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Cook County Recorder 39.50



99336880

Prepared by: **NEW CENTURY MORTGAGE CORPORATION**
18400 VON KARMAN, SUITE 1000
IRVINE, CA 92612
Loan Number: 0000219919

MORTGAGE

PROFESSIONAL NATIONAL
TITLE NETWORK, INC.

THIS MORTGAGE ("Security Instrument") is given on **December 15, 1998**. The mortgagor is
MICHAEL P. SMITH AND EILEEN J. SMITH, HUSBAND AND WIFE, AS JOINT TENANTS
TENANTS BY THE ENTIRETY

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

NEW CENTURY MORTGAGE CORPORATION, A CALIFORNIA CORPORATION
which is organized and existing under the laws of **CALIFORNIA**, and whose
address is **18400 VON KARMAN, SUITE 1000**
IRVINE, CA 92612

("Lender"). Borrower owes Lender the principal sum of
One Hundred Thirty-Six Thousand and No/100 -----
Dollars (U.S. \$ **136,000.00**).

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 **January 1, 2029**. 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:

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF.

A.P.N.: 27-27-217-014-0000

which has the address of
Illinois **60477**

8848 HICKORY DRIVE, ORLAND HILLS
[Zip Code] ("Property Address");

[Street, City],

ILLINOIS - Single Family - FNMA/FHLMC UNIFORM
INSTRUMENT Form 3014 9/90
Amended 12/93

Initials: *[Signature]*
VMP - 6H(IL) (9502).01



[Handwritten initials]

Initials
[Handwritten initials]

of the actions set forth above within 10 days of the giving of notice.
Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more
this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this
enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to
by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the
writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) consents in good faith the lien
Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower; (a) agrees in
Borrower makes these payments directly; Borrower shall promptly furnish to Lender receipts evidencing the payments.

person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If
obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the
which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these
4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property
third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

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

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

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
the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is
If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for
made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

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

estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or
amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may
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
mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as
Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related
provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items."
any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the
or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if
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
2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to

principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.
1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the
UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

variations by jurisdiction to constitute a uniform security instrument covering real property.
THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited
will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.
grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and
BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage,
All of the foregoing is referred to in this Security Instrument as the "Property."
fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument.
TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and

payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain 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 or prior to an inspection specifying reasonable cause for the inspection.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and 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 following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) 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 or unless 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 abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to 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 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 such payments.

11. Borrower Not Released; Forbearance by Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's 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 successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction 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 or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice 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 notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

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

Initials: *AB*

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 substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve

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.

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 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.

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 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.

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.

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LOT 60 IN WESTWOOD PHASE I BEING A SUBDIVISION OF THE SOUTH 1/2 OF THE
NORTH EAST 1/4 OF SECTION 27, TOWNSHIP 36 NORTH, RANGE 12 EAST OF THE
THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No.: 27-27-217-014-0000

Issued by:

Property of Cook County Clerk's Office

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22. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument to Borrower. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under applicable law.

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.

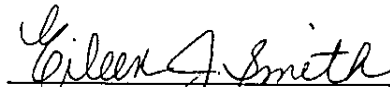
[Check applicable box(es)]

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> Graduated Payment Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Rate Improvement Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> VA Rider | <input checked="" type="checkbox"/> Other(s) [specify]
Arm Rider Addendum | |

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:


MICHAEL P. SMITH


EILEEN J. SMITH (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

STATE OF ILLINOIS,

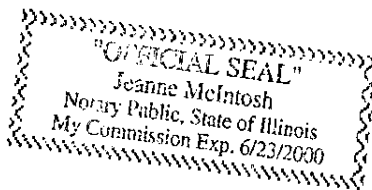
County ss: COOK

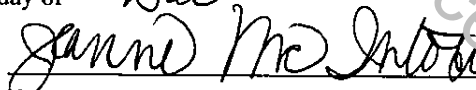
I, the undersigned Michael P. Smith & Eileen J. Smith husband & wife, a Notary Public in and for said county and state do hereby certify that

they, 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 they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 15th day of Dec., 1998.

My Commission Expires:




Notary Public

Initials
[Handwritten initials]

limited to, reasonable attorneys' fees and costs of title evidence. shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured 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) applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) any covenant or agreement in this Security Instrument (but not prior to acceleration following Borrower's breach of 21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of NON-UNIFORM COVENANTS, Borrower and Lender further covenant and agree as follows:

to health, safety or environmental protection. this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by necessary remedial actions in accordance with Environmental Law. removal or other remediation of any Hazardous Substance affecting the Property is necessary. Borrower shall promptly take all of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any governmental or private party involving the Property and any Hazardous Substance or Environmental Law Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any and to maintenance of the Property.

Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Hazardous Substances on or in the Property. Borrower shall not do, anything affecting the Property, or release of any 20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any information required by applicable law.

address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and 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 as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known 19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security acceleration under paragraph 17.

hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as 18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have by this Security Instrument without further notice or demand on Borrower.

Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less Security Instrument.

Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without 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 16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

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Loan Number 0000219919

ADJUSTABLE RATE RIDER ADDENDUM (Libor Index - Rate Caps)

This Adjustable Rate Rider is made this 15th day of December 1998, and is incorporated into and shall be deemed to amend and supplement the Promissory Note (the "Note") and Mortgage, Deed of Trust or Security Deed (the "Security Instrument") and Adjustable Rate Rider (the "Rider") of the same date given by the undersigned (the "Borrower") to secure repayment of Borrower's Note to
NEW CENTURY MORTGAGE CORPORATION, A CALIFORNIA CORPORATION

(the "Lender").

Property securing repayment of the Note is described in the Security Instrument and located at:

8848 HICKORY DRIVE, ORLAND HILLS, ILLINOIS 60477

(Property Address)

To the extent that the provisions of this Adjustable Rate Rider Addendum are inconsistent with the provisions of the Note and/or Security Instrument and/or Rider, the provisions of this Addendum shall prevail over and supersede any such inconsistent provisions of the Note and/or Security Instrument and/or Rider.


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

4. (D) LIMITS ON INTEREST RATE CHANGES

The interest rate I am required to pay at the first change date will not be greater than 11.4900 % or less than 9.9900 %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than One and One-Half percentage point(s) (1.500 %) from the rate of interest I have been paying for the preceeding 6 months. My interest rate will never be greater than 16.9900 % or less than 9.9900 %.

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


MICHAEL P. SMITH


EILEEN J. SMITH

99336880

0000219919

ADJUSTABLE RATE RIDER

(LIBOR 6 Month Index (As Published In The Wall Street Journal) - Rate Caps)
2 YEAR RATE LOCK

THIS ADJUSTABLE RATE RIDER is made this 15th day of December 1998, 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

NEW CENTURY MORTGAGE CORPORATION, A CALIFORNIA CORPORATION

(the "Lender") of the same date and covering the property described in the Security Instrument and located at: 8848 HICKORY DRIVE, ORLAND HILLS, ILLINOIS 60477

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

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

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 9.9900%. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of January, 2001, and on that day every 6th month thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an index. The "Index" is the average of interbank offered rates for 6 month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in The Wall Street Journal. The most recent Index figure available as of the first business day of the month immediately preceding the month in which the Change Date occurs 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 Six and Two Tenths percentage point(s) (6.2000 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

MULTISTATE ADJUSTABLE RATE RIDER - LIBOR 6 MONTH INDEX (AS PUBLISHED IN THE WALL STREET JOURNAL) - Single Family - FNMA Uniform Instrument

VMP -838B (9406)

Form 3138 6/94

VMP MORTGAGE FORMS - (800)521-7291

Initials: [Handwritten Signature]



-Borrower
(Seal)

-Borrower
(Seal)

-Borrower
(Seal) *EILEEN J. SMITH*

-Borrower
(Seal) *MICHAEL P. SMITH*

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

Instrument without further notice or demand on Borrower. These sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security instrument within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of

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

security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not

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

Uniform Covenant 17 of the Security Instrument is amended to read as follows:
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

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

(E) Effective Date of Changes
My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(D) Limits on Interest Rate Changes
The interest rate I am required to pay at the first Change Date will not be greater than 11.4900 % or less than 9.9900 %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than One and One-Half percentage point(s) (1.500 %) from the rate of interest I have been paying for the preceding 6 months. My interest rate will never be greater than 16.9900 %.

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 my monthly payment.

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