restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any application of proceeds to principal shall not extend or postpone the due date of the scheduled payment nor change the amount of any payment. Any excess will be paid to the Mortgagor. If the Property is acquired by Lender, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

- 18. ESCROW FOR TAXES AND INSURANCE.** If otherwise provided in a separate agreement, Mortgagor may be required to pay to Lender funds for taxes and insurance in escrow.
- 19. FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Mortgagor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and Lender's lien status on the Property.
- 20. JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND.** All duties under this Security Instrument are joint and individual. If Mortgagor signs this Security Instrument but does not sign an evidence of debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Mortgagor agrees that Lender and any party to this Security Instrument may extend, modify or make any change in the terms of this Security Instrument or any evidence of debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Security Instrument. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Mortgagor and Lender.
- 21. APPLICABLE LAW; SEVERABILITY; INTERPRETATION.** This Security Instrument is governed by the laws of the jurisdiction in which Lender is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.
- 22. NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one mortgagor will be deemed to be notice to all mortgagors.
- 23. WAIVERS.** Except to the extent prohibited by law, Mortgagor waives all appraisal and homestead exemption rights relating to the Property.

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24. **MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Security Instrument at any one time shall not exceed \$ 14000.00 This limitation of amount does not include interest, attorneys fees, and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

25. **OTHER TERMS.** If checked, the following are applicable to this Security Instrument:

- Line of Credit.** The Secured Debt includes a revolving line of credit provision. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.
- Construction Loan.** This Security Instrument secures an obligation incurred for the construction of an improvement on the Property.
- Fixture Filing.** Mortgagor grants to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to the Property. This Security Instrument suffices as a financing statement and any carbon, photographic or other reproduction may be filed of record for purposes of Article 9 of the Uniform Commercial Code.
- Riders.** The covenants and agreements of each of the riders checked below are incorporated into and supplement and amend the terms of this Security Instrument. [Check all applicable boxes]
 - Condominium Rider
 - Planned Unit Development Rider
 - Other
- Additional Terms.**

SIGNATURES: By signing below, Mortgagor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Mortgagor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

If checked, refer to the attached Addendum incorporated herein, for additional Mortgagors, their signatures and acknowledgments.

..... *Brian A Szalaj* 3/27/97 *Anna E Szalaj* 3/27/97
 (Signature) BRIAN A SZALAJ (Date) (Signature) ANNA E SZALAJ (Date)
 *[Signature]*
 (SIGN) HARRY M SZALAJ (DATE)

ACKNOWLEDGMENT:

(Initials) STATE OF ILLINOIS COUNTY OF COOK) ss.
 This instrument was acknowledged before me this 27th day of March, 1997
 by BRIAN A. SZALAJ, AN UNMARRIED MAN and ANNA E. SZALAJ, MARRIED TO HARRY M. SZALAJ
 My commission expires: _____
 (Seal)

..... *[Signature]*
 (Notary Public)

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1. The land referred to in this policy is described as follows:
Unit 13-1D together with its undivided percentage interest in the common elements in Brandenberry Park East Condominium as delineated and defined in the Declaration recorded as Document No. 25108489, in Section 21, Township 42 North, Range 11, East of the Third Principal Meridian, in Cook County, Illinois

Permanent Index Number: 03-21-402-014-1411

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IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

("I/ender"/"we"/"us"/"our") ("Borrower"/"you"/"your" means the under (signed) check/make recipient)

* This disclosure contains important information about our Home Equity Loan Account ("Account"). You should read it carefully and keep a copy for your records.

Availability of Terms - In obtain the described terms that are valid only at the time of application, you must submit a written application.

All of the terms described: Fixed Annual Percentage Rate; Minimum Annual Percentage Rate; Minimum Draw, Fee and Charges; The Variable Rate Index; The Margin used to establish the applicable Annual Percentage Rate; Any term affecting the Variable Rate (other than the Index); Minimum payment requirement, are subject to change other than a change due to an increase or decrease in the Index. If these terms change (other than a change due to an increase or decrease in the Index) and you decide, as a result, not to enter into an agreement with us, you are entitled to refund of any fees you paid to us or anyone else in connection with your application.

Security Interest - We will take a security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.

Possible Action - We can terminate your line and require you to pay us the entire outstanding balance in one payment and charge you fees if:

- You engage in fraud or material misrepresentation in connection with this line
- You do not meet the payment terms
- Your action or inaction adversely affects the collateral or our rights in the collateral

We can refuse to make additional extensions of credit or reduce your limit under certain conditions. These conditions are:

- The value of the dwelling securing the line declines significantly below its approved value for purposes of the line
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial condition
- You are in default of a material obligation in the agreement
- Government action prevents us from enforcing the Annual Percentage Rate provided for or impairs our security interest such that the value of the interest is less than 1.25 percent of the credit line
- A regulatory agency has notified us that continued advances would constitute unsafe and unsound practices
- The maximum Annual Percentage Rate is reached

The actual agreement permits us to make certain changes to the terms of the agreement at specified times or upon the occurrence of specified events.

Minimum Payment Requirements

Draw Period - You can obtain advances of credit for ten years. During the Draw Period your minimum Periodic Payment will be due monthly. During the Draw Period your minimum Periodic Payment will be *at least* equal to a term of 120 months, based on your outstanding principal balance.

Repayment Period - After the Draw Period ends you will no longer be able to obtain credit and you must repay the outstanding balance in a single balloon payment.

Balloon Payment - The minimum payment will not fully repay the principal that is outstanding on your line. You will be required to pay the entire balance in a single "balloon payment."

Minimum Payment Example - If you make only the minimum payment and took no other credit advances, it would take ten years to pay off a credit advance of \$10,000 at an Annual Percentage Rate of 10.25%. During that period, you would make 120 monthly payments of \$85.42, with one final payment of \$10,000.

HERE IS A \$39 ANNUAL MAINTENANCE FEE TO MAINTAIN YOUR LINE OF CREDIT.

Tax Deductibility - You should consult a tax advisor regarding the deductibility of interest on the line.

Minimum Transaction Requirement - Your initial draw must be at least \$100.00. The minimum check amount is \$100.00.

Your monthly rate will be determined by the outstanding balance of your loan. For balances up to \$19,999.99, your monthly rate will be equal to One and One Half percent over Prime. For balances from \$20,000.00 up to \$150,000.00, your monthly rate will be equal to One Half percent over Prime.

Annual Percentage Rate:

Fixed Rate Plans - On Equi-Net up to 80% original loan to value, your monthly rate fixed as of the date that the Equi-Net Agreement was signed plus One and Three Quarter percent over the Prime Rate. The Annual Percentage Rate includes only interest and not other costs. On Equi-Net which exceed 80% original loan to value, your monthly rate fixed as of the date that the Equi-Net Agreement was signed plus Two and Three Quarter percent over the Prime Rate.

Variable Rate Plans - The line has a variable rate feature, and the Annual Percentage Rate (corresponding to the periodic rate) and the minimum payment can change as a result. The Annual Percentage Rate includes only interest and not other costs. The Annual Percentage Rate is based on the value of an index, which is the Highest Prime Rate as published in the Wall Street Journal. If the index is not published in a range, the highest number in the range will be used.

Margin - To determine the Annual Percentage Rate that will apply to your loan, we will add a margin to the value of the Index. A margin that we have used recently is 1.500 percent.

Ask for the current Index Value, Margin and Annual Percentage Rate.

After you open a credit line, rate information will be on periodic statements that we send.

Annual Percentage Rate Change - The Annual Percentage Rate can change at every payment.

The Annual Percentage Rate will never be greater than 18.000 percent maximum, or less than 0.500 percent. There is a \$100 percent limit on the amount by which the rate can change in a one year period.

Maximum Rate and Payment Example - If an Annual Percentage Rate during the draw period equaled the 18.000 percent maximum and had an outstanding balance of \$10,000, your minimum payment would be \$140.00. This maximum interest rate can not be reached in the second payment.

Historical Example:

The table to the right shows how the annual percentage rate and the minimum monthly payment for a single \$10,000 credit advance would have changed based on changes in the index over the first 15 years. The index values are for January of each year.

The table assumes that no additional credit advances were taken, that only the minimum payment was made each month, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments will change in the future. While only one payment amount per year is shown, payments would have varied during each year.

YEAR	INDEX (%)	MARGIN (percentage points)	APRIVAL PERCENTAGE RATE	APRIVAL PERIODIC PAYMENT \$
1982	15.750%	1.500%	17.250%	\$143.75
1983	11.000%	1.500%	12.500%	\$104.17
1984	11.000%	1.500%	12.500%	\$104.17
1985	10.500%	1.500%	12.000%	\$100.00
1986	9.500%	1.500%	11.000%	\$91.67
1987	7.500%	1.500%	9.000%	\$75.00
1988	8.750%	1.500%	10.250%	\$85.42
1989	10.500%	1.500%	12.000%	\$100.00
1990	10.000%	1.500%	11.500%	\$95.83
1991	9.500%	1.500%	11.000%	\$90.00
1992	8.500%	1.500%	10.000%	\$80.00
1993	8.000%	1.500%	9.500%	\$75.00
1994	8.000%	1.500%	9.500%	\$75.00
1995	8.500%	1.500%	10.000%	\$80.00
1996	8.500%	1.500%	10.000%	\$80.00

I (we) acknowledge receipt of the "Important Terms Of Our Home Equity Line of Credit"

Borrower Brian A. Galyon Date 3-27-97
Y. Anne P. [Signature] Date 3/27/97

Borrower [Signature] Date 3-27-97
 Form CL-52 Rev 7/96

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IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

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("Lender"/"we"/"us"/"our") ("borrower"/"you"/"your" means the undersigned disclosure recipient)

* This disclosure contains important information about our Home Equity Loan Account ("Account"). You should read it carefully and keep a copy for your records.

Availability of Terms: To obtain the described terms that are valid only at the time of application, you must submit a written application.

All of the terms described: Fixed Annual Percentage Rate; Minimum Annual Percentage Rate; Minimum Draw, Fee and Charges; The Variable Rate Index; The Margin used to establish the applicable Annual Percentage Rate; Any term affecting the Variable Rate (other than the Index); Minimum payment requirements, are subject to change other than a change due to an increase or decrease in the Index. If these terms change (other than a change due to an increase or decrease in the Index) and you decide, as a result, not to enter into an agreement with us, you are entitled to refund of any fees you paid to us or anyone else in connection with your application.

Security Interest: We will take a security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.

Possible Action: We can terminate your line and require you to pay us the entire outstanding balance in one payment and charge you fees if:

- You engage in fraud or material misrepresentation in connection with this line.
- You do not meet the payment terms.
- Your action or inaction adversely affects the collateral or our rights in the collateral.

We can refuse to make additional extensions of credit or reduce your limit under certain conditions. These conditions are:

- The value of the dwelling securing the line declines significantly below its approved value for purposes of the line.
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial condition.
- You are in default of a material obligation in the agreement.
- Government action prevents us from enforcing the Annual Percentage Rate provided for or impairs our security interest such that the value of the interest is less than 120 percent of the credit line.
- A regulatory agency has notified us that continued advances would constitute unsafe and unsound practices.
- The maximum Annual Percentage Rate is reached.

The initial agreement permits us to make certain changes to the terms of the agreement at specified times or upon the occurrence of specified events.

Minimum Payment Requirements:

Draw Period: You can obtain advances of credit for ten years. During the Draw Period your minimum periodic payment will be due monthly. During the Draw Period your minimum Periodic Payment will be later, at only, for a term of 120 months, based on your outstanding principal balance.

Repayment Period: After the Draw Period ends, you will no longer be able to obtain credit and you must repay the outstanding balance in a single balloon payment.

Balloon Payment: The minimum payment will not fully repay the principal that is outstanding on your line. You will be required to pay the entire balance in a single "balloon payment."

Minimum Payment Example: If you make only the minimum payment and took no other credit advances, it would take ten years to pay off a credit advance of \$10,000 at an Annual Percentage Rate of 10.25%. During that period, you would make 120 monthly payments of \$85.42, with one final payment of \$10,000.

SEE US FOR AN ANNUAL MINIMUM PAYMENT TO APPOINT IN YOUR LINE OF CREDIT

Tax Deductibility: You should consult a tax advisor regarding the deductibility of interest for the line.

Minimum Transaction Requirement: Your initial draw must be at least \$100.00. The minimum check amount is \$100.00.

Your monthly rate will be determined by the outstanding balance of your loan. For balances up to \$19,999.99, your monthly rate will be equal to One and One Half percent over Prime. For balances from \$20,000.00 up to \$150,000.00, your monthly rate will be equal to One Half percent over Prime.

Annual Percentage Rate:

Fixed Rate Plans: On Equal up to 80% original loan to value, your monthly rate fixed as of the date that the Equalist Agreement was signed plus One and Three Quarter percent over the Prime Rate. The Annual Percentage Rate includes only interest and not other costs. On Equalist which exceed 80.00% original loan to value, your monthly rate fixed as of the date that the Equalist Agreement was signed plus Two and Three Quarter percent over the Prime Rate.

Variable Rate Plans: The line has a variable rate feature, and the Annual Percentage Rate (corresponding to its periodic rate) and the minimum payment can change as a result. The Annual Percentage Rate includes only interest and not other costs. The Annual Percentage Rate is based on the value of an index, which is the Highest Home Rate as published in the Wall Street Journal. If the index is not published in a range, the highest number in the range will be used.

Margin: To determine the Annual Percentage Rate that will apply to your loan, we will add a margin to the value of the Index. A margin that we have used recently is 1.500 percent.

Ask for the current Index Value, Margin and Annual Percentage Rate.

After you open a credit line, rate information will be on periodic statements that we send.

Annual Percentage Rate Change: The Annual Percentage Rate can change at every payment.

The Annual Percentage Rate will never be greater than 18.000 percent maximum or less than 0.500 percent. There is a 3.000 percent limit on the amount by which the rate can change in a one year period.

Maximum Rate and Payment Example: If an Annual Percentage Rate during the draw period equaled the 18.000 percent maximum and had an outstanding balance of \$10,000, your minimum payment would be \$150.00. This maximum interest rate can not be reached in the second payment.

Historical Example:

YEAR	INDEX (%)	MARGIN (percentage points)	ANNUAL PERCENTAGE RATE	MINIMUM PERIODIC PAYMENT (\$)
1982	15.750%	1.500%	17.250%	\$143.75
1983	11.000%	1.500%	12.500%	\$104.17
1984	11.000%	1.500%	12.500%	\$104.17
1985	10.500%	1.500%	12.000%	\$100.00
1986	0.500%	1.500%	11.000%	\$91.67
1987	7.500%	1.500%	9.000%	\$75.00
1988	8.750%	1.500%	10.250%	\$85.42
1989	10.500%	1.500%	12.000%	\$100.00
1990	10.000%	1.500%	11.500%	\$95.83
1991	9.500%	1.500%	11.000%	\$90.00
1992	8.500%	1.500%	10.000%	\$80.00
1993	0.000%	1.500%	7.500%	\$60.00
1994	0.000%	1.500%	7.500%	\$60.00
1995	8.500%	1.500%	10.000%	\$80.00
1996	8.500%	1.500%	10.000%	\$80.00

The table to the right shows how the annual percentage rate and the minimum monthly payment for a single \$10,000 credit advance would have changed based on changes in the index over the first 15 years. The index values are for January of each year.

The table assumes that no additional credit advances were taken, that only the minimum payment was made each month, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments will change in the future. While only one payment amount per year is shown, payments would have varied during each year.

I (we) acknowledge receipt of the "Important Terms Of Our Home Equity Line of Credit"

Borrower: Bruce A. Galy Date: 3-27-97
3/27/97

Borrower: [Signature] Date: 3-27-97
 Form 1-92 Rev 7/96

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