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LOAN MODIFICATION AGREEMENT

SUBJECT TO
RECORDED

70094

Chicago Title Insurance Company

WHEREAS, LAKE FEDERAL SAVINGS AND LOAN ASSOCIATION OF HAMMOND loaned William J. Jarecki and Germaine M. Jarecki, as Trustees of the Jarecki Living Trust, Dated March 22, 1994 the sum of One Hundred Eight Thousand and no/100--- (\$108,000.00) as evidenced by a note and mortgage dated October 5, 1998, and recorded October 8, 1998, as Document Number 980779701, in the public records in the County of Lake, State of Indiana where the mortgaged property is located, which note and mortgage are hereby incorporated herein as part of this instrument, and

WHEREAS, the undersigned, owner of said premises, has found it necessary and does hereby request a modification of the terms of said loan for the following reasons:

Upon payment of a \$750.00 fee, to establish a new principal and interest payment, due to the modification of the terms of the loan to an interest rate of 5.625%, amortized over the remaining 323 months; the new interest rate to be effective December 1, 2001; the new payment to be effective January 1, 2002; the new late charge to be \$31.44; the new balloon maturity date to be December 1, 2006; a Balloon Rider is hereby incorporated into this agreement;

AND, WHEREAS, the parties desire to restate the modified terms of said so that there shall be no misunderstanding of the matter;

THEREFORE, it is hereby agreed that, as of the date of this agreement, the unpaid balance of said indebtedness is One Hundred Four Thousand Five Hundred Eighteen and 57/100-- Dollars (\$ 104,518.57), all of which the undersigned promises to pay with interest at 5.625% per annum until paid, and that the same shall be payable in monthly payments of Six Hundred Twenty Eight and 76/100--Dollars (\$628.76), per month beginning on the First day of January, 2002, to be applied first to interest and balance to principal, plus a sum estimated to be sufficient to discharge tax and insurance obligations (which sum may be adjusted as necessary); with a balloon maturity date of December 1, 2006; and that in all other respects said mortgage contract shall remain in full force and effect. The Covenants of said agreement, mortgage and note are expressly incorporated by reference herein.

Signed, sealed and delivered this 7th day of December, 2001.

CTIC Has made an accomodation recording of the instrument. We Have made no examination of the instrument or the land affected.

LAKE FEDERAL SAVINGS AND LOAN ASSOCIATION OF HAMMOND

by, Gerald R. Skrabala
Gerald R. Skrabala, President

William J. Jarecki
William J. Jarecki, as Trustee

James M. Lowry
James M. Lowry, Vice President

Germaine M. Jarecki
Germaine M. Jarecki, as Trustee

STATE OF INDIANA, County, ss:

Before me, the undersigned, a Notary Public in and for said County and State, this 7th day of DECEMBER, 2001, personally appeared WILLIAM J JARECKI AND GERMAINE M JARECKI and acknowledged the execution of the forgoing loan modification agreement. Witness by hand and official seal.

My commission expires: 3/19/08

Signature: Joyce Gurtatowski

Resident of LAKE County.

Printed JOYCE GURTATOWSKI, Notary Public

(1.00 CS.)

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BALLOON RIDER
(CONDITIONAL MODIFICATION AND EXTENSION OF LOAN TERMS)

THIS BALLOON RIDER is made this7th..... day ofDecember, 2001....., and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure the Borrower's Note toLake Federal Savings and Loan Association of Hammond..... (the "Lender") of the same date and covering the property described in the Security Instrument and located at: .11229 W. 80th Ct., St. John, Indiana, 46373.....

[Property Address]

The interest rate stated on the Note is called the "Note Rate." The date of the Note is called the "Note Date." I understand the Lender may transfer the Note, Security Instrument and this Rider. The Lender or anyone who takes the Note, the Security Instrument and this Rider by transfer and who is entitled to receive payments under the Note is called the "Note Holder."

ADDITIONAL COVENANTS. In addition to the covenants and agreements in the Security Instrument, Borrower and Lender further covenant and agree as follows (despite anything to the contrary contained in the Security Instrument or the Note):

1. CONDITIONAL MODIFICATION AND EXTENSION OF LOAN TERMS

At the maturity date of the Note and Security Instrument (the "Note Maturity Date"), I will be able to extend the Note Maturity Date to ...December 1, 2011....., (the "Extended Maturity Date") and modify the Note Rate to the "Modified Note Rate" determined in accordance with Section 3 below if all the conditions provided in Sections 2 and 5 below are met (the "Conditional Modification and Extension Option"). If those conditions are not met, I understand that the Note Holder is under no obligation to refinance the Note or to modify the Note, reset the Note Rate or extend the Note Maturity Date, and that I will have to repay the Note from my own resources or find a lender willing to lend me the money to repay the Note.

2. CONDITIONS TO OPTION

If I want to exercise the Conditional Modification and Extension Option, certain conditions must be met as of the Note Maturity Date. These conditions are: (1) I must still be the owner and occupant of the property subject to the Security Instrument (the "Property"); (2) I must be current in my monthly payments and cannot have been more than 30 days late on any of the 12 scheduled monthly payments immediately preceding the Note Maturity Date; (3) there are no liens, defects, or encumbrances against the Property, or other adverse matters affecting title to the Property (except for taxes and special assessments not yet due and payable) arising after the Security Instrument was recorded; (4) the Modified Note Rate cannot be more than 5 percentage points above the Note Rate; and (5) I must make a written request to the Note Holder as provided in Section 5 below.

3. CALCULATING THE MODIFIED NOTE RATE

The Modified Note Rate will be a fixed rate of interest equal to the Federal Home Loan Mortgage Corporation's required net yield for 30-year fixed rate mortgages subject to a 60-day mandatory delivery commitment, plus one-half of one percent (0.5%), rounded to the nearest one-eighth of one percent (0.125%) (the "Modified Note Rate"). The required net yield shall be the applicable net yield in effect on the date and time of day that I notify the Note Holder of my election to exercise the Conditional Modification and Extension Option. If this required net yield is not available, the Note Holder will determine the Modified Note Rate by using comparable information.

Form 3190 (3/99)



QD200

MULTISTATE BALLOON RIDER (MODIFICATION AND EXTENSION)—Single Family—Freddie Mac UNIFORM INSTRUMENT

Bankers Systems, Inc., St. Cloud, MN Form FHLMC-3190 4/20/99
Ref: FHLMC-3290, FHLMC-3291

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[Sign Original Only]

(Seal)
-Borrower

Germaine M. Jarecki
Germaine M. Jarecki

(Seal)
-Borrower

William J. Jarecki
William J. Jarecki

Balloon Rider.

BY SIGNING BELOW, BORROWER ACCEPTS AND AGREES TO THE TERMS AND COVENANTS CONTAINED IN THIS

Option, including but not limited to the cost of updating the title insurance policy. and the costs associated with the exercise of the Conditional Modification and Extension Maturity Date extension. I understand the Note Holder will charge me a \$250 processing fee sign any documents required to complete the required Note Rate modification and Note Note Rate), new monthly payment amount and a date, time and place at which I must appear to the Note Maturity Date the Note Holder will advise me of the new interest rate (the Modified with acceptable proof of my required ownership, occupancy and property lien status. Before calculated in Section 3 above. I will then have 30 calendar days to provide the Note Holder yield in effect on the date and time of day notification is received by the Note Holder and based upon the Federal Home Loan Mortgage Corporation's applicable published required net prior to the Note Maturity Date. The Note Holder will calculate the fixed Modified Note Rate notifying the Note Holder no earlier than 60 calendar days and no later than 45 calendar days of Section 2 above. I may exercise the Conditional Modification and Extension Option by order to exercise the Conditional Modification and Extension Option. If I meet the conditions the name, title and address of the person representing the Note Holder that I must notify in above are met. The Note Holder will provide my payment record information, together with exercise the Conditional Modification and Extension Option if the conditions in Section 2 Date and advise me of the principal, accrued but unpaid interest, and all other sums I am expected to owe on the Note Maturity Date. The Note Holder also will advise me that I may The Note Holder will notify me at least 60 calendar days in advance of the Note Maturity

5. EXERCISING THE CONDITIONAL MODIFICATION AND EXTENSION OPTION

the Note is fully paid. this calculation will be the new amount of my principal and interest payment every month until remaining extended term at the Modified Note Rate in equal monthly payments. The result of (assuming my monthly payments then are current, as required under Section 2 above), over the all other sums I will owe under the Note and Security Instrument on the Note Maturity Date satisfied to repay in full (a) the unpaid principal, plus (b) accrued but unpaid interest, plus (c) percentage points above the Note Rate and all other conditions required in Section 2 above are Provided the Modified Note Rate as calculated in Section 3 above is not greater than 5

4. CALCULATING THE NEW PAYMENT AMOUNT