

Illinois Anti-Predatory
Lending Database
Program

Doc#: 1815747036 Fee: \$66.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 06/06/2018 09:51 AM Pg: 1 of 10

Certificate of Exemption



Report Mortgage Fraud
844-768-1713

The property identified as: PIN: 27-14-103-065-0000

Address:

Street: 15306 TEEBROOK DR

Street line 2:

City: ORLAND PARK

State: IL

ZIP Code: 60462

Lender: MWRD EMPLOYEES CREDIT UNION

Borrower: THOMAS C FITZGERALD

Loan / Mortgage Amount: \$30,000.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the loan is a HELOC which is not simultaneous with a new first mortgage.

Certificate number: 695AD7F7-7F19-4D80-884B-2EFFC926EAD7

Execution date: 5/8/2018

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WHEN RECORDED, MAIL TO:
MWRD EMPLOYEES CREDIT UNION
100 E ERIE ST
CHICAGO, ILLINOIS 60611

This instrument was prepared by:
Glenda Lahori - MWRD Employees Credit Union - 100 E. Erie St Chicago, IL 60611 - Phone 312) 751-3111
MWRD EMPLOYEES CREDIT UNION
100 E ERIE ST
CHICAGO, ILLINOIS 60611
312-751-3112

_____(Space Above This Line For Recording Data)_____

MORTGAGE

(Line of Credit)

DEFINITIONS

- (A) "Security Instrument" means this document, which is dated **May 3, 2018**, together with all riders to this document.
- (B) "Borrower" is **THOMAS C FITZGERALD AND NATALIE FITZGERALD, HUSBAND AND WIFE**. Borrower is the mortgagor under this Security Instrument.
- (C) "Lender" is **MWRD EMPLOYEES CREDIT UNION**. Lender is **MWRD EMPLOYEES CREDIT UNION**, organized and existing under the laws of the State of IL. Lender's address is **100 E ERIE ST, CHICAGO, ILLINOIS 60611**. Lender is the mortgagee under this Security Instrument.
- (D) "Secured Indebtedness" means:
- (1) The debt, interest, finance charges, and other fees and charges incurred under the terms of the Home Equity Line of Credit Agreement and Disclosure Statement ("HELOC") dated **May 8, 2018** with an initial rate of **0.500%**; the HELOC matures on **May 8, 2028**.
 - (2) Any advance made to Borrower or obligation incurred by Borrower pursuant to any contract of evidence of indebtedness benefiting Lender, regardless of whether such advance has been made or such obligation has been incurred in whole or in part as of the date of this Security Instrument.
 - (3) Any sum paid and expense incurred by Lender under the terms of this Security Instrument.
- (E) "Credit Limit" means the maximum aggregate amount of principal that may be secured by this Security Instrument at any one time. The Credit Limit is **\$30,000.00**. Except to the extent prohibited by Applicable Law, the Credit Limit does not apply to interest, finance charges, and other fees and charges validly incurred by Borrower under this Security Instrument. The Credit Limit also does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.
- (F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Riders" means all riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower (check box as applicable):

- Condominium Rider

 Planned Unit Development Rider
 1-4 Family Rider

 Other(s) (Specify)

(H) "Applicable Law" means all controlling applicable federal, state, and local statutes, regulations, ordinances, and administrative rules and orders (that have the effect of law) as well as applicable final, non-appealable judicial opinions.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Secured Indebtedness, and all renewals, extensions, and modifications of the Secured Indebtedness; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the HELOC. For this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and assigns the following described property located in the COUNTY of COOK COUNTY:

LOT 82 IN TEE BROOK VILLA UNIT NO. 1, A SUBDIVISION OF PART OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 14, TOWNSHIP 36 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Parcel ID Number: 27-14-103-065-0000

which currently has the address of: 15306 TEEBROOK DR
ORLAND PARK, IL 60462

("Property Address"):

TOGETHER WITH all the 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 also shall be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and shall defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

ADVANCES

Any advances made under the HELOC may be made, repaid, and remade from time to time, subject to the limitations of the HELOC. Regardless of whether the Secured Indebtedness is reduced to a zero balance, this Security Instrument shall remain in effect until released or reconveyed.

Any advances made in excess of the Credit Limit shall not be secured by this Security Instrument unless (i) Lender agrees to increase the Credit Limit and complies with any subsequent disclosure, rescission, and other requirements under Applicable Law and (ii) Borrower agrees to execute any documents Lender requires to evidence and secure the increase in the Credit Limit. Lender shall not be obligated in any way under this Security Instrument to increase the Credit Limit or to make additional or future loans or advances in any amount.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Secured Indebtedness; Performance of Obligations. Borrower shall pay when due the Secured Indebtedness and shall perform all of Borrower's obligations under the HELOC and this Security Instrument.

2. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property that can attain priority over this Security Instrument, including leasehold payments or ground rents on the Property, and the dues, fees, and assessments of a condominium association, homeowners association, or similar organization.

Borrower shall make all payments and comply with all covenants as required by any mortgage, deed of trust, security agreement, or other lien document evidencing a lien that is prior to this Security Instrument. Borrower shall not modify, extend, or increase the amount secured by such prior lien document without Lender's written consent.

Upon demand Borrower shall furnish to Lender satisfactory evidence of payment of such taxes, assessments, charges, fines, impositions, and prior liens.

Borrower shall promptly discharge any lien not approved by Lender that has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings that in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien

to this Security Instrument. If Lender determines that any part of the Property is subject to a lien that can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 2.

3. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against fire, hazards included within the term "extended coverage," flood, and any other hazards including without limitation earthquakes, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires may change during the term of the HELOC. Borrower may obtain such insurance from the insurance carrier of Borrower's choice, subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard, or liability, and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 3 shall be Secured Indebtedness and shall be payable according to the terms of the HELOC.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the Secured Indebtedness with the excess paid to Borrower.

4. Preservation, Maintenance, and Protection of the Property; Occupancy and Use of the Property; and Inspection. Borrower shall not destroy, damage, or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value. Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower shall not be relieved of Borrower's obligation for the completion of such repair or restoration.

Borrower shall not materially change the present occupancy and use of the Property without Lender's written consent. Borrower shall not use the Property in an illegal manner or for any illegal use such as would subject the Property to seizure.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

5. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument, or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument. Lender's actions may include, but are not limited to: (a) paying any sums secured by a lien that has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off.

Any amounts disbursed by Lender under this Section 5 shall be Secured Indebtedness and shall be payable according to the terms of the HELOC.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing. If the Property is

located in a condominium project or a planned unit development. Borrower shall perform all of Borrower's obligations under the covenants, by-laws, or regulations of the condominium project or planned unit development.

6. Condemnation. Borrower shall give Lender prompt notice of any condemnation or eminent domain proceeding or action pending or threatened against the Property and authorizes Lender to intervene in Borrower's name in any such proceeding or action. Borrower assigns to Lender any money awarded to Borrower pursuant to such proceeding or action, and such money shall be applied to the Secured Indebtedness with the excess paid to Borrower.

7. Loan Charges. If the HELOC is subject to a law that sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the HELOC exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit and (b) any sums already collected from Borrower that exceeded permitted limits shall be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the HELOC or by making a direct payment to Borrower. If a refund reduces principal, the reduction shall be treated as a partial prepayment without any prepayment charge.

8. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers. The notice address shall be the Property Address unless Borrower has designated a substitute notice address. Borrower shall promptly notify Lender of Borrower's change of address. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender.

9. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. In the event that any provision or clause of this Security Instrument or the HELOC conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the HELOC that can be given effect without the conflicting provision.

10. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the HELOC (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant, and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear, or make any accommodations with regard to the terms of this Security Instrument or the HELOC without the co-signer's consent.

Subject to the provisions of Section 11, any successor to the interests of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender.

11. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 11, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract, or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred without Lender's prior written consent, Lender may require immediate payment in full of the Secured Indebtedness.

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

12. Hazardous Substances. As used in this Section 12: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety, or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, or allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) that creates an Environmental Condition, or (c) that, due to the

presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower promptly shall give Lender written notice of (a) any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge; (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release, or threat of release of any Hazardous Substance; and (c) any condition caused by the presence, use, or release of a Hazardous Substance that adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority or any private party that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

13. Escrow for Taxes and Insurance. Unless otherwise provided in a separate agreement, Borrower shall not be required to pay in escrow to Lender funds for taxes, insurance, and other assessments.

14. Default. Borrower shall be in default under the HELOC and this Security Instrument if without limitation any of the following occur: (a) Borrower engaged or engages in fraud or material misrepresentation in connection with any aspect of the HELOC or this Security Instrument; (b) Borrower does not meet repayment terms under the HELOC; (c) Borrower's action or inaction adversely affects the collateral for the HELOC or Lender's rights in the collateral including without limitation: (i) Borrower's failure to maintain the insurance required under Section 3 of this Security Instrument; (ii) Borrower's transfer of the Property as provided in Section 11 of this Security Instrument; (iii) Borrower's failure to maintain the Property or use of the Property in a destructive manner; (iv) Borrower's commission of waste of the Property; (v) Borrower's failure to pay taxes due on the Property or Borrower's failure to act such that a lien superior to Lender's lien is filed against the Property; (vi) the death of all Borrowers; (vii) the Property is taken by condemnation or eminent domain; (viii) a judgment is filed against Borrower that subjects the Property to action that adversely affects Lender's interest in the Property; (ix) the creation of a lien on the Property without Lender's permission; or (x) a superior lien holder forecloses on the Property such that Lender's interest in the Property is adversely affected.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

15. Acceleration; Remedies. Except as may be prohibited by Applicable Law, and subject to any advance notice and cure period if required by Applicable Law, if any event or condition described in Section 14 or in the HELOC occurs, Lender may foreclose upon this Mortgage. This means that Lender may arrange for the Premises to be sold, as provided by Applicable Law, in order to pay off what Borrower owes on the HELOC and under this Mortgage. If the money Lender receives from the sale is not enough to pay off what Borrower owes Lender, Borrower will still owe Lender the difference, which Lender may seek to collect from Borrower in accordance with Applicable Law. In addition, Lender may, in accordance with Applicable Law, (i) enter on and take possession of the Premises; (ii) collect the rental payments, including over-due rental payments, directly from tenants; (iii) manage the Premises; and (iv) sign, cancel and change leases. Borrower agrees that the interest rate set forth in the HELOC will continue before and after a default, entry of a judgment and foreclosure. In addition, Lender shall be entitled to collect all reasonable fees and costs actually incurred by Lender in proceeding to foreclosure, including, but not limited to, reasonable attorneys' fees and costs of documentary evidence, abstracts and title reports.

If Borrower is in default, Lender may elect not to accelerate the Secured Indebtedness but instead may refuse to make additional advances or reduce the Credit Limit. Even if Lender elects not to exercise any remedy under this Security Instrument, Lender does not forfeit or waive Lender's right to do so at a later time or to do so if Borrower is in default again.

16. Release. Upon payment of all sums secured by this Mortgage and provided Lender's obligation to make further advances under the Note has terminated, Lender shall discharge this Mortgage without charge to Borrower and shall pay any fees for recording of a satisfaction of this Mortgage.

17. Waiver. To the extent permitted by Applicable Law, Borrower waives and releases any error or defects in proceedings to enforce this Mortgage and hereby waives the benefit of any present or future laws providing for stay of execution, extension of time, exemption from attachment, levy and sale and homestead exemption.

18. Placement of Collateral Protection Insurance. Unless Borrower provides Lender with evidence of the insurance coverage required by Borrower's agreement with Lender, Lender may purchase insurance at Borrower's expense to protect Lender's interests in Borrower's collateral. This insurance may, but need not, protect Borrower's interests. The coverage that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the collateral. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained insurance as required by Borrower's and Lender's agreement. If Lender purchases insurance for the collateral, Borrower shall be responsible for the costs of that insurance, including without limitation interest and any other charges Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Secured Indebtedness. The costs of the insurance may be more than the cost of insurance Borrower may be able to obtain on Borrower's own.

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19. Advances. Lender is obligated under the HELOC to make advances at any time during the Draw Period, as that term is defined in the HELOC.

20. No Claim of Credit for Taxes. Borrower shall not make deduction from or claim credit on the principal or interest secured by this Security Instrument by reason of any governmental taxes, assessments, or charges. Borrower shall not claim any deduction from the taxable value of the Property by reason of this Security Instrument.

21. Fixture Filing. This Mortgage constitutes a security agreement with respect to all fixtures and other personal property in which Lender is granted a security interest hereunder, and Lender shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the state where the property is situated (the "Uniform Commercial Code"). The recording of this Mortgage in the real estate records of the county where the property is located shall also operate from the time of recording as a fixture filing in accordance with Sections 9-313 and 9-402 of the Uniform Commercial Code.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it. Borrower also acknowledges receipt of a copy of this Security Instrument.

Signed, sealed and delivered in the presence of:

Witnesses:

_____-Witness

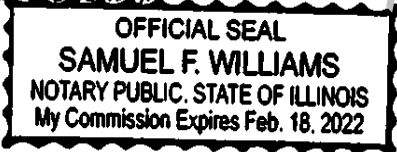
_____-Witness

Thomas C. Fitzgerald (Seal)
THOMAS C FITZGERALD -Borrower

Natalie Fitzgerald 5/8/18 (Seal)
NATALIE FITZGERALD -Borrower

State of ILLINOIS
County of COOK

This instrument was acknowledged before me on May 8, 2018 (date) by THOMAS C FITZGERALD and NATALIE FITZGERALD (name/s of person/s).



[Signature]
(Signature of Notary Public)

(Seal)

Loan originator (organization): MWRD EMPLOYEES CREDIT UNION; NMLS #: 433914
Loan originator (individual): GLENDA LAHORI; NMLS #: 809019

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Loan Number: 20979

To Our Borrowers:

The accumulation of funds for payment of property taxes and insurance has typically been accomplished by establishing an escrow account. Accordingly, funds are accumulated as part of your regular payment.

As an option to this escrow account, you may pledge an interest bearing time deposit. The terms and conditions of this option, and other notices are provided below.

MORTGAGE ESCROW ACCOUNT ACT

(765 ILCS 910/)

Section 2. As used in this Act, unless the context requires otherwise:

- (a) "Escrow Account" means any account established by the mortgage lender in conjunction with a mortgage loan on a residence, into which the borrower is required to make regular periodic payments and out of which the lender pays the taxes on the property covered by the mortgage.
- (b) "Borrower" means the person obligated under the mortgage loan.
- (c) "Mortgage Lender" means any bank, savings bank, savings and loan association, credit union, mortgage banker, or other institution, association, partnership, corporation or person who extends the loan of monies for the purpose of enabling another to purchase a residence or who services the loan, including successors in interest of the foregoing.
- (d) "Escrow-like Arrangement" means any arrangement the intent of which is to serve the same purposes as an escrow account but which does not require the formal establishment of an account.

Section 3. Escrow accounts or escrow-like arrangements established after the effective date of this Act in conjunction with mortgage agreements for single-family owner occupied residential property are hereby declared separate and distinct transactions from mortgages and, hence, subject to the laws and regulations of this State.

Section 4. On or after the effective date of this Act, each mortgage lender in conjunction with the granting or servicing of a mortgage on a single-family owner occupied residential property, shall comply with the provisions of this Act.

Section 5. When the mortgage is reduced to 65% of its original amount by payments of the borrower, timely made according to the provisions of the loan agreement secured by the mortgage, and the borrower is otherwise not in default on the loan agreement, the mortgage lender must notify the borrower that he may terminate such escrow account or that he may elect to continue it until he requests a termination thereof, or until the mortgage is paid in full, whichever occurs first.

Section 6. In lieu of the mortgage lender establishing an escrow account or an escrow-like arrangement, a borrower may pledge an interest bearing time deposit with the mortgage lender in an amount sufficient to secure the payment of anticipated taxes.

Section 6.5. Homeownership preservation program.

- (a) For purposes of this Section, "Homeownership Preservation Program" means (1) a program that is expressly intended to assist homeowners by refinancing or restructuring existing mortgage obligations either (i) to avoid default or foreclosure, or both, or (ii) to lower interest rates, and that is sponsored by a federal, state, or local government authority or a non-profit organization; or (2) a lender-sponsored program that is expressly intended to assist homeowners by restructuring existing mortgage obligations to avoid default or foreclosure, or both.

"Subprime Mortgage Lender" means a mortgage lender that has, for at least 2 of the prior 3 reporting years, reported the rate spread, as required under 12 C.F.R. § 1003.4(a)(12), for at least 75% of the loans reported by the mortgage lender in the Loan/Application Register filed in compliance with the federal Home Mortgage Disclosure Act, 12 U.S.C. 2801 et seq., and implementing Regulation C, 12 C.F.R. 1001 et seq.

- (b) Section 6 shall not apply:
 - (1) to a mortgage loan made by a subprime mortgage lender in compliance with the requirements for higher-priced mortgage loans established in Regulation Z 12 C.F.R. Part 1026, issued by the Bureau of Consumer Financial Protection to implement the federal Truth in Lending Act, whether or not the mortgage loan is a higher-priced mortgage loan, provided that:
 - (A) for loans that are not higher-priced mortgage loans, the escrow account must be terminated upon the borrower's request at no cost to the borrower; and
 - (B) for loans that are higher-priced mortgage loans, the escrow account must be terminated upon the borrower's request at no cost to the borrower on terms no stricter than the following conditions:
 - (i) the escrow termination requirements established in Regulation Z are satisfied;
 - (ii) the borrower has maintained a satisfactory payment history (no payments more than 30 days late) for the 12 months prior to the mortgage lender's receipt of the borrower's termination request; and
 - (iii) the borrower has reimbursed the mortgage lender for any escrow advances or escrow deficiencies existing at the time of the borrower's termination request.

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Loan Number: 20979

- (2) to a refinance or modification made by a subprime mortgage lender under a homeownership preservation program that requires establishment of an escrow account as a condition or requirement of the refinance or modification, provided that the escrow account must be terminated upon the borrower's request at no cost to the borrower on terms no stricter than the following conditions:
- (A) termination is permitted under the terms of the government or non-profit sponsored homeownership preservation program, if applicable, and the borrower complies with all conditions or requirements for termination established by or allowed under such program;
 - (B) the borrower has maintained a satisfactory payment history (no payments more than 30 days late) for the 12 months prior to the mortgage lender's receipt of the borrower's termination request; and
 - (C) the borrower has reimbursed the mortgage lender for any escrow advances or escrow deficiencies existing at the time of the borrower's termination request. Termination may not be denied for failure to reimburse escrow advances or escrow deficiencies under item (iii) of subparagraph (B) of paragraph (1) of subsection (b), or subparagraph (C) of paragraph (2) of subsection (b) if the borrower claims, in writing, that there is an error with such advances or deficiencies. In such case, the lender must terminate the escrow account if all other conditions of termination are satisfied; however, such termination will not alter or affect any other rights of the mortgage lender or the borrower with respect to the collection of such escrow advances or escrow deficiencies.

Section 7. The borrower shall not have the right to terminate any such arrangement under Section 5 in conjunction with mortgages insured, guaranteed, supplemented, or assisted by the State of Illinois or the federal government that require an escrow arrangement for their continuation.

Section 8. If after terminating an escrow arrangement under the conditions of this Act, the borrower does not furnish to the lender sufficient evidence of payment of the taxes when due on the residence covered by the mortgage with respect to which the escrow arrangement was established, the lender, after taking reasonably good faith steps to verify nonpayment, may, within thirty days after such payment is due, establish or reestablish an escrow arrangement notwithstanding the provisions of this Act.

Section 9. Failure of any mortgage lender operating within this State to comply with the provisions of this Act shall entitle the borrower to actual damages in a court action.

Section 10. The provisions of this Act shall not be applicable to a mortgage lender using the capitalization method of accounting for receipt of payment for taxes. The capitalization method shall mean crediting such tax payments directly to the loan principal upon receipt and increasing the loan balance when the taxes are paid.

Section 11. Notice of the requirements of the Act shall be furnished in writing to the borrower at the date of closing.

Section 12. This Act takes effect on January 1, 1976.

Section 15. Notice of tax payments.

(a) When any mortgage lender pays the property tax from an escrow account, the mortgage lender must give the borrower written notice of the following, within 45 days after the tax payment:

- (1) the date the taxes were paid;
- (2) the amount of taxes paid; and
- (3) the permanent index number, mortgage account number, address of the property, or other property description that is used for assessment and taxation purposes under the Property Tax Code.

(b) The notice required in subsection (a) may be included on or with other documents, notices, or statements provided to the borrower. If more than one borrower is obligated on the loan, only one borrower who is primarily liable on the loan need be given notice. Notice may be delivered, mailed, or transmitted by any usual means of communication.

(c) Notwithstanding the requirements in subsection (a), a mortgage lender that provides notice at least annually to a borrower in the manner provided in subsection (b) of a means of communication for the borrower to access the information set forth in subsection (a) by telephone, facsimile, e-mail, Internet access, or other means of communication, is deemed to be in compliance with subsection (a).


THE UNDERSIGNED, HAVING READ THE FOREGOING STATUTORY PROVISIONS HEREBY ELECTS AN INTEREST BEARING TIME DEPOSIT IN LIEU OF ESTABLISHING A REAL ESTATE PROPERTY ESCROW ACCOUNT.


Yes No

UNOFFICIAL COPY

Loan Number: 20979

I/we understand that pursuant to 38 Ill. Admin. Code 1050.1150, if this document was provided through the mail, it is my/our responsibility to obtain machine copies before returning this document.

(eSign B1SigS1)

 THOMAS C FITZGERALD
(eSign B1DateS1) 5/8/18
 Date

(eSign B2SigS2)

 NATALIE FITZGERALD
(eSign B2DateS2) 5/8/18
 Date

Property of Cook County Clerk's Office