

Chicago Title Insurance Company

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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

When recorded return to:
Capstead Inc.
Attention: Vince Tran
2711 N. Haskell Ave. Suite 1000
Dallas, TX 75204

97089284

97 DEC 30 AM 10:33

MOORE CENTER

Freddie Mac Loan Number: 0595345743
Servicer Loan Number: 0651860405

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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 first day of December, 1997 between Lloyd McClendon and Ingrid McClendon, husband and wife ("Borrower") and Capstead Inc. ("Lender"), amends and supplements (1) the Mortgage to Secure Debt (the "Security Instrument"), dated November 9, 1992, securing the original principal sum of U.S. \$202,300.00, and recorded in Document No. 92073064 of the Official Records 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 2055 West 64th Place, Merrillville, Indiana 46410, the real property described being set forth as follows:
(Property Address)

THE EAST 75 FEET BY PARALLEL LINES, OF LOT 10 AND THE WEST 25 FEET BY PARALLEL LINES, OF LOT 11 IN BROOKWOOD, IN THE TOWN OF MERRILLVILLE, AS PER PLAT THEREOF, RECORDED MARCH 18, 1947 IN PLAT BOOK 27 PAGE 42, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

To evidence the election by the Borrower of the Conditional Right to Refinance 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 December 1, 1997, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$186,925.65.

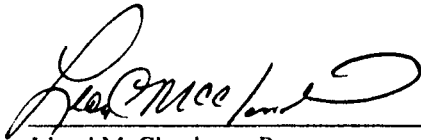
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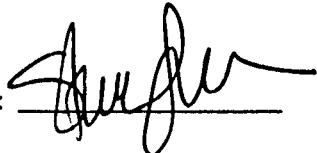
3. The Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of the Lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate of 8.0% beginning December 1, 1997. The Borrower promises to make monthly payments of principal and interest of U.S. \$1,442.72, beginning on the first day of January, 1998, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. If on December 1, 2022, (the "Modified Maturity Date"), the Borrower still owes amounts under the Note and the Security Instrument, as amended by this Modification, the Borrower will pay these amounts in full on the Maturity Date.


The Borrower will make such payments at Capstead Inc. or at such other places as the Lender may require.

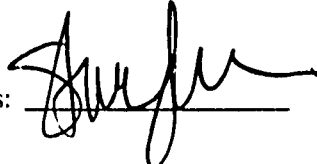
4. The Borrower will comply with all other covenants, agreements, and requirements of the Note and the Security Instrument, including without limitation, the Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments 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.

11-5-97
Date
 (Seal)
Lloyd McClendon -- Borrower
Social Security #: 310-68-4640

Witness: 

11-5-97
Date
 (Seal)
Ingrid McClendon -- Borrower
Social Security #: 315-72-7619

Witness: 

LENDER: Federal Home Loan Mortgage Corporation

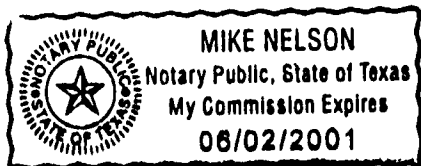
BY: CAPSTEAD INC.

by 

Typed Name/Title: Ed Glowach, Assistant Vice President

STATE OF TEXAS, County Of DALLAS) SS:

This instrument was acknowledged before me on this 11th day of November, 19 97,
by Ed Glowach, Assistant Vice President of CAPSTEAD INC., on behalf of said corporation, in its capacity herein
stated as duly authorized servicing agent.



Mike Nelson
Notary Public

Notary's Name (printed)

This instrument was prepared by Vince Tran, Capstead Inc., 2711 North Haskell Avenue, Suite 1000; Dallas, TX 75204

(Space Below this Line for Acknowledgment in Accordance with Laws of Jurisdiction)

STATE OF Indiana County Of Lake) SS:

On this day personally appeared before me Lloyd McClendon, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he/she signed the same as his/her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 5th day of November, 19 97.

My Commission Expires: August 25, 2001

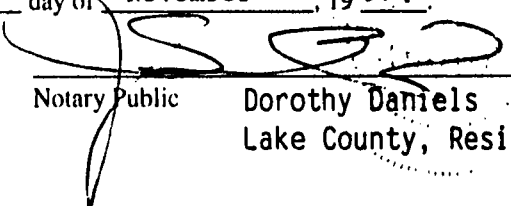

Notary Public Dorothy Daniels,
Lake County Resident

STATE OF Indiana County Of Lake) SS:

On this day personally appeared before me Ingrid McClendon, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he/she signed the same as his/her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 5th day of November, 19 97.

My Commission Expires: August 25, 2001


Notary Public Dorothy Daniels
Lake County, Resident