

[Space Above This Line For Recording Data]

PLEASE RETURN RECORDED MORTGAGE TO:
Neighborhood Lending Services, Inc.
747 N. MAY, CHICAGO, IL 60622
FG2-00-0668

SECOND MORTGAGE

THIS MORTGAGE "Security Instrument" is given on May 29, 1998. The borrower is Ella A. Todd, a single woman ("Borrower"). This Security Instrument is given to Neighborhood Lending Services, Inc., which is organized and exists under the laws of Illinois, and whose address is 747 North May, Chicago, IL 60622. "Lender". Borrower owes lender the principal sum of Nineteen Thousand Five Hundred and 00/100 Dollars (U.S. \$19,500.00). This Security Instrument was recorded on the same date as this Security Instrument "Note", which requires monthly payments, with the full debt, principal and interest, to be paid on June 1, 2013. This Security Instrument covers the borrower's repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note, and the payment of all other sums, with interest, advanced under the terms of the Note, the security of this Security Instrument; and (2) the performance of all other obligations and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

LOT 27 IN BLOCK 3 IN CALUMET GAGWAY, BEING A RESUBDIVISION OF PART OF CALUMET AND CHICAGO CANAL AND DOCK COMPANY'S SUBDIVISION OF SECTION 2, TOWNSHIP 37 NORTH, RANCE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Tax ID # 25-02-224-010-0000

where the address is 9031 South Dante, Chicago, Illinois 60619 ("Property Address");

AND THIS MORTGAGE IS SUBORDINATE TO THE MORTGAGE RECORDED AS DOCUMENT # 98551542

ILLINOIS STATE JUDICIAL COUNCIL HAS REVIEWED THIS INSTRUMENT AND IT IS CONFORMANT WITH THE REQUIREMENTS OF THE ILLINOIS MORTGAGE ACT. *Est*

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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 with its covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

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 this 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 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 on the Property; (b) yearly household payments of rental payments on the Property, if any; (c) yearly hazard or property insurance premiums, if any; (d) yearly fire insurance premiums, if any; and (e) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of any fire 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. § 1601 et seq. "RESPA", unless another law that applies to the Funds sets a lower amount. If a, 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 Borrower's 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, nor for 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 on amounts in 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

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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, at Lender's sole option, 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.

If a payment in full of all sums secured by this Security Instrument, as defined herein, is not made by Borrower, then any Funds held by Lender, if, under paragraph 2, Lender shall require, as well as the Ins party, Lender, prior to the expiration of term of the Ins party, shall apply any Funds held by Lender at the time of expiration of term of the Ins party 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 payment due hereunder under the Note; second, to amounts payable hereunder for interest; third, to interest due; fourth, to principal due; and last, to any other amounts due under the Note.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fees and any other amounts due to the Ins party which may attain priority over this Security Instrument, and Lender shall pay taxes or ground rents, if any, to be paid by the Ins party in the manner provided in paragraph 2. Borrower shall pay them on time directly to the proper governmental authority. Borrower shall promptly furnish to Lender all notices of amounts due hereunder in 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, in writing, to the payment of the amount secured by the lien in a manner acceptable to Lender; (1) contracts in good faith with the lien holder; or (2) obtains against enforcement of the lien by legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (3) 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 require Borrower to identify the lien. Borrower shall satisfy the lien by the date specified in the notice set forth above within 10 days of the expiration of the notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, theft and all risks included within the term "extended coverage" and any other hazards, including the loss of title, for which Lender requires insurance. Such 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 interest in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard anti-assignment 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 principal loan 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 impaired. If the restoration or repair is not economically feasible or lender's security will be impaired, the insurance proceeds shall be applied to the extent provided in 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 of a demand from lender that the insurance carrier has interest in the proceeds, 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 3 the Property is acquired by Lender, Borrower's rights in any insurance policies and proceeds resulting from damage to the Property shall to the extent of the lien secured by this Security Instrument immediately prior to the acquisition pass to Lender.

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 extended term tenancy does exist which is beyond Borrower's control. Borrower shall not, directly, indirectly or through any third party, allow the Property to become a tenancy in common with the Property. Borrower shall be in default if any attachment, garnishment or proceeding, whether civil or criminal, is begun that could be enforced with judgment and 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 renege, as provided in paragraph 13, by causing the action or proceeding to be dismissed with a ruling that, in lender's good faith determination, no permanent impairment 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, in the course of an application process, give 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 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 or might affect lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or other state or federal laws or regulations), then lender may do anything whatsoever necessary to protect the value of the Property and lender's rights in the Property. Lender's actions may include paying any

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such secondary action which has priority over this Security Instrument, agreement to pay, and to send an attorney's 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 amount advanced by lender under this paragraph 7 shall become due and payable to lender as secured by this Security Instrument. Unless borrower and lender agree to other terms of payment, these amounts shall bear interest to the date of disbursement at the M & O rate and shall be payable, with interest, as a debt to lender by borrower requesting payment.

8. Mortgage Insurance. If lender required mortgage insurance as a condition of loan made in accordance with 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 becomes not in effect, Borrower shall pay the premiums required to obtain mortgage insurance equivalent to the mortgage insurance previously in effect, or, if not available, shall pay the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by lender. If such alternate mortgage insurance coverage is not available, Borrower shall pay to lender each month a sum equal to one-twelfth of the year's cost of the mortgage insurance premium being paid by Borrower when the mortgage insurance coverage required by lender is in effect. Lender will accept, and will retain, these payments as a loss reserve in lieu of mortgage insurance. If mortgage insurance coverage may no longer be required, at the option of lender, the loss reserve may be used, in the amount and for the period that lender requires, as a debt, in an amount approved by lender again becomes available and in effect. Borrower shall pay the premiums required to maintain the mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between borrower and lender or applicable law.

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the property. Lender shall give borrower notice at the time of inspection of inspection eventuating reasonable cause for the inspection.

10. Condemnation. The proceeds of any award or claim for damages, interest and incidental, in connection with any condemnation or other taking of any part of the property, or a conveyance in lieu of condemnation, are hereby assigned and shall be paid to lender.

In the event of a total taking of the property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to borrower. In the event of a partial taking of the property in which the fair market value of the property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the fair market value of the total amount of the sums secured immediately before the taking, multiplied by the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the property in which the fair market value of the property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and lender otherwise agree in writing, as a minimum applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the property is damaged by borrower, or if, after notice by lender to borrower that the same has failed to make an award or settle a claim for damages, borrower fails to respond to lender within 30 days after the date the notice is given, lender is authorized to collect and apply the proceeds,

noted 

of accepting, either the restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless lender and borrower otherwise agree in writing, any application of payments 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 such payments.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or 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 successors 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 heirs, assigns and assigns of lender and Borrower, subject to the provisions of paragraph 13. Borrower's covenants and agreements shall be joint and several. Any borrower who assigns this Security Instrument but does not execute the Note is assuming this Security Instrument only to protect, guard and carry for Borrower's interest in the Property under the terms of this Security Instrument; he is not personally obligated to pay the sums secured by this Security Instrument, and he agrees that lender and any other borrower may extend, modify, forbear or make any amendments with regard to the terms of this Security Instrument or the Note without the Borrower's consent.

13. Loan Charges. If the law governing this Security Instrument is subject to a law which sets a maximum rate of charges and that law is finally interpreted so that the interest or other loan charges collected or to be collected on this loan with the loan exceed the permitted limits, then: (a) any uncollected loan charges shall be reduced by the amount necessary to reduce the charges to the permitted limits; and (b) any sums already collected from Borrower which exceed the permitted limits will be refunded to Borrower. Lender may, in order to make this refund by reducing the principal owed under the Note, by making a direct payment to Borrower. If a refund reduces principal, the principal will be treated as a partial prepayment without any prepayment charge under the Note.

14. Notices. Any notice to borrower provided for in this Security Instrument shall be given by delivering it in person or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be addressed to the Property Address or any other address Borrower designates by a letter to lender. Any notice to lender shall be given by first class mail to lender's address stated herein or any other address lender designates by a letter to borrower. Any notice provided for in this Security Instrument shall be deemed to have been

given to borrower or lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflict provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the

Note and this Security Instrument.

17. **Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred or a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person, without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of exercise by the notice shall provide a period of not less than 30 days from the time the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument reinstated at any time prior to the earlier of: (a) 5 days after the date that is applicable law may specify for reinstatement; before the date of the entry of a judgment or order of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. The conditions are that Borrower: (a) pays Lender all sums which are due and payable under this Security Instrument and the Note as if no default had occurred; (b) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (c) takes such action as Lender may reasonably require to assure that the flow of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue uninterrupted. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no default had occurred. However, this right to reinstate shall not apply to the sale of a federal income tax lien pursuant to paragraph 17.

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

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

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory entity regarding any matter on the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns,

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is not required by any governmental or regulatory authority, that any removal or other remedial action of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

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

IN WITNESS WHEREOF, Lender and Borrower further covenant and agree as follows:

21. **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure 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 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 recording 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 are submitted together with this Security Instrument, the terms and conditions of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the riders were a part of this Security Instrument.

Check applicable box(es):

- | | |
|--|--|
| <input type="checkbox"/> All Other Riders | <input type="checkbox"/> Condominium Rider |
| <input type="checkbox"/> 1st Party Rider | <input type="checkbox"/> Anticipated Payment Rider |
| <input type="checkbox"/> 2nd and 3rd Party (Joint) Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Full Party Rider | <input type="checkbox"/> Rate Improvement Rider |
| <input type="checkbox"/> Special Home Rider | <input type="checkbox"/> Other(s) [specify] |

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BY SIGNING BELOW, I have accepted and agreed to the terms and covenants contained in this Security Instrument and in any rider(s) executed by me or we, and each rider with it.

Witnessed:



Ella A. Todd

Notary Seal
10-11-02

Property of Cook County Clerk's Office

STATE OF Illinois

COUNTY OF Cook

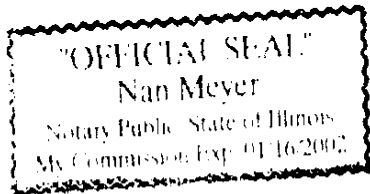
SS:

I, a Notary Public in and for said county and state, do hereby certify that Ella A. Todd, personally appeared before me and is (are) known or presumed to be the person(s) who, being informed of the contents of the foregoing instrument, has (have) signed and acknowledged said instrument to be (be) free and voluntary act and deed and that said instrument was executed and instrument for the purposes and uses therein set forth.

Witness my hand and official seal this 10th day of May, 2002.

My Commission Expires: 10/16/2002

Notary Public (SEAL)



This instrument was prepared by _____
Notary Public, State of Illinois

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NEIGHBORHOOD LENDING SERVICES
 NEIGHBORHOOD HOUSING SERVICES OF CHICAGO, INC.
 74 N. WABASH ST., CHICAGO, ILL. 60601
 • (312) 427-1100 • FAX (312) 427-1101

WHEREAS THE LENDER HAS MADE A
 MORTGAGE LOAN TO THE BORROWER AND THE
 BORROWER HAS AGREED TO EXECUTE
 THIS INSTRUMENT TO SECURE THE

FG2-00-0658

OWNER OCCUPANCY RIDER

This Owner Occupancy Rider (Rider) is dated this 29th day of May, 1998, and is incorporated into and shall be deemed to read and supplement the Deed of Trust (the "Security Instrument") of the same date given by the undersigned who will occupy the property (the "Occupant") to secure a loan made by the Lender, Neighborhood Lending Services, Inc., the Lender, of the same date and covering the property described in the Security Instrument and related to:

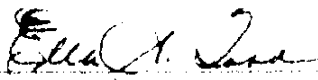
Property Address: _____

All terms, conditions, covenants and agreements and notwithstanding any other covenants and agreements in the Security Instrument, the Occupant and Lender further covenant and agree as follows:
 1. The Occupant agrees to occupy the above referenced property as the Occupant's permanent residence and will not lease, rent, license or leasehold the property.

2. The Occupant agrees that the Occupant's failure to occupy the property as the Occupant's primary residence during the 90 days will be considered a breach of the Occupant's obligation, and the Lender may then either (a) increase the interest rate to the then prevailing interest rate for unsecured loans made by the Lender, or (b) declare the outstanding principal balance and any accrued unpaid interest due and payable in full under the provisions of the Security Instrument.

3. If the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association or Residential Funding Corporation acquires ownership of all or some of the rights of the Lender under the Note and the Security Instrument, the promises and agreements in this Owner Occupancy Rider shall not be affected during such ownership. If, thereafter the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association or Residential Funding Corporation should transfer back such rights under the Note and Security Instrument to the Lender, the Lender's exercise of such rights under the Note and Security Instrument to the Occupant shall thereupon be reinstated.

4. Without warranty, the Occupant has executed this Owner Occupancy Rider.



ELLA A. JONES _____ (NAME)

_____ (NAME)