

UNOFFICIAL COPY

Doc#: 1827433071 Fee: \$86.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 10/01/2018 09:43 AM Pg: 1 of 20

Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Report Mortgage Fraud
844-768-1713

The property identified as: **PIN:** 18-24-102-054-0000

Address:

Street: 7622 W 63rd Place

Street line 2:

City: Summit

State: IL

ZIP Code: 60501

Lender: CDBG-DR

Borrower: Julio C Torres Godoy and Maria I Pineda Ibarra

Loan / Mortgage Amount: \$27,935.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 7770 et seq. because the application was taken by an exempt entity.

C.T.I./CY
18pna629014wh
3054

Certificate number: 3D56A6EE-C01A-4F07-A9E6-1ED80D3F2A85

Execution date: 9/28/2018

UNOFFICIAL COPY

This Document Prepared By & Mail to:
 Eva L. Garrett, Esq.
 Legal Affairs
 Bureau of Economic Development
 Department of Planning and Development
 69 W. Washington, 29th Floor
 Chicago, Illinois 60602

Above Space For

Recorder's Use Only

MORTGAGE, SECURITY AND RECAPTURE AGREEMENT
Cook County Community Development Block Grant Program-
Disaster Recovery ("CDBG- DR) Program—20 Year Affordability Period

Common Address: 7622 W. 63rd Place, Summit, IL 60501
P.I.N.: 18-24-102-054-0000

	SUBSIDY AND RECAPTURE TABLE	AMOUNT
A.	Total Development Costs to Date¹	\$203,409.75
B.	CDBG-DR Program Funds Invested to Date²	\$227,818.92
C.	NSP Funds Invested to Date³	\$ 28,298.57
D.	Appraised Value⁴	\$156,000
E.	Home Buyer Contract Sales Price⁵	\$156,000
F.	Home Buyer First Mortgage⁶	\$132,600
G.	CDBG-DR Home Buyer DownPayment Assistance⁷	\$27,935
H.	Home Buyer (Non-CDBG-DR Purchase Price Assistance (if any)⁸	\$0
I.	Home Buyer Recapture Amount⁹	\$27,935

1. Enter the total development costs to date, including acquisition, carrying and soft costs.
2. Enter the total CDBG-DR funds invested to date.
3. Enter the total NSP funds invested to date.
4. Enter the fair market value of the property, as set forth in the appraisal of the senior lender.
5. Enter the sales price listed in the home buyer's purchase and sale contract.
6. Enter the original principal amount of the home buyer's first mortgage.
7. Enter the CDBG-DR-funded home buyer's down payment assistance, if any, not to exceed \$40,000.
8. Enter the amount of any purchase price assistance provided to home buyer, other than CDBG-DR down payment assistance.
9. Enter the amount in Row G.

UNOFFICIAL COPY

THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT (“Mortgage”) is made as the 28th day of September, 2018 from Julio C. Torres Godoy and Maria I. Pineda Ibarra, a married couple (collectively, “Mortgagor”), in favor of the County of Cook, a body politic and corporate of the State of Illinois (“County” or “Mortgagee”). Capitalized terms not otherwise defined herein shall have the meaning set forth in Section 1.

RECITALS

WHEREAS, the County has received funds (the “CDBG-DR” Program Funds”) from the United States Department of Housing and Urban Development (“HUD”) for use in a County Community Development Block Grant Disaster Recovery program (the “CDBG-DR Program”) to provide assistance for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 USC 5121 et seq.) (“Stafford Act”), the Disaster Relief Appropriations Act, 2013-- Pub. L 113-2, approved January 29, 2013-- (the “Appropriations Act”), and the notices at: 78FR14329, published March 5, 2013; 78 FR23578, published April 19, 2013; 78FR 32262, published May 29, 2013; 78 FR46999, published August 13, 2013; 78FR69104, published November 18, 2013; 78FR76154, published December 16, 2013; 79FR17173, published March 27, 2014; 79FR31864, published June 3, 2014; 79FR40133, published July 11, 2014; 79FR60490, published October 7, 2014; 79FR62182, published October 16, 2014; 80FR1039, published January 8, 2015; 80FR17772, published April 2, 2015; 80FR 26942, published May 11, 2015, and the HUD regulations at 24 CFR Part 570, as the same may be amended, restated, or supplemented from time to time (collectively, the “CDBG-DR Regulations”); and

WHEREAS, the County is a home rule unit pursuant to the 1970 Illinois Constitution, Article VII, Section 6 and has been designated as an “Urban County” by HUD under the provisions of the Housing and Community Development Act of 1974, as amended, (the “HCD Act”). The Stafford Act, the Appropriations Act and the HCD Act are collectively referred to herein as the “CDBG-DR Act.” The CDBG-DR Act and CDBG-DR Regulations are collectively referred to herein as the “CDBG-DR Legal Requirements;” and

WHEREAS, the CDBG-DR Legal Requirements require that the County use the CDBG-DR Program funds in three core aspects of disaster recovery – housing, infrastructure, and economic development; and

WHEREAS, the County has received additional funds (the “NSP Funds”) from HUD for use in a County neighborhood stabilization program (NSP”), pursuant to the provisions of the Housing and Economic Recovery Act of 2008, Public Law 110-289 – July 30, 2008, Title III-emergency Assistance for the Redevelopment of Abandoned and Foreclosed Homes, Section 2301 et seq. (“HERA”), as amended by the American Recovery and Reinvestment Act of 2009, H.R. 1 (the “Recovery Act”), as amended by the Dodd-Frank Wall Street Reform and Consumer Protections Act of 2010, H.R. 4173 (the “Dodd-Frank Act”), as the same may be amended, restated or supplemented from time to time (HERA, the Recovery Act and the Dodd-Frank Act are collectively referred to as the “NSP Act”), the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Home Developers under the Housing and Economic Recovery Act, 2008 issued by HUD and found at the 73FR, No. 194, published October 6,

UNOFFICIAL COPY

2008, as the same may be amended, restated or supplemented from time to time and the HUD regulations at 24 CFR Part 570, as the same may be amended, restated or supplemented from time to time (collectively, the "NSP Regulations"). The NSP Act and the NSP Regulations are collectively referred to herein as the "NSP Legal Requirements;" and

WHEREAS, the NSP Legal Requirements require that the County use the NSP Funds for the acquisition and/or rehabilitation of homes and residential properties that have been abandoned, foreclosed upon or vacant in order to sell, rent, or redevelop such homes and properties; and

WHEREAS, The CDBG-DR Program and the NSP are collectively referred to as the "Program;" the CDBG-DR Program Funds and the NSP Funds are collectively referred to as the "Program Funds;" and the CDBG-DR Legal Requirements and the NSP Legal Requirements are collectively referred to as the "Legal Requirements;" and

WHEREAS, in the event of a conflict between the CDBG-DR Legal Requirements and the NSP Legal Requirements, the CDBG-DR Legal Requirements shall control and prevail; and

WHEREAS, in furtherance of the Program, the County and Presidio Capital LLC (the "Developer") have entered into that certain Community Development Block Grant –Disaster Recovery (CDBG-DR) Developer's Agreement, dated October 1, 2014., The Original Developer Agreement was amended by that certain Amendment to Developer's Agreement, dated as of August 14, 2015 (the "First Amendment"), that certain Second Amendment to Developer's Agreement, dated as of March 9, 2016 (the "Second Amendment") and that certain Third Amendment to Developer's Agreement, dated as of May 23, 2017. (the "Third Amendment"). The Original Developer's Agreement, the First Amendment, the Second Amendment and the Third Amendment are referred to collectively, as the "Developer's Agreement"); and

WHEREAS, pursuant to the Developer's Agreement, the Developer acquired and constructed improvements on the property legally described on **Exhibit A**, attached hereto (the "Property" or the "Project"); and

WHEREAS, prior to such acquisition, the County completed the environmental review required pursuant to 24 CFR Part 58; and

WHEREAS, the total development costs to date, including acquisition, carrying costs and soft costs ("Total Development Costs") are set forth in Row A of the Subsidy and Recapture Table on the first page of this Mortgage (the "Summary Table"). The total CDBG-DR Program Funds invested in the Property to date are set forth in Row B of the Summary Table (the "CDBG-DR Investment"), and the total NSP Program Funds invested in the Property to date are set forth in Row C of the Summary Table (the "NSP Investment"); and

WHEREAS, the Developer is now selling the Home to the Mortgagor. The Senior Lender, (as hereinafter defined) has obtained an appraisal of the Home and determined that it has a fair market value set forth in Row D of the Summary Table (the "Appraised Value"). The Developer has contracted to sell the Home for the amount set forth in Row E (the "Home Buyer Contract Sales Price"). The Senior Lender has agreed to make a first mortgage loan secured by the Home in the original principal amount set forth in Row F of the Summary Table (the "Home Buyer's First Mortgage"); and

UNOFFICIAL COPY

WHEREAS, Mortgagor is purchasing the Home for the Home Buyer Contract Sales Price, and Mortgagor's opportunity to purchase the Home for the Home Buyer's Contract Sales Price is due to the CDBG-DR Investment and the NSP Investment, including the CDBG-DR Down Payment Assistance set forth in Row G of the Summary Table; and

WHEREAS, in the event that the Mortgagor sells, refinances or leases the Home prior to the date that is twenty (20) years from the Purchase Date (as hereinafter defined), unless as expressly permitted herein, then the Mortgagor shall be required to pay all or a portion of the Home Buyer Recapture Amount listed in Row I of the Summary Table, in order to return to the County a portion of the County's investment of Program Funds in the Home; and

WHEREAS, the Mortgagor has previously received at least eight (8) hours of home buyer counseling, as evidenced by the certificate of completion attached as **Exhibit B** hereto; and

WHEREAS, the CDBG-DR Legal Requirements require the Mortgagor's execution of this Mortgage in favor of the County, which secures certain performance and payment covenants intended to assure that the County complies with such legal requirements and achieve the affordable housing objectives of the Program.

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the terms, covenants and conditions described herein, Mortgagor has executed and delivered the Mortgage and does hereby convey, assign, mortgage and grant a security interest in, and confirm unto Mortgagee and its successors and assigns all of the following described property (hereinafter sometimes referred to as the "Mortgaged Property"), said security interest being now and hereafter subordinate to the security interest of the Home Buyer First Mortgage:

- (A) The Land;
- (B) All structures and improvements of every nature whatsoever now or hereafter situated on the Land, including without limitation, the Home, all fixtures of every kind and nature whatsoever which are or shall be attached to said building, structure or improvements, and now or hereafter owned by Mortgagor, including all extensions, additions, improvements, betterments renewals and replacements of any of the foregoing ("Improvements").
- (C) All rents and issues of the Land and Improvements from time to time and all of the estate, right, title, interest, property possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same.

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject to the terms covenants and conditions herein;

WITHOUT LIMITATION of the foregoing, Mortgagor hereby further grants unto Mortgagee, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) payment of all recapture amounts described herein; (b) performance of the residency, transfer, resale, financing, and refinancing covenants and due on sale provisions describe herein and in **Exhibit C**, attached hereto and (d) the payment and

UNOFFICIAL COPY

performance of all other obligations, covenants, conditions and agreements contained herein.

SECTION I

INCORPORATION OF RECITALS; DEFINITIONS

The recitals set forth above constitute an integral part of the Mortgage and are hereby incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties. In addition to the capitalized terms defined in the foregoing recitals, the following capitalized terms used in this Mortgage shall be defined as follows:

"Affordability Period" shall mean twenty (20) years.

"Affordability Requirements" shall mean the affordability requirements applicable to for sale housing set forth in 24 C.F.R. Part 570 (the "Home Regulations"). Notwithstanding the income limits referenced in the Home Regulations, and in accordance with the CDBG Legal Requirements, a family qualified to purchase the Mortgaged Property from the Mortgagor during the Affordability Period is a family whose annual gross income does not exceed eighty percent (80%) of the area median income ("AMI"), adjusted for family size.

"Anniversary Date" shall mean each anniversary date of the Purchase Date (hereinafter defined) during and including the last day of the Affordability Period. For example: if the Purchase Date was July 30, 2017, the first Anniversary Date would be July 30, 2018, and each July 30th after that (through the last day of the Affordability Period) would be a subsequent Anniversary Date.

"Bureau Chief" shall mean the Bureau Chief of the County's Bureau of Economic Development ("BED") or any successor department thereto, and, if there is no such Bureau Chief, the Acting Bureau Chief of BED.

"Homebuyer Recapture Amount" shall mean an amount, determined as of any applicable determination date (i.e., as of the closing date for the homebuyer's sale or refinancing of the Mortgaged Property), which shall initially equal the Homebuyer Recapture Amount, but which shall reduce on a pro rata basis on each Anniversary Date based on the number of years in the Affordability Period and which, after the expiration of the Affordability Period, shall equal zero dollars (\$0.00). For example, if the Homebuyer Recapture Amount in Row I of the Summary Table was \$20,000, the Purchase Date was June 30, 2017, the Affordability Period was twenty (20) years, and the applicable determination date was September 30, 2020, the Homebuyer Recapture Amount as of such determination date would be \$17,000 (i.e., three Anniversary Dates would have occurred prior to such determination date, with a \$1,000 reduction occurring on each such Anniversary Date, for a total reduction of \$3,000 in the Homebuyer Recapture Amount, leaving \$17,000 due and payable).

"Mortgagor's Total Purchase Price" shall mean the sum of (a) the Homebuyer Contract Sales Price, plus (b) the cost of extras and upgrades paid for by the Mortgagor using Mortgagor's own funds (including proceeds of the loan made by the Senior Lender, as hereinafter defined), plus (c) the cost of additional capital improvements made by the Mortgagor to the Mortgaged Property after the Purchase Date, provided reasonable evidence of the cost of such additional improvements is submitted to and approved by the County.

UNOFFICIAL COPY

"Net Transfer Proceeds" shall mean the gross sales proceeds arising from a direct or indirect sale or transfer of the Mortgaged Property, minus (a) the amount of any permitted Senior Mortgage indebtedness or any permitted refinancing thereof repaid at the time of such sale or transfer, (b) any commercially reasonable, third party brokerage fee paid by Mortgagor with respect to such sale or transfer, (c) any transfer taxes which, pursuant to applicable law, are paid by the Mortgagor, (d) customary title, escrow and recording charges paid by the Mortgagor, (e) customary pro rations or credits made pursuant to the contract for such sale or transfer, and (f) such other amounts, if any, as the Bureau Chief, in the Bureau Chief's sole discretion, may agree is necessary, appropriate and equitable.

"Purchase Date" shall mean the date on which the Mortgagor purchased the Mortgaged Property, which shall be deemed to be the date on which this Mortgage is recorded.

SECTION II

GENERAL COVENANTS, REPRESENTATIONS AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that:

2.01 Taxes and Assessments.

(a) Mortgagor will pay when due all general taxes and assessments, special assessments, water charges and all of the charges against the Mortgaged Property and shall, upon written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed.

(b) Mortgagor will not allow (unless bonded or insured over) any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property. Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of the same.

2.02 Insurance.

Mortgagor shall keep the Mortgaged Property continuously insured in such amounts and against such risks as required of Mortgagor by the Senior Lender (as hereinafter defined), but in no event less than the full replacement cost of the Home, paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies of insurance shall provide that the same shall not be canceled, except upon thirty (30) days prior written notice to Mortgagee.

2.03 Maintenance of the Property.

(a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Mortgagor shall not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee.

UNOFFICIAL COPY

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged Property to assure compliance with the terms of this Mortgage.

(d) Mortgagor shall promptly comply, and cause the Mortgaged Property to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property or any part thereof.

(e) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, Mortgagor, subject to the rights of the Senior Lender, will promptly restore the Mortgaged Property to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made available to Mortgagor for that purpose.

2.04 Subordination.

The Mortgage shall be subject and subordinate in all respects to that certain first mortgage loan of even date herewith between Mortgagor and **BBMC Mortgage ("Senior Lender")**, to secure indebtedness in the original principal amount of **One Hundred Thirty-Two Thousand Six Hundred and NO/100 Dollars \$132,600.00 ("Senior Mortgage.")** This Mortgage shall also be subordinate to any subsequent mortgage that refinances the Senior Mortgage, so long as such refinancing is in an original principal amount less than or equal to the original principal amount of the Senior Lender's mortgage loan, as specified below, unless the Bureau Chief, in the Bureau Chief's sole discretion, agrees to senior refinancing in a greater amount. **Exhibit D EXPLAINS IN GREATER DETAIL THE ADDITIONAL REFINANCING RESTRICTIONS THAT APPLY TO THE MORTGAGOR AND ANY LENDERS MAKING LOANS SECURED BY THE MORTGAGED PROPERTY.**

The key terms of the Senior Lender's loan are as follows:

Original Principal Balance: \$132,600.00

Interest Rate: 5.125%

Fixed Interest Rate

Loan Term: 360 months

2.05 Income Eligibility.

The CDBG-DR Legal Requirements require that the County allocate the Program funds to eligible activities benefitting communities and households whose incomes do not exceed 80% of AMI.

Mortgagor covenants to Mortgagee that it meets the homebuyer income eligibility requirements under the CDBG-DR Program. Specifically, Mortgagor represents and warrants that its household income, as reflected in sworn to documents, and as certified by Mortgagor, are in compliance with, and based on the HUD AMI schedule in force as of the date of this Mortgage, in accordance with Mortgagor's current household size.

UNOFFICIAL COPY

2.06 Exercise of Senior Mortgage Rights.

In the event of a transfer of title of the Mortgaged Property through foreclosure, recording of deed in lieu of foreclosure to the Senior Lender pursuant to the Senior Mortgage, or transferring title to a third party in a short sale that is an arms-length transaction resulting in a release of the Senior Mortgage, Mortgagee acknowledges and agrees that the residency, transfer and financing covenants set forth in **Exhibit C** and any other provisions contained herein restricting the sale and occupancy of the Mortgaged Property to buyers or occupants which meet the income eligibility requirements of the CDBG-DR Program shall be released and shall have no further force or effect; provided, however, that all such covenants and affordability restrictions shall be revived according to the original terms if, during the applicable affordability period, the Mortgagor or any member of Mortgagor's household or family (or any other prohibited person under the CDBG-DR Legal Requirements) reacquires an ownership interest in the Mortgaged Property. Any other person (including the successors and/or assigns of Senior Lender) receiving title to the Mortgaged Property through a foreclosure of the Senior Mortgage shall take title to the Mortgaged Property free and clear of such restrictions, but only if (a) such transfer of title pursuant to such foreclosure did not involve collusion between the Senior Lender and the Mortgagor for the purpose of avoiding low-income affordability restrictions pertaining to the Mortgaged Property or of avoiding payment of the recapture amounts due under this Mortgage, and (b) the County is paid the Homebuyer Recapture Amount (or such lesser portion thereof as may be due and payable under this Mortgage).

Further, if Senior Lender acquires title to the Mortgaged Property pursuant to a deed in lieu of foreclosure, the lien of this Mortgage and the restrictions contained herein shall automatically terminate upon the Senior Lender's acquisition of title to the Mortgaged Property, provided that: (i) the Senior Lender has given written notice to Mortgagor of a default under the Senior Mortgage in accordance with its terms, (ii) the Mortgagor shall not have cured the default under the Senior Mortgage within any applicable cure period(s) provided for therein; (iii) any proceeds from any subsequent sale of the Mortgaged Property, if any, which Mortgagee is entitled to receive after payment of all amounts due pursuant to the Senior Mortgage and pursuant to this Mortgage, are paid to Mortgagee, and (iv) such acquisition of title by the Senior Lender did not involve collusion between the Senior Lender and the Mortgagor for the purpose of avoiding low-income affordability restrictions pertaining to the Mortgaged Property or of avoiding payment of the recapture amounts due under this Mortgage .

SECTION III

ELIGIBILITY, PRINCIPAL RESIDENCY, TRANSFER, RESALE, FINANCING, REFINANCING COVENANTS AND DUE ON SALE PROVISION

Mortgagor also covenants to comply with the residency, transfer, resale, financing and refinancing covenants and due on sale provision set forth in **Exhibit C**, which covenants are all materially related to the County achievement of the National Objectives of the Program and the County's compliance with the Legal Requirements.

UNOFFICIAL COPY

SECTION IV

ADDITIONAL PURCHASE PRICE RECAPTURE AMOUNT DUE UPON SALE

Mortgagor also covenants that upon any direct or indirect sale or transfer of the Home, or the Mortgagor's interest therein, regardless of whether such sale or transfer constitutes an "Event of Default" under this Mortgage, Mortgagor shall, at the time of such sale or transfer, repay the County the Homebuyer Recapture Amount from any available Net Transfer Proceeds, subject to any applicable limitations upon repayment set forth in the Legal Requirements.

Notwithstanding the foregoing, a sale or transfer arising from the death of the Mortgagor, which operates to transfer the Mortgagor's interest in the Mortgaged Property to the Mortgagor's heirs or beneficiaries, whether by will, trust or a similar estate planning instrument, or by intestacy, shall not be subject to the foregoing due on sale provision, but the successor(s) in title to the Mortgagor's interest in the Mortgaged Property shall continue to hold such title subject to the terms of this Mortgage.

Notwithstanding the first paragraph of this Section IV, if a sale or other transfer giving rise to a repayment obligation under such first paragraph occurs and the gross sales proceeds are insufficient to repay an amount equal to the sum of (a) the greater of either the Senior Lender's lien amount or Mortgagor's Total Purchase Price, plus (b) the then applicable Homebuyer Recapture Amount and any other amounts due and payable to Mortgagee under this Mortgage, Mortgagor shall pay Mortgagee an amount equal to the product of (i) the Net Transfer Proceeds, and (ii) a fraction, the numerator of which is the original Homebuyer Recapture Amount and the denominator of which is the sum of the original Homebuyer Recapture Amount plus Mortgagor's Total Purchase Price. For example, if Mortgagor's Total Purchase Price was \$185,000, the original Homebuyer Recapture Amount was \$15,000, the Net Transfer Proceeds was \$10,000, and the then applicable Homebuyer Recapture Amount was \$12,000, the repayment amount would be (a) \$10,000, times (b) \$15,000/\$200,000, or \$750.

SECTION V

DEFAULT

5.01 Events of Default.

The terms "Event of Default" or "Events of Default", wherever used in the Mortgage, shall mean any one or more of the following events:

(a) Mortgagor's breach of one or more of the residency, transfer, resale, financing or refinancing covenants or due on sale provision set forth in **Exhibit C**, which breach is not cured by Mortgagor within ten (10) days of Mortgagor's receipt of written notice from Mortgagee of such breach; or

(b) Mortgagor's breach of any other term, covenant, condition, or agreement of this Mortgage, which breach is not cured by Mortgagor within thirty (30) days of Mortgagor's receipt of written notice from Mortgagee of such breach; provided, however, that in the event such default cannot reasonably be cured within such thirty (30) day period and if Mortgagor has commenced efforts to cure, then the time to cure shall be extended so long as said party diligently continues to cure such default; or

UNOFFICIAL COPY

(c) Any default continuing beyond all applicable cure periods under the Senior Mortgage that permits the Senior Lender to foreclose its lien thereunder.

5.02 Remedies.

(a) If an Event of Default arising from a breach of one or more of the covenants set forth in Exhibit C occurs (and unless the last paragraph of such Exhibit C applies) (such a default, a "Recapture Default"), the Homebuyer Recapture Amount shall, at Mortgagee's sole option, become immediately due and payable and subject to recapture without further notice or demand.

(b) If a Recapture Default or any other Event of Default occurs, Mortgagee shall also be entitled to declare all other amounts secured hereby immediately due and payable without further notice or demand and shall have such rights and remedies as may be available at law or at equity, including, without limitation, and subject to the rights of the Senior Lender, the right to foreclose the lien hereof. The Mortgage and the right of foreclosure hereunder shall not (to the extent permitted by law) be impaired or exhausted by any foreclosure of the Senior Mortgage, and may be foreclosed successively and in parts, until all of the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee hereunder, there shall be allowed and included as additional indebtedness, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, publication costs, and any title, survey and closing costs. All expenditures and expenses of the nature in this section 5.02(b) mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of the Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting the Mortgage, or the Mortgaged Property or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum, and shall be secured by the Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incidental to the foreclosure proceedings, including all such items as are mentioned in this section; (ii) repayment of any indebtedness secured by any permitted Senior Mortgage or a permitted refinancing thereof; (iii) all recapture amounts and other amounts due under this Mortgage; and (iv) any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

5.03 Mortgagor Waivers.

Mortgagor shall not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of the Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. Mortgagee reserves the right to request that Mortgagor take the following actions after the commencement of a foreclosure action, to the extent permitted by law: (i) waive in writing any and all rights of reinstatement and/or redemption from sale under any order or decree of foreclosure of the Mortgage on its behalf and on behalf of each and every person; and (ii) file such written consent to waiver with the clerk of the applicable court.

UNOFFICIAL COPY

5.04 Additional Mortgagee Rights.

Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default, Mortgagee, subject to the rights of the Senior Lender, may hold, use, manage and control the Mortgaged Property and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith; (ii) insure or keep the Mortgaged Property insured; (iii) manage the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be in its best interest.

5.05 Purchase by Mortgagee.

Upon any foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part of the indebtedness secured hereby as a credit to the purchase price; provided, however, that the Senior Lender has been paid in full.

5.06 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to Mortgagee by the Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law, in equity or by statute.

5.07 No Waiver By Mortgagee.

No delay or omission of Mortgagee or of any holder of this Mortgage to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by the Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other obligations of Mortgagor hereunder. Failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by Mortgagor.

SECTION VI

MISCELLANEOUS PROVISIONS

6.01 Successors and Assigns.

This Mortgage shall inure to the benefit of and be binding upon Mortgagor and Mortgagee and their respective legal representatives, successors and assigns and any reference herein to the "Mortgage" or "Mortgagor" shall be deemed to include a reference to such legal representatives, successors and assigns.

UNOFFICIAL COPY

6.02 Terminology.

All personal pronouns used in the Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of the Mortgage, and all references herein to sections shall refer to the corresponding sections of the Mortgage unless specific reference is made to such sections of another document or instrument.

6.03 Severability.

If any provision of the Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of the Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the extent permitted by law.

6.04 Security Agreement.

The Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. Mortgagee shall have all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by the Mortgage or any other agreement.

6.05 Modification.

No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns. Mortgagor shall have no right to convey the Land into a land trust without obtaining the prior written consent of the Mortgagee.

6.06 No Merger.

It being the desire and intention of the parties that the Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee as evidenced by an appropriate release duly executed and recorded, the Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

6.07 Applicable Law.

The Mortgage shall be governed by the laws of the State of Illinois.

6.08 Release of Mortgage.

If: (a) Mortgagor is not then in default under this Mortgage and retains ownership of the Mortgaged Property until the expiration of the last applicable affordability period, or (b) Mortgagor conveys the Mortgaged Property, giving rise to an Event of Default, and Mortgagor pays Mortgagee the amount Mortgagee is entitled to receive pursuant to the provisions of Section 5.02 above, then Mortgagor shall be deemed to have fully complied with the provisions contained in this Mortgage. In such event, Mortgagee shall execute a release of the Mortgage. Said release shall be in recordable form.

UNOFFICIAL COPY

6.09 Further Assurances, Duty to Cooperate.

Mortgagor, on request of Mortgagee, from time to time, covenants and agrees to execute and deliver such additional documents, amendments, agreements and undertakings as may be necessary to: correct any scrivener's error contained herein or in any related document; to perfect or to maintain as perfected valid lien(s) upon the Mortgaged Property any lien granted to Mortgagee under this Mortgage or any under any other agreement or undertaking; or to more fully and accurately set forth and reflect the requirements of the Program.

6.10 Conflict

This Mortgage is intended to be consistent with and to implement the Legal Requirements of the Program. In the event of a conflict between this Mortgage and the Legal Requirements, the latter shall govern and control.

6.11 Discretionary Authority.

If an Event of Default occurs hereunder, the Bureau Chief, in the Bureau Chief's sole discretion, but dependent upon market conditions, interest rates and any other attendant facts and circumstances, may settle any claims with respect to this Mortgage, including, without limitation, accepting payment of an amount less than the full amount that would otherwise be due and payable under this Mortgage, if equitable and necessary or appropriate, but in no event shall such amount be less than the amount required under the Legal Requirements.

IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be executed as of the day and year first above written.

MORTGAGOR(S):



Julio C. Torres Godoy



Maria I. Pineda Ibarra

UNOFFICIAL COPY

STATE OF ILLINOIS)

)

COUNTY OF COOK)

I, ^{NY} Natalie L. Gould, a Notary Public in and for said County, in the State aforesaid, do hereby certify that **Julio C. Torres Godoy**, personally known to me as the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that he/she signed and delivered the said instrument as his/her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 28 day of September, 2018.

Natalie L. Gould

Notary Public

My commission expires _____.



Property of Cook County Clerk's Office

UNOFFICIAL COPY

STATE OF ILLINOIS)

)

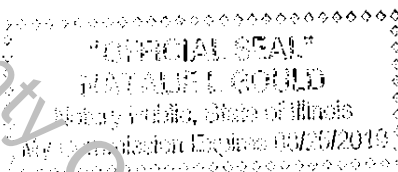
COUNTY OF COOK)

I, Natalie L. Gould, a Notary Public in and for said County, in the State aforesaid, do hereby certify that **Maria I. Pineda Ibarra**, personally known to me as the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that he/she signed and delivered the said instrument as his/her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 21 day of September, 2018.

Natalie L. Gould

Notary Public



My commission expires _____.

UNOFFICIAL COPY

EXHIBIT A

LEGAL DESCRIPTION: LOT 56 IN BLOCK 3 IN CORN PRODUCTS' SUBDIVISION OF A PORTION OF THE NORTH 1043 FEET OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

COMMON ADDRESS: 7622 W. 63rd Place, Summit, IL 60501

P.I.N.: 18-24-102-054-0000

SINGLE FAMILY HOME

Property of Cook County Clerk's Office

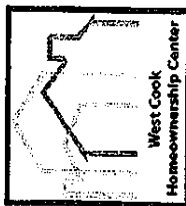
UNOFFICIAL COPY

EXHIBIT B

[ATTACH HOME BUYER COUNSELING CERTIFICATE]

Property of Cook County Clerk's Office

UNOFFICIAL COPY



CERTIFICATE OF COMPLETION

Presented to

Julio Torres

For Satisfactory Completion of Pre-Purchase Counseling Required Pursuant to HUD Guidelines

3/24/2019

Expiration Date

Liz Valdés Flores
Liz Valdés Flores, Housing Counselor



*West Cook Homeownership Center is a HUD-Approved housing counseling agency

Property of Cook County Clerk's Office

UNOFFICIAL COPY

EXHIBIT C

Eligibility, Principal Residency, Transfer, Resale, Financing and Refinancing Covenants and Due on Sale Provision

In consideration of the CDBG-DR and NSP Funds that have enabled the Mortgagor to purchase the Mortgaged Property for the reduced Homebuyer Contract Sales Price, and as a condition to the Mortgagee's provision of such Program Funds and the sale of the Mortgaged Property to Mortgagor, Mortgagor covenants to Mortgagee that:

- (a) Mortgagor meets the income eligibility requirements under the Program.
- (b) Mortgagor shall own the Mortgaged Property, shall not lease the Mortgaged Property and shall utilize the Home as its primary residence.
- (c) Mortgagor shall not directly or indirectly sell or otherwise transfer the Mortgaged Property, or execute a deed in lieu of foreclosure (unless it complies with the requirements of the Mortgage).
- (d) Mortgagor shall not refinance the Mortgaged Property, except to refinance the Senior Mortgage in an amount not greater than the original principal balance of the loan secured by the Senior Mortgage (including reasonable closing costs for the refinance transaction), as set forth in Section 2.04, or except as otherwise consented to by the Bureau Chief, in the Bureau Chief's sole discretion. **THIS REFINANCING RESTRICTION MEANS THAT THE HOMEOWNER IS RESTRICTED FROM USING THE MORTGAGED PROPERTY AS COLLATERAL FOR GETTING ADDITIONAL LOANS, INCLUDING, WITHOUT LIMITATION, LOANS TO REPAY CREDIT CARD DEBT, LOANS TO PURCHASE AUTOMOBILES, HOME EQUITY LOANS, DEBT CONSOLIDATION LOANS OR LOANS TO FINANCE THE PURCHASE OF OTHER PERSONAL OR REAL PROPERTY, UNLESS SUCH LOANS MEET THE REFINANCING REQUIREMENTS OF THE PREVIOUS SENTENCE. IF MORTGAGOR DESIRES TO GET A HOME IMPROVEMENT LOAN THAT WILL USE THE MORTGAGED PROPERTY AS COLLATERAL, AND IF THE BUREAU CHIEF CONSENTS TO SUCH LOAN, SUCH CONSENT MAY BE CONDITIONED UPON, AMONG OTHER THINGS, THE HOMEOWNER'S SUBMISSION TO THE BUREAU CHIEF, AND THE BUREAU CHIEF'S APPROVAL OF, CONSTRUCTION CONTRACTS, BUDGETS AND ESCROW OR OTHER FUNDING AGREEMENTS FOR SUCH HOME IMPROVEMENT PROJECT.**