

97 DEC -5 AM 8:53

MORRIS W. CARTER
RECORDER

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Prepared by and
Record and Return to:
Special Loans/Balloon Reset Department
First Union Mortgage Corporation
1100 Corporate Center Drive
Raleigh, NC 27607
FHLMC Loan Number: 0516743791
FUMC Loan Number: 0961338

97083183

BALLOON LOAN MODIFICATION

(Pursuant to the Terms of the Balloon
Note Addendum and Balloon Rider)

**TWO ORIGINAL BALLOON LOAN MODIFICATIONS
MUST BE EXECUTED BY THE BORROWER:
ONE ORIGINAL IS TO BE FILED WITH THE BALLOON NOTE AND
ONE ORIGINAL IS TO BE RECORDED IN THE LAND RECORDS WHERE THE
SECURITY INSTRUMENT IS RECORDED**

This Balloon Loan Modification ("Modification"), entered into effective as of the 1st day of November, 1997, between Douglas E. Harvey and Judith K. Harvey, ("Borrower") and First Union Mortgage Corporation ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument"), dated October 5, 1992, securing the original principal sum of U.S. \$ 75,900.00, and recorded in Document No. 92064792, in the Office of the Recorder of Lake County, Indiana; and

(2) the Balloon Note bearing the same date as, and secured by, the Security Instrument (the "Note") which covers the real and personal Property described in the Security Instrument and defined in the Security Instrument as the "Property", located at 151 Michigan Avenue, Hobart, IN 46342, the real Property described being set forth as follows:

SEE ATTACHED SCHEDULE A

To evidence the election by the Borrower of the Conditional Modification and Extension of Loan Terms as provided in the Balloon Note Addendum and Balloon Rider and to modify the terms of the Note and Security Instrument in accordance with such election, Borrower and Lender agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument):

1. The Borrower is the owner and occupant of the Property.
2. As of November 1, 1997, the amount payable under the Note and Security Instrument (the "Unpaid Principal Balance") is U.S. \$ 64,477.32.
3. The Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of the Lender. Interest will be charged on the Unpaid Principal Balance at yearly rate of 8.000%, beginning November 1, 1997. The Borrower promises to make monthly payments of principal and interest of U.S. \$ 497.65, beginning on the 1st day of December, 1997, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. If on November 1, 2022 (the "Modified Maturity Date"), the Borrower still owes

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amounts under the Note and the Security Instrument, as amended by this Modification, the Borrower will pay these amounts in full on the Modified Maturity Date.

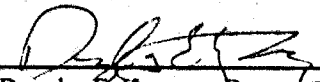
The Borrower will make such payments at 1100 Corporate Center Drive, Raleigh, NC 27607 or at such other place as the Lender may require.

4. The Borrower will comply with all other covenants, agreements, and requirements of the Note and the Security Instrument, including without limitation, the Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, Escrow items, impounds, and all other payments that the Borrower is obligated to make under the Security Instrument; however, all the terms and provisions of the Balloon Note Addendum and Balloon Rider are forever canceled, null and void, as of the maturity date of the Note.

5. Nothing in this Modification shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument. Except as otherwise specifically provided in this Modification, the Note and Security Instrument will remain unchanged and in full effect, and the Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Modification.

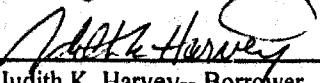
[To be signed by all Borrowers, endorsers, guarantors, sureties, and other parties signing the Balloon Note.]

22 Oct 97
Date



Douglas E. Harvey-- Borrower (Seal)

22 Oct 97
Date



Judith K. Harvey-- Borrower (Seal)

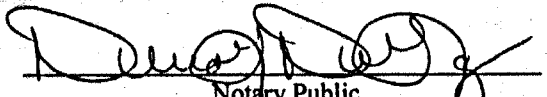
_____[Space Below This Line for Acknowledgment in Accordance with Laws of Jurisdiction]_____

State of Indiana

City/County of LAKE

On this 22nd day of October 19 97, before me the undersigned, a Notary Public in and for said State, personally appeared, Douglas E. Harvey and Judith K. Harvey, as joint tenants, known to me to be the person(s) whose name(s) subscribed to the foregoing instrument and acknowledge that I executed the same.

Witness my hand and official seal



Notary Public
DEBRA L. DELANEY

My commission expires: _____
NOTARY PUBLIC STATE OF INDIANA
LAKE COUNTY
MY COMMISSION EXP. MAY 4, 1999

SCHEDULE A

LEGAL DESCRIPTION

Part of Lot 21 in Wood's Addition to Hobart, described as follows: Commencing at the Southwest corner of said Lot 21; thence East on the South line thereof a distance of 212 feet; thence Northerly a distance of 132 feet to the North line of said Lot and to a point 212 feet East of the Westerly line of said Lot; thence West along the North line of said Lot a distance of 212 feet to the Northwest corner thereof; thence Southerly along the West line thereof, a distance of 132 feet to the place of beginning, as per plat thereof, recorded in Book "D" page 567, in the Office of the Recorder of Lake County, Indiana.

END OF SCHEDULE A