

COOK COUNTY  
RECORDER

EUGENE "GENE" MOORE  
BRIDGEVIEW OFFICE

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1741/0401 18 001 Page 1 of 5  
2002-09-17 14:13:30  
Cook County Recorder 58.00



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CNC H2204850

MORTGAGE, RETENTION AND SUBORDINATION AGREEMENT

THIS MORTGAGE, RETENTION AND SUBORDINATION AGREEMENT ("Agreement") is made this 25th day of July, 2002 executed by Tomasz Chowaniec, unmarried person ("Borrower") whose address is 8100 W. 87th St. Unit 2H Hickory Hills, IL 60457 and FEDERAL HOME LOAN BANK OF CHICAGO ("Lender") whose address is 111 East Wacker Drive, Suite 800, Chicago, Illinois 60601. Lender is advancing funds in the amount of \$ 3500.00 ("Subsidy") to Borrower in accordance with the Affordable Housing Program ("Program").

In addition to the Subsidy, Borrower obtained a mortgage loan from Midamerica Bank, Fsb ("Senior Lien Holder"), which loan is secured by a first mortgage lien on the property ("First Mortgage").

MORTGAGE PROVISIONS

Borrower in consideration of the Subsidy made by Lender, and in order to secure the performance of Borrower's obligations hereunder, hereby mortgages, grants, and conveys to Lender the following described property located in Cook County, Illinois:

See attached legal description

18-35407-097-1014

which has the address of 8100 W. 87th St. Unit 2H Hickory Hills Illinois 60457  
[Street] [City] [Zip]  
("Property"). Together with all improvements now or hereafter erected on the Property, and all easements, appurtenances, and fixtures now or hereafter a part of the Property. All replacements and additions shall also be covered by this Agreement.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and except for the First Mortgage and other encumbrances of record acceptable to Senior Lien Holder, the Property is unencumbered. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to such encumbrances of record.

Borrower and Lender covenant and agree as follows:

This Agreement is for the purpose of securing performance of each agreement of Borrower set forth herein, and payment of the sum up to the Subsidy. As set forth herein, Borrower shall not be required to pay Lender any amount if events giving rise to Borrower's

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Property of Cook County Clerk's Office

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payment obligation do not occur within five years after the date of the loan closing for the First Mortgage to finance the Property ("Loan Closing Date").

Until any default the Borrower may hold and enjoy the Property. Borrower will pay all taxes, assessments and charges of every kind on the Property or any interest therein, including improvements thereon.

Upon the Borrower's satisfaction of the obligation secured hereby and performance of all the covenants and conditions of this Agreement, and upon Borrower's payment of the cost of release hereof, the mortgage created by this Agreement shall become void.

If Borrower fails to perform the covenants and agreements contained in this Agreement, or there is a legal proceeding that may significantly affect Lender's right in the Property (such as a proceeding in bankruptcy, probate, 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 shall give notice to Borrower and Senior Lien Holder prior to acceleration following Borrower's breach of any covenant or agreement in this Agreement. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) 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) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Agreement, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, and Senior Lien Holder has not exercised its right to cure the default, then Lender at its option may require immediate payment of all sums secured by this Agreement without further demand and may foreclose this Agreement by judicial proceeding.

This Agreement applies to, inures to the benefit of, and is binding not only on the parties hereto, but also their heirs, devisees, legatees, administrators, executors, assigns and successors.

The invalidity, illegality, or unenforceability of any provision of this Agreement pursuant to judicial decree shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall remain in full force and effect, and applicable state law shall replace such invalid, illegal or unenforceable provision to the extent possible.

## RETENTION AGREEMENT

This forgivable Subsidy is originated pursuant to the Lender's Program. The Borrower has received the subsidy funds under the Program which will be a second mortgage on the Property according to the terms and conditions applicable to the Program. The Borrower hereby acknowledges receipt of such funds in the form of this forgivable Subsidy.

The Borrower and Lender agree that each month 1/60<sup>th</sup> of the Subsidy will be forgiven. Upon completion of a five year term, no amounts will remain due. In the event that the property financed pursuant to the Program is not or ceases to be used for the purpose(s) approved by the Bank and the Federal Housing Finance Board, the Borrower shall repay the Subsidy as follows:

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1/60<sup>th</sup> of the total Subsidy received by Borrower shall be forgiven for each month that the Borrower maintains the property as their principal residence. Lender will consider the anniversary of the Loan Closing Date in forgiving and/or prorating the Subsidy. No credit will be given for partial months of ownership or residency. Borrower agrees to provide the Lender all and any information that Lender deems to be necessary to provide evidence of continued compliance with the Program.

The Borrower and Lender further agree that if the property financed pursuant to the Program is sold within five years of the Borrower's Loan Closing Date to a purchaser whose income meets the eligibility requirements for participation in the Program, then Borrower shall not be required to repay any portion of the Subsidy, but only if such purchaser or family assumes the obligations of this Agreement, which assumption shall not be valid or recognized unless Lender gives its prior written approval to such assumption and the property continues to be subject to this Agreement. If the property is sold to a purchaser that is not a low- or moderate-income household, any gain on sale will be applied as repayment of the unforgiven Subsidy as follows: 1/60<sup>th</sup> of the total Subsidy awarded to the Borrower is to be repaid for each month remaining on the five year term from the Loan Closing Date. No credit will be given for partial months of ownership or residency. The amount of Subsidy to be repaid shall not exceed the gain on sale.

Gain on sale is defined as the difference between your original purchase price and the price you as a seller receive for the property when it sold, less your seller costs. Gain on sale will be computed by Lender based upon its review of the appropriate H.U.D. Settlement Statements for the purchase and sale of the mortgage property.

All subsidies can be recovered if a property is sold for less than fair market price in a less than arms length transaction.

Lender and First Lien Holder must be notified of any sale or refinancing of the mortgage property that occurs within five years of the Loan Closing Date.

If Borrower refinances and the mortgage property remains subject to the encumbrance created by this Agreement, then Borrower shall not be required to repay any portion of the Subsidy.

The Borrower's obligation to repay the Subsidy shall terminate if the mortgage property is foreclosed upon.

Reimbursement of said Subsidy shall be made directly to Federal Home Loan Bank of Chicago, 111 E. Wacker Drive, Suite 800, Chicago, IL 60601. The Borrower and Lender further agree that in the event the Subsidy is not repaid in accordance with the provisions set forth above, Lender may commence legal action to collect such funds in accordance with the terms of this Agreement and Borrower may be liable for any court costs in addition to any sums incurred in collection of this amount.

## **SUBORDINATION AGREEMENT**

First Lien Holder is Borrower's primary lender for Borrower's purchase of the property, and is the holder of a mortgage against the property on the Loan Closing Date. To induce

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Lender to advance funds under its mortgage, Lender does hereby unconditionally subordinate the lien created by this Agreement to the lien of First Lien Holder's First Mortgage.

This Agreement shall expire on July 25th, 2007, unless the terms of this Agreement require payment at an earlier date.

IN WITNESS WHEREOF, Borrower and Lender have executed this Mortgage, Retention and Subordination Agreement.

Thomas Deice (Seal)  
Borrower

\_\_\_\_\_  
Borrower

## BORROWER ACKNOWLEDGMENT

STATE OF ILLINOIS)  
DuPage COUNTY) :SS.

Personally came before me this 25 day of July, 2002 the above named Thomasz Chowaniec to me known to be the persons who executed the foregoing instrument and acknowledged the same.



Lisa M. Wilson  
Notary Public  
DuPage County, Illinois  
My commission expires: 7-13-03

## FEDERAL HOME LOAN BANK OF CHICAGO

By: [Signature]

Its: Senior Vice President

## LENDER ACKNOWLEDGMENT

STATE OF ILLINOIS)  
Cook COUNTY) :SS.

Personally came before me this 23 day of August, 2002 the above named Thomas D. Sheehan to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Carol E. Swingle  
Notary Public  
\_\_\_\_\_  
County, Illinois  
My commission expires: \_\_\_\_\_



TICOR TITLE INSURANCE COMPANY  
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LOAN POLICY (1992)

POLICY NO.: 2000 000488196 OC

SCHEDULE A (CONTINUED)

5. THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

UNIT NUMBER 2-H AND G3 IN THE CAMBRIDGE IN THE HILLS CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: LOT 10 IN BLOCK 7 IN FREDERICK H. BARTLETT'S GOLFVIEW, BEING A SUBDIVISION OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 35, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THAT PART LYING SOUTH OF A LINE 17 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF LOT 10), IN COOK COUNTY, ILLINOIS WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM RECORDED NOVEMBER 18, 1980 AS DOCUMENT 25669913 TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS.

Prep by Imail to:

Mid America Bank

1823 Centre Point Circle

P.O. Box 3142

Naperville, IL 60566-7142

21019488

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED.