

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2004 094828

2004 NOV -5 AM 11:21

MORRIS W. GARDNER
RECORDER

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After Recording Return To:

Principal Residential Mortgage, Inc.
[Company Name]
Attn: Loss Mitigation Department - B077
[Name of Natural Person]
711 High Street
[Street Address]
Des Moines, Iowa 50392
[City, State, Zip]

[Space Above This Line For Recording Data]

Loan No.: 177327-6

LOAN MODIFICATION AGREEMENT

(Providing for Step Rate/Capitalization)

This Loan Modification Agreement ("Agreement"), effective this 1st day of October, 2004, between Kenneth Redmond and Nicole Y. Ross-Redmond, husband and wife ("Borrower") and Mortgage Electronic Registration Systems, Inc. as nominee for Principal Residential Mortgage, Inc.

amends and supplements (1) the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument"), dated February 26th, 2002 and recorded in Book/Liber N/A, Page N/A, Instrument No. 2002079958, of the Official Records of Lake County, Indiana

and (2) the Note in the original principal sum of U.S. \$ 237,500.00, bearing the same date as, and secured by, the Security Instrument, which covers the real and personal property described in the Security Instrument and defined therein as the "Property," located at 7 Wildwood Road, Hammond, Indiana 46324

[Property Address]



Initials KR Initial NPR Initials _____ Initials _____

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Loan No.: 177327-6
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the real property described being set forth as follows:

SITUATE IN THE COUNTY OF LAKE, STATE OF INDIANA:

LOTS 21, 22, AND 23 IN ZACHAU'S ADDITION TO THE CITY OF HAMMOND, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 7, PAGE 12, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument):

1. As of October 1st, 2004, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$ 250,713.88, consisting of the amount(s) loaned to the Borrower by the Lender and any interest capitalized to date.

2. 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 an annual interest rate which will adjust, and Borrower will pay monthly payments of principal and interest in U.S. dollars (which does not include any required escrow amounts), in accordance with the following schedule:

INTEREST RATE	INTEREST RATE CHANGE DATE	PAYMENT DUE DATE	MONTHLY PRINCIPAL & INTEREST PAYMENT
5.00	10/01/04	11/01/04	1,345.89
6.00	10/01/05	11/01/05	1,499.39
7.00	10/01/06	11/01/06	1,656.58

MONTHLY PRINCIPAL AND INTEREST PAYMENTS WILL REMAIN FIXED AT 7.00 % FROM NOVEMBER 1, 2006 UNTIL THE MATURITY DATE, AS DEFINED BELOW.

If on October 1st, 2034 (the "Maturity Date"), the Borrower still owes amounts under the Note and Security Instrument, as amended by this Agreement, the Borrower will pay those amounts in full on the Maturity Date. All other terms stated in the Note remain the same.

The Borrower will make such payments at Principal Residential Mortgage, Inc., 711 High Street, Des Moines, Iowa 50392-0780 or at such other place as the Lender may require.

3. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in the Borrower is sold or transferred and the Borrower is not a natural person) without the Lender's prior written consent, the Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument.

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

Initials KL Initials MYK Initials _____ Initials _____

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Loan No.: 177327-6
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4. The Borrower also will comply with all other covenants, agreements, and requirements of 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, the following terms and provisions are forever canceled, null and void, as of the date specified in Paragraph No. 1 above.

(a) all terms and provisions of the Note and Security Instrument (if any) providing for, implementing, or relating to, any change or adjustment in the rate of interest payable under the Note; and

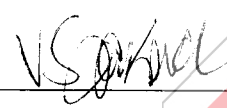
(b) all terms and provisions of any adjustable rate rider or other instrument or document that is affixed to, wholly or partly incorporated into, or is part of, the Note or Security Instrument and that contains any such terms and provisions as those referred to in (a) above

5. Nothing in this Agreement 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 Agreement, the Note and Security Instrument will remain unchanged, and the Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement.

Mortgage Electronic Registration Systems, Inc. as nominee for Principal Residential Mortgage, Inc. (Seal)
-Lender


Kenneth Redmond (Seal)
-Borrower


Nicole Y. Ross-Redmond (Seal)
-Borrower

By:  (Seal)
This Document is the property of the Lake County Recorder! (Seal)
-Borrower

V. S. Jaksich, Assistant Sec. - Default Adm.
Its: _____



[See Attached Acknowledgment(s)]

BORROWER ACKNOWLEDGMENT

State of Indiana §
County of Lake §

The foregoing instrument was acknowledged before me by Kenneth Redmond and Nicole Y. Ross-Redmond, [date],

[name of person acknowledged].

(Seal)



Nora H. Herrera Notary Signature
Nora H. Herrera Type or Print Name of Notary
Notary Public, State of IL
County of Residence: Cook
My Commission Expires: 09/28/05

LENDER ACKNOWLEDGMENT

State of Iowa §
County of Polk §

The foregoing instrument was acknowledged before me this October 27, 2004 [date], by **V.S. Jaksich, Assistant Sec. - Default Adm.** of Mortgage Electronic Registration Systems, Inc. as nominee for Principal Residential Mortgage, Inc. on behalf of said entity.

(Seal)



Allison Rumbaugh Notary Signature
Type or Print Name of Notary
Notary Public, State of Iowa
County of Residence: _____
My Commission Expires: _____

This Instrument Was Prepared By:
RUTH RUHL, P.C.
2305 Ridge Road, Suite 106
Rockwall, TX 75087

NOTICE OF NO ORAL AGREEMENTS

THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Receipt of Notice: The undersigned hereby represents and warrants that I/we have each received and read a copy of this Notice on or before the execution of the "Loan Agreement." "Loan Agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, pursuant to which a financial institution loans or delays repayment of or agrees to loan or delay repayment of money, goods, or any other thing of value or to otherwise extend credit or make a financial accommodation.

Kenneth Redmond
Kenneth Redmond -Borrower

Nicole Y. Ross-Redmond
Nicole Y. Ross-Redmond -Borrower

[Signature]
-Borrower

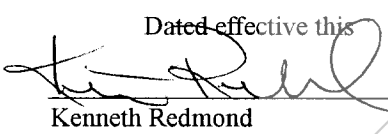
[Signature]
-Borrower

ERROR AND OMISSIONS / COMPLIANCE AGREEMENT

The undersigned Borrower(s) for and in consideration of the Loan Modification Agreement offered by Lender, its successors and/or assigns in the amount of \$ 250,713.88 , modifying the original Promissory Note secured by a Security Instrument dated February 26th, 2002 agrees to fully cooperate with any reasonable requests made by Lender, or its agent, to correct typographical errors in the Loan Modification Agreement enabling Lender to sell, convey, guarantee or obtain insurance for any investor or institution, including but not limited to, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Department of Veterans Affairs, or any municipal bonding authority, to ensure enforceability of the Loan Modification Agreement. Requests may include, but are not limited to, all changes, corrections, re-execution or modification of any document related to such loan, as may be required.

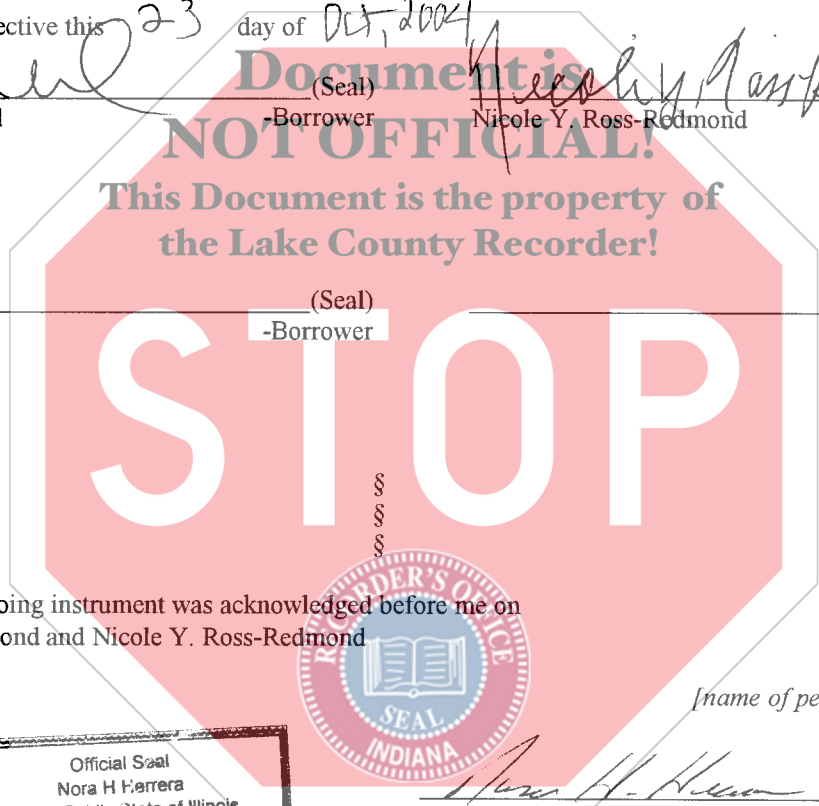
The undersigned will comply with all requests within thirty (30) days from the date they are made by Lender or its agent. If the Borrower(s) fail to meet his/her/their obligations, Borrower(s) acknowledge liability for all costs including, but not limited to, actual expenses, legal fees, court costs, and marketing expenses incurred by Lender to enforce its rights under the Loan Modification Agreement.

Dated effective this 23 day of Oct, 2004


Kenneth Redmond

(Seal)
-Borrower


Nicole Y. Ross-Redmond (Seal)
-Borrower



(Seal)
-Borrower

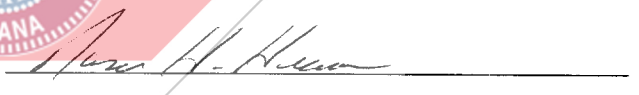
(Seal)
-Borrower

State of Indiana
County of Lake

The foregoing instrument was acknowledged before me on [date],
by Kenneth Redmond and Nicole Y. Ross-Redmond

[name of person acknowledged].

(Seal)
Official Seal
Nora H Herrera
Notary Public State of Illinois
My Commission Expires 09/28/05


Notary Public, State of IL
My Commission Expires: 09/28/05