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Pasadena TX 77502



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KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 05/11/2021 10:19 AM PG: 1 OF 32

Vinley 3073285

Loan Number: 3073285  
FHA Case Number: 1374470648  
Property Address: 5033 Harvard Terrace, Skokie, IL 60077

885421

### ILLINOIS TOLLING, FORBEARANCE AND RELEASE AGREEMENT

THIS TOLLING, FORBEARANCE AND RELEASE AGREEMENT (the "Agreement") is entered into by and between Rosario Vinley whose address is 5033 Harvard Terrace, Skokie, Illinois 60077 ("Eligible Surviving Non-Borrowing Spouse," "You" or "Your"), and the owner of the "Note," as defined below, whose address is 2900 Esperanza Crossing, Austin, TX 78758, and its successors or assigns ("Mortgagee") by and through Bank of New York Mellon Trust Company, N.A. as Trustee for Mortgage Assets Management Series I Trust whose address is 101 W Louis Heanna Blvd, Ste 310, Austin, TX 78728 ("Loan Service") (each a "Party," and collectively, the "Parties").

#### I. RECITALS

WHEREAS, on 1/6/2009, Your spouse, Jeffrey W. Vinley (the "Borrower"), entered into a Federal Housing Administration ("FHA")-insured Adjustable Rate Home Equity Conversion Mortgage (HECM) loan (the "Loan") with Financial Freedom Senior Funding Corporation (the "Lender");

WHEREAS, in connection with the Loan, Borrower executed and delivered a Adjustable Rate HECM Note (the "Note"), attached hereto as Exhibit "A" and incorporated herein by reference, and a Adjustable Rate HECM Loan Agreement (the "Loan Agreement"), attached hereto as

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Exhibit "B" and incorporated herein by reference, promising to repay advances made pursuant to the Loan Agreement and secured by that certain Adjustable Rate HECM Security Instrument of the same date, executed by Borrower, up to the maximum principal amount of \$538,500.00, to Lender (the "Security Instrument"), which Security Instrument was recorded in the Official Records of Cook County, State of Illinois attached hereto as Exhibit "C" and incorporated herein by reference, and which encumbers property commonly described as 5033 Harvard Terrace, Skokie, IL 60077, and legally described as, that certain real property in the City of Skokie, County of Cook, State of Illinois, as described in Exhibit "D", attached hereto and incorporated by reference into this Agreement (the "Property"). The Note, Loan Agreement and Security Instrument are collectively referred to as the "Loan Documents."

WHEREAS, Borrower died on 3/02/2019;

WHEREAS, Borrower was the last surviving borrower under the Loan;

WHEREAS, the Loan Documents provide that Lender and its successors and assigns may require immediate payment in full of all sums owed under the Loan Documents if the Borrower dies and the Property is not the principal residence of at least one surviving borrower;

WHEREAS, on or about 9/29/2009, the Lender transferred, sold, assigned, conveyed and set over to Mortgage Electronic Registration Systems, Inc. ("MERS") as nominee for Financial Freedom Acquisition LLC all of Lender's right, title and interest in the security instrument and Mortgage Electronic Registration Systems, Inc. ("MERS") as nominee for Financial Freedom Acquisition LLC has further transferred and assigned the Security Instrument to Bank of New York Mellon Trust Company N.A., as Trustee for Mortgage Assets Management Series I Trust, its successors and assigns ("Mortgagee");

WHEREAS, Mortgagee owns the Loan and Loan Servicer is the servicer of the Loan on behalf of Mortgagee;

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**Loan Servicer has the authority to offer and provide this forbearance on behalf of Mortgagee and its assigns.**

WHEREAS, on June 12, 2015, the FHA, pursuant to the authority granted to the United States Department of Housing and Urban Development ("HUD") in the Reverse Mortgage Stabilization Act of 2013, published Mortgagee Letter 2015-15 ("ML 2015-15"), providing FHA-approved mortgagees an option, but not a requirement, to assign to HUD qualifying HECM(s) where the loan has become due and payable following the death of the last surviving HECM borrower but an eligible non-borrowing spouse survives the HECM borrower. In such cases, the due and payable status of the HECM may be deferred based on the continued satisfaction of certain requirements specified in ML 2015-15 and ML 2016-05 (the "Mortgagee Optional Election Assignment" or "MOE");

WHEREAS, Mortgagee has granted Loan Servicer authority to service the Loan on its behalf;

WHEREAS, Mortgagee is amenable to exercising the Mortgagee Optional Election Assignment with regard to the Loan, provided that the MOE requirements can be met and that You assume and perform all of the Borrower's obligations under the Loan Documents, You fully comply with the terms and conditions of this Agreement and You provide evidence of meeting all FHA requirements and the criteria specified in ML 2015-15 or ML 2016-05, if applicable; and

WHEREAS, You desire that Loan Servicer, on behalf of Mortgagee, exercise the MOE rather than foreclose the security interest in the Property pledged as collateral to secure the Loan pursuant to the terms of the Security Instrument.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, without admitting liability of any kind, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

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## II. AGREEMENTS AND RELEASE

### 1. DEFERRAL OF LOAN'S DUE AND PAYABLE STATUS

1.1 Prior to or concurrent with the delivery of the executed Agreement by You, You will execute and deliver to Loan Servicer a certification in substantially similar form and content as provided in Exhibit "E," attached to this Agreement and incorporated into this Agreement by reference.

1.2 You agree that any statute of limitations applicable to Loan Servicer's and/or Mortgagee's (or their assignees') right to exercise the power of sale or to commence judicial foreclosure, or to exercise any other remedy available under the Security Instrument and/or the Loan Documents, and any other defense in law or equity, if any, relating to the passage of time, are hereby tolled from and after 3/02/2019, through and including such date as the MOE Assignment Deferral Period (as defined below in 1.4(c)) is terminated, withdrawn, or revoked (the "Tolling Period"). You further agree that You, on behalf of Yourself and all parties claiming by or through You, waive the right to assert, in any future legal proceedings, any claim that the right to foreclose, or exercise any other remedy available under the Loan Documents, is barred by any applicable statute of limitations, statute of repose, or laches due to the failure to commence and/or complete foreclosure of the Property during the Tolling Period, or as a result of any applicable period of limitations running concurrently with the Tolling Period.

1.3 You agree to exclude the Tolling Period from any calculation of time in determining the application of any statutes of limitation or repose, defense of laches, or any other time-based doctrine of defense, rule, law, or statute otherwise limiting any of Loan Servicer's and/or Mortgagee's (or their assignees') rights to preserve and prosecute any claims based upon the Loan.

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1. 4 The Parties agree that from and after the date of this Agreement:

(a) Defined terms used in this Agreement that are not defined in this Agreement shall have the definition provided for such terms under the Loan Documents.

(b) You will be responsible for performing all covenants and obligations of the Borrower under the Loan Documents.

(c) Mortgagee will forbear and defer the due and payable status of the Loan due to the borrower death as specified in the Loan Documents for the period of time ("MOE Assignment Deferral Period") in which You reside in the Property as Your "Principal Residence" (as defined in Section 1.7), and all of the following conditions are, and continue to be, met:

(i) You were either (1) legally married to Borrower under the laws of Illinois as of the date of the Security Instrument and remained the spouse of the Borrower for the duration of Borrower's life, or (2) engaged in a committed relationship with the Borrower akin to marriage but were prohibited from legally marrying the Borrower as of the date of the Security Instrument based upon the gender of both You and the Borrower, but You were legally married to the Borrower prior to the Borrower's death, as determined by the law of the state in which You and the Borrower reside(d) or the state of celebration, and remained married to the Borrower until the Borrower's death;

(ii) You occupied the Property at the time the Loan was originated, and You continue to occupy the Property as Your Principal Residence; provided, however, that if You are temporarily in a health care institution at any time during the MOE Assignment Deferral Period, the Property will continue to be considered to be Your Principal Residence, as long as You physically occupied the Property immediately prior to entering the health care institution and Your residency in the health care institution does not exceed twelve

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(12) consecutive months;

(iii) Within the Period of time required under ML 2015-15 and ML 2016-05, You established and will continue to hold legal ownership or other ongoing legal right to remain in the Property for the duration of Your life;

(iv) You ensure that all the obligations of the Borrower under the Loan Documents have been satisfied, are current and will continue to be satisfied;

(v) The Note is not eligible to be called due and payable for any reason other than the death of the Borrower;

(vi) You will provide a certification annually, or upon request, to Mortgagee and/or HUD, or its designee, that all of the requirements for application of the MOE Assignment Deferral Period continue to apply and continue to be met; and

(vii) You have no allegations or claims that would invalidate the Loan.

Should any of these conditions for deferral of due and payable status not be met at any time, the forbearance and deferral of the due and payable status will cease and the Note will then become immediately due and payable in accordance with the terms of the Note. Notwithstanding any other provisions of this Agreement, if any of these conditions for deferral of due and payable status are not met at any time, HUD and/or Mortgagee will provide You with written notice, and to the extent such condition is capable of cure, 30-days to cure or correct such condition and reinstate the MOE Assignment Deferral Period in accordance with Section 1.4(f) below.

(d) Due and Payable. The MOE Assignment Deferral Period will terminate and Mortgagee may require immediate payment in full of all sums secured by the Security Instrument if and when:

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(i) You die;

(ii) You sell or transfer all of Your title in the Property (or Your beneficial interest in a trust owning all or part of the Property) and You have no legal right to remain in the Property;

(iii) You have breached any representation or warranty contained in Section 5 of this Agreement;

(iv) You have failed to perform any covenant, condition or action required in Section 2 of this Agreement;

(v) The Property ceases to be Your Principal Residence;

(vi) For a period of longer than twelve (12) consecutive months, You fail to occupy the Property because of physical or mental illness; or

(vii) An obligation of the Borrower under the Loan Documents is not performed.

(e) Notice to Mortgagee. You are required to promptly notify Mortgagee (or Loan Servicer or other designee) and/or HUD, or its designee, whenever any of the events listed in Section 1.4(d) occur.

(f) Notice to Eligible Surviving Non-Borrowing Spouse. Mortgagee or HUD, or its designee, will notify You whenever the MOE Assignment Deferral Period has terminated. To the extent the condition or event giving rise to termination of the MOE Assignment Deferral Period is capable of cure, Mortgagee will provide You with thirty (30) calendar days to cure such event, following such notice, and reinstate the MOE Assignment Deferral Period. All defaults capable of cure must be cured within such 30-day period. A default will not be deemed cured by entering into a repayment plan. Under no circumstances will You be afforded any cure period following Your failure to meet any of the conditions set

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forth in Section 1.4(c)(i)-(iii), at any time. As a condition to reinstatement of the MOE Assignment Deferral Period, Mortgagee or HUD, or its designee, may require that You pay any costs or fees that Mortgagee, HUD, or its designee, has incurred arising from the termination of the MOE Assignment Deferral Period, including, but not limited to, foreclosure costs and reasonable attorneys' fees. Notwithstanding the foregoing, the MOE Assignment Deferral Period will not be reinstated if:

(i) Reinstatement of the MOE Assignment Deferral Period has occurred within the past two (2) years immediately preceding the date of the current notification to You regarding the termination of the MOE Assignment Deferral Period;

(ii) Reinstatement of the MOE Assignment Deferral Period will preclude foreclosure when the Loan becomes due and payable at a later date, as determined by Mortgagee or HUD, or its designee, in its sole discretion; or

(iii) Reinstatement of the MOE Assignment Deferral Period will adversely affect the lien priority of the Security Instrument as determined by Mortgagee or HUD, or its designee, in its sole discretion.

1.5 You further agree that You will cooperate with Mortgagee, Loan Servicer (and/or their successors and assignees) and HUD in the servicing of the Loan, and that You will promptly provide any information that Mortgagee, Loan Servicer or HUD may reasonably request from time to time in connection with the servicing of the Loan, including but not limited to, providing Mortgagee, Loan Servicer or HUD with Your social security number (and Your consent to the verification of Your social security number), phone number, email address (if any), and annual occupancy certifications.

1.6 You agree that you will not be entitled to request or receive "Loan Advances" from the "Lender," as those terms are defined in the Loan Documents.



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1.7 “Principal Residence” for purposes of this Agreement is defined as the dwelling where You maintain Your permanent place of abode, and typically spend the majority of the calendar year. You may have only one Principal Residence at any one time.

1.8 You agree that (i) You have no defense, counterclaim, offset, cross-complaint, claim or demand of any kind or nature whatsoever to reduce or eliminate all or any part of the liability to repay or perform the obligations under the Loan Documents, and (ii) the Loan Documents are in full force and effect, are duly executed and delivered and constitute valid, binding agreements and obligations, enforceable in accordance with their terms.

1.9 You agree that if You have made any material misrepresentation or failed to disclose any material facts to Mortgagee, Loan Servicer or HUD, or its designee, in connection with this Agreement, this Agreement will terminate and the forbearance and deferral of the Loan's due and payable status will cease and the Note will become immediately due and payable in accordance with the terms of the Note.

1.10 You further agree that You irrevocably waive and relinquish all rights, if any, to directly or indirectly challenge, attack or dispute the Loan Documents, the lien interest under the Security Interest in the Property or any actions of HUD, Loan Servicer, Mortgagee or Lender taken in connection therewith.

## 2. PAYMENT OF COSTS

2.1 If requested by Loan Servicer, concurrent with delivery of the executed Agreement, You will deliver to Loan Servicer a commercial bank or cashier's check (drawn on the bank's own funds) in the amount sufficient to reimburse Loan Servicer for actual costs associated with entering into this Agreement, including but not limited to, the cost of an endorsement to Lender's title policy, or its equivalent, to insure the validity and continued

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priority of the Security Instrument and the cost of recording this Agreement, as applicable (the "Closing Costs Payment").

2.2 If for any reason HUD fails or refuses to take assignment of the Loan, the Closing Costs Payment will be returned to You and this Agreement will terminate and the forbearance and deferral of the Loan's due and payable status will cease and the Note will then become immediately due and payable in accordance with the terms of the Note.

3. FULL AND COMPLETE RELEASE OF ALL CLAIMS: You and Your individual agents, heirs, executors and/or representatives do hereby release and forever discharge Loan Servicer, Lender, Mortgagee, HUD, and each of the foregoing persons' and entities' attorneys, insurers, assignees, transferors, transferees, principals, partners, officers, directors, employees, servants, subsidiaries, parent corporations, affiliates, successors, stockholders, agents, and representatives (collectively the "Released Parties") from any and all claims, demands, damages, debts, liabilities, obligations, contracts, agreements, causes of action, suits and costs, of whatever nature, character or description, whether known or unknown, suspected or unsuspected, anticipated or unanticipated, which You may have or may hereafter have or claim to have against any of the Released Parties, arising from or relating to the Property, the Loan, or the Loan Documents as of the date this Agreement is fully executed by all Parties (the "Effective Date"). It is the intention of the Parties that this Agreement will be effective as a full and final accord and release by You of each and every matter specifically or generally referred to herein. You acknowledge that You may hereafter discover facts in addition to or different from those which You now know or believe to be true with respect to the Property, the Loan and the Loan Documents, and it is Your intention to fully and finally and forever settle and release any and all matters, disputes and differences known or unknown, suspected or unsuspected, which do now exist, may exist or

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heretofore have existed between the Parties with respect to any acts or failure to act on the part of the Released Parties as of the Effective Date of this Agreement. In furtherance of this intention, the release by You of the Released Parties herein will be, and will remain, in effect as a full and complete general release, notwithstanding the discovery or existence of any such additional or different facts.

4. PARTIES REPRESENTATIONS AND WARRANTIES: Each Party represents and warrants to, and agrees that:

4.1 Each Party has received, or has been afforded an opportunity to receive, independent legal advice from their attorneys with respect to this Agreement and on the advisability of executing this Agreement.

4.2 No Party, nor any officer, director, principal, partner, agent, heir, executor, manager, representative, shareholder, insurer, guarantor, or attorney of or for any Party has made any statement or representation to any other Party regarding any fact relied upon in entering into this Agreement, and each Party does not rely upon any statement, representation or promise of any other Party or of any officer, director, principal, partner, agent, heir, executor, manager, representative, shareholder, insurer, guarantor, or attorney of or for any other Party in executing this Agreement or in making the settlement provided for herein, except as expressly stated in this Agreement.

4.3 Each Party to this Agreement has made such investigation of the facts pertaining to this Agreement, and of all the matters pertaining thereto, as they deem necessary.

4.4 The Parties have not assigned, transferred, or granted, or purported to assign, transfer, or grant, any of the claims, demands, and cause or causes of action disposed of by this Agreement.

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4.5 The Parties will execute all such further and additional documents as shall be reasonable or necessary to carry out the provisions of this Agreement.

5. ELIGIBLE SURVIVING NON-BORROWING SPOUSE REPRESENTATIONS

AND WARRANTIES: You represent and warrant that, other than the persons or entities that are a signatory to this Agreement, no other person or entity has any (i) ownership interest in the Property, (ii) claim or legal right to the Property, (iii) legal authority to negotiate the disposition or use of the Property, or (iv) claim or lien on the Property that has not been specifically subordinated to the Security Instrument as the same has been revised to provide for the MOE Assignment Deferral Period and other terms of this Agreement.

6. NO ADMISSION OF LIABILITY: This Agreement will not be construed as an admission by any Party of any liability of any kind to any other Party. Each Party denies any liability in connection with any claim of the other and by entering into this Agreement, intends solely to avoid litigation.

7. INDEMNIFICATION: You agree to defend and hold Loan Servicer, Mortgagee, and HUD, their respective officers, employees, agents successors and assigns harmless from and against the following, by reimbursing it or them, for any damages costs, liability, and attorneys' fees incurred arising or resulting from any of the following: (i) any breach of any representation or warranty by You contained in this Agreement, (ii) the non-fulfillment or non-performance of any covenant, condition or action required of You pursuant to this Agreement, (iii) any claim that You did not have the full right or authority to enter into this Agreement, or (iv) any claim that You did not have the full right or authority to extend the lien of the Security Instrument during and following the MOE Assignment Deferral Period.

8. MISCELLANEOUS

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8.1 This Agreement shall be governed by the procedural and substantive laws of the State of Illinois without regard to its choice of law rules.

8.2 Other than as provided in Section 2.1 and Section 7 above, each Party shall bear its own costs, attorneys' fees, and other expenses incurred in connection with this Agreement including, without limitation, the negotiation, drafting and consummation of this Agreement.

8.3 This Agreement is an integrated agreement. As such, it sets forth the entire agreement among the Parties with regard to the subject matter of this Agreement. All agreements, covenants, representations and warranties of the Parties, express or implied, oral or written, with regard to such subject matter are contained in this Agreement. No other agreements, covenants, representations, or warranties of the Parties, express or implied, oral or written, have been made by any Party to any other Party with respect to the subject matter of this Agreement. All prior and contemporaneous agreements, conversations, negotiations, possible and alleged agreements and representations, covenants, and warranties with respect to the subject matter of this Agreement are waived, merged herein, and superseded by this Agreement.

8.4 This Agreement is binding upon and shall inure to the benefit of the Parties and their respective agents, executors, representatives, officers, directors, managing agents, principals, partners, shareholders, subsidiaries, affiliates, assigns, heirs, and predecessors and successors in interest.

8.5 The Parties hereby represent and warrant that each has had the benefit of advice of competent, independent legal counsel of each Party's own choice, or had the opportunity to obtain such counsel, with respect to the preparation, creation, negotiation, and execution of this Agreement.

8.6 This Agreement may be executed in counterparts, and when each Party has

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signed and delivered at least one such counterpart, each counterpart will be deemed an original, and, when taken together with other signed counterparts, will constitute one Agreement, which will be binding upon and effective as to all Parties. A signature transmitted by facsimile will have the same force and effect as an original signature.

8.7 The provisions of this Agreement are severable. If any portion, provision, or part of this Agreement is held, determined, or adjudicated to be invalid, unenforceable or void for any reason whatsoever, said portion, provision or part may be severed from the remaining portions, provisions or parts of this Agreement and shall not affect the validity or enforceability of any remaining portions, provisions or parts.

8.8 The Recitals set forth above are incorporated herein and made a part of this Agreement.

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AGREED AND APPROVED:

Date: 9/3/2020

Bank of New York Mellon Trust  
Company, N.A. as Trustee for  
Mortgage Assets Management Series I  
Trust by Compu-Link Corporation,  
d/b/a CeLink as it's Attorney in Fact

By: [Signature]  
Matt Hund  
Its: Manager

State of Texas )County of Travis )**Meghan L De Hoyos**

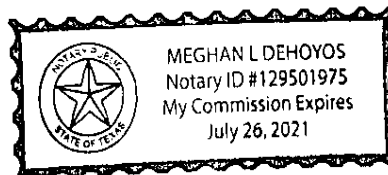
Before me \_\_\_\_\_, a notary public, on this day personally appeared  
Matt Hund \_\_\_\_\_, known to me to be the person whose name is subscribed to the  
foregoing instrument and acknowledged to me that he executed the same for the purpose and  
consideration therein expressed.

Given under my hand and the seal of office this 9/3/2020.

Notarial Seal:

[Signature]

Notary Public

My Commission Expires: **JUL 26 2021**

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Date: 08/23/19

Rosario Vinley  
 Rosario Vinley

State of Illinois )

County of Cook )

This instrument was acknowledged before me on 23 (date) by  
MILA SOLLOSA (name/s of person/s).



M Sollosa  
 Notary Public

Date: 8/23/2019

[Signature]  
 Unofficial Witness:





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Date: SEP 03 2020

Bank of New York Mellon Trust  
Company, N.A. as Trustee for  
Mortgage Assets Management Series I  
Trust by Compu-Link Corporation,  
d/b/a CeLink as it's Attorney in Fact

By: Matt HundIts: ManagerState of Texas )County of Travis )

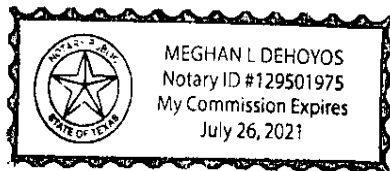
Before me Meghan L De Hoyos, a notary public, on this day personally appeared  
Matt Hund, known to me to be the person whose name is subscribed to the  
foregoing instrument and acknowledged to me that he executed the same for the purpose and  
consideration therein expressed.

Given under my hand and the seal of office this SEP 03 2020.

Notarial Seal:



Notary Public

My Commission Expires: **JUL 26 2021**

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Exhibit A

*Attach Note*

COOK COUNTY CLERK OFFICE  
RECORDING DIVISION  
118 N. CLARK ST. ROOM 120  
CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE  
RECORDING DIVISION  
118 N. CLARK ST. ROOM 120  
CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE  
RECORDING DIVISION  
118 N. CLARK ST. ROOM 120  
CHICAGO, IL 60602-1387

**UNOFFICIAL COPY****ADJUSTABLE RATE NOTE  
(HOME EQUITY CONVERSION)**FHA Case No. 137-4470648-952  
3000154283

JANUARY 06, 2009

5033 HARVARD TERRACE, SKOKIE, ILLINOIS 60077

[Property Address]

I certify this to be  
a true and correct  
copy of the original**1. DEFINITIONS**

"Borrower" means each person signing at the end of this Note. "Lender" means  
**FINANCIAL FREEDOM SENIOR FUNDING CORPORATION**

and its successors and assigns. "Secretary" means the Secretary of Housing and Urban Development or his or her authorized representatives.

**2. BORROWER'S PROMISE TO PAY; INTEREST**

In return for amounts to be advanced by Lender to or for the benefit of Borrower under the terms of a Home Equity Conversion Loan Agreement dated JANUARY 06, 2009 ("Loan Agreement"), Borrower promises to pay to the order of Lender a principal amount equal to the sum of all Loan Advances made under the Loan Agreement with interest. All amounts advanced by Lender, plus interest, if not due earlier, are due and payable on **NOVEMBER 08, 2038**. Interest will be charged on unpaid principal at the rate of **TWO AND 120/1000** percent (**2.1200 %**) per year until the full amount of principal has been paid. The interest rate may change in accordance with Paragraph 5 of this Note. Accrued interest shall be added to the principal balance as a Loan Advance at the end of each month.

**3. PROMISE TO PAY SECURED**

Borrower's promise to pay is secured by a mortgage, deed of trust or similar security instrument that is dated the same date as this Note and called the "Security Instrument." That Security Instrument protects the Lender from losses which might result if Borrower defaults under this Note.

**4. MANNER OF PAYMENT****(A) Time**

Borrower shall pay all outstanding principal and accrued interest to Lender upon receipt of a notice by Lender requiring immediate payment in full, as provided in Paragraph 7 of this Note.

**(B) Place**

Payment shall be made at  
**FINANCIAL FREEDOM SENIOR FUNDING CORPORATION**

**10860 GOLD CENTER DRIVE, SUITE 400  
 RANCHO CORDOVA, CALIFORNIA 95670**

, or any such other place as Lender

may designate in writing by notice to Borrower.

**(C) Limitation of Liability**

Borrower shall have no personal liability for payment of the debt. Lender shall enforce the debt only through sale of the Property covered by the Security Instrument ("Property"). If this Note is assigned to the Secretary, the Borrower shall not be liable for any difference between the mortgage insurance benefits paid to Lender and the outstanding indebtedness, including accrued interest, owed by Borrower at the time of the assignment.

**5. INTEREST RATE CHANGES****(A) Change Date**

The interest rate may change on the first day of **APRIL, 2009**, and on ☐ that day of each succeeding year ☒ the first day of each succeeding month. "Change Date" means each date on which the interest rate could change.

**(B) The Index**

Beginning with the first Change Date, the interest rate will be based on an Index. "Index" means the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board. "Current Index" means the most recent Index figure available 30 days before the Change Date. If the Index (as defined above) is no longer available, Lender will use as a new Index any index prescribed by the Secretary. Lender will give Borrower notice of the new Index.

**(C) Calculation of Interest Rate Changes**

Before each Change Date, Lender will calculate a new interest rate by adding a margin of **ONE AND 750/1000** percentage points (**1.75000 %**) to the Current Index. Subject to the limits stated in Paragraph 5(D) of this Note, this amount will be the new interest rate until the next Change Date.

**(D) Limits on Interest Rate Changes**

☐ The interest rate will never increase or decrease by more than two percentage points (2.0%) on any single Change Date. The interest rate will never be more than five percentage points (5.0%) higher or lower than the initial interest rate stated in Paragraph 2 of this Note.

☒ The interest rate will never increase above **TWELVE AND 120/1000** percent (**12.12000 %**).

**(E) Notice of Changes**

Lender will give notice to Borrower of any change in the interest rate. The notice must be given at least 25 days before the new interest rate takes effect, and must set forth (i) the date of the notice, (ii) the Change Date, (iii) the old interest rate, (iv) the new interest rate, (v) the Current Index and the date it was published, (vi) the method of calculating the adjusted interest rate, and (vii) any other information which may be required by law from time to time.



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## (F) Effective Date of Changes

A new interest rate calculated in accordance with paragraphs 5(C) and 5(D) of this Note will become effective on the Change Date, unless the Change Date occurs less than 25 days after Lender has given the required notice. If the interest rate calculated in accordance with Paragraphs 5(C) and 5(D) of this Note decreased, but Lender failed to give timely notice of the decrease and applied a higher rate than the rate which should have been stated in a timely notice, then Lender shall recalculate the principal balance owed under this Note so it does not reflect any excessive interest.

## 6. BORROWER'S RIGHT TO PREPAY

A Borrower has the right to pay the debt evidenced by this Note, in whole or in part, without charge or penalty. Any amount of debt prepaid will first be applied to reduce the principal balance of the Second Note described in Paragraph 11 of this Note and then to reduce the principal balance of this Note.

All prepayments of the principal balance shall be applied by Lender as follows:

- First, to that portion of the principal balance representing aggregate payments for mortgage insurance premiums;
- Second, to that portion of the principal balance representing aggregate payments for servicing fees;
- Third, to that portion of the principal balance representing accrued interest due under the Note; and
- Fourth, to the remaining portion of the principal balance. A Borrower may specify whether a prepayment is to be credited to that portion of the principal balance representing monthly payments or the line of credit. If Borrower does not designate which portion of the principal balance is to be prepaid, Lender shall apply any partial prepayments to an existing line of credit or create a new line of credit.

## 7. IMMEDIATE PAYMENT IN FULL

### (A) Death or Sale

Lender may require immediate payment in full of all outstanding principal and accrued interest if:

- (i) A Borrower dies and the Property is not the principal residence of at least one surviving Borrower; or
- (ii) All of a Borrower's title in the Property (or his or her beneficial interest in a trust owning all or part of the Property) is sold or otherwise transferred and no other Borrower retains title to the Property in fee simple or retains a leasehold under a lease for less than 99 years which is renewable or a lease having a remaining period of not less than 50 years beyond the date of the 100th birthday of the youngest Borrower or retains a life estate (or retaining a beneficial interest in a trust with such an interest in the Property).

### (B) Other Grounds

Lender may require immediate payment in full of all outstanding principal and accrued interest, upon approval by an authorized representative of the Secretary, if:

- (i) The Property ceases to be the principal residence of a Borrower for reasons other than death and the Property is not the principal residence of at least one other Borrower;
- (ii) For a period of longer than 12 consecutive months, a Borrower fails to physically occupy the Property because of physical or mental illness and the Property is not the principal residence of at least one other Borrower; or
- (iii) An obligation of the Borrower under the Security Instrument is not performed.

### (C) Payment of Costs and Expenses

If Lender has required immediate payment in full, as described above, the debt enforced through sale of the Property may include costs and expenses, including reasonable and customary attorney's fees, associated with enforcement of this Note to the extent not prohibited by applicable law. Such fees and costs shall bear interest from the date of disbursement at the same rate as the principal of this Note.

### (D) Trusts

Conveyance of a Borrower's interest in the Property to a trust which meets the requirements of the Secretary, or conveyance of a trust's interests in the Property to a Borrower, shall not be considered a conveyance for purposes of this Paragraph. A trust shall not be considered an occupant or be considered as having a principal residence for purposes of this Paragraph.

## 8. WAIVERS

Borrower waives the rights of presentment and notice of dishonor. "Presentment" means the right to require Lender to demand payment of amounts due. "Notice of dishonor" means the right to require Lender to give notice to other persons that amounts due have not been paid.

## 9. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to Borrower under this Note will be given by delivering it or by mailing it by first class mail to Borrower at the Property Address above or at a different address if Borrower has given Lender a notice of Borrower's different address.

Any notice that must be given to the Secretary under this Note will be given by first class mail to Lender at the address stated in Paragraph 4(B) or at a different address if Borrower is given a notice of that different address.

## 10. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully obligated to keep all of the promises made in this Note. Lender may enforce its rights under this Note only through sale of the Property.

## 11. RELATIONSHIP TO SECOND NOTE

### (A) Second Note

Because Borrower will be required to repay amounts which the Secretary may make to or on behalf of Borrower pursuant to Section 255(i)(1)(A) of the National Housing Act and the Loan Agreement, the Secretary has required Borrower to grant a Second Note to the Secretary.

### (B) Relationship of Secretary Payments to this Note

Payments made by the Secretary shall be included in the debt due under this Note unless:



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(i) This Note is assigned to the Secretary; or  
 (ii) The Secretary accepts reimbursements by the Lender for all payments made by the Secretary.  
 If the circumstances described in (i) or (ii) occur, then all payments by the Secretary, including interest on the payments, shall be included in the debt.

**(C) Effect on Borrower**

Where there is no assignment or reimbursement as described in (B)(i) or (ii) and the Secretary makes payments to Borrower, then Borrower shall not:

- (i) Be required to pay amounts owed under this Note until the Secretary has required payment in full of all outstanding principal and accrued interest under the Second Note held by Secretary, notwithstanding anything to the contrary in Paragraph 7 of this Note; or
- (ii) Be obligated to pay interest under this Note at any time, whether accrued before or after the payments by the Secretary, and whether or not accrued interest has been included in the principal balance of this Note, notwithstanding anything to the contrary in Paragraph 2 or 5 of this Note or any Allonge to this Note.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Note.

JEFFREY W VINLEY

(Seal)

- Borrower

(Seal)

- Borrower

JEFFREY W VINLEY, TRUSTEE

(Seal)

- Borrower

(Seal)

- Borrower

(Seal)

- Borrower

(Seal)

- Borrower

(Seal)

- Borrower

(Seal)

- Borrower



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Exhibit B

*Attach Loan Agreement*

COOK COUNTY CLERK OFFICE  
RECORDING DIVISION  
118 N. CLARK ST. ROOM 120  
CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE  
RECORDING DIVISION  
118 N. CLARK ST. ROOM 120  
CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE  
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118 N. CLARK ST. ROOM 120  
CHICAGO, IL 60602-1387

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## HOME EQUITY CONVERSION LOAN AGREEMENT

FHA Case No. 137-4470648-952/  
3000154283

THIS AGREEMENT is made this 06TH day of JANUARY, 2009, among  
JEFFREY W VINLEY

("Borrower"),

FINANCIAL FREEDOM SENIOR FUNDING CORPORATION

("Lender") and the Secretary of Housing and Urban Development ("Secretary").

### Article 1 - Definitions

- 1.1. **Expected Average Mortgage Interest Rate** means the amount indicated on the attached payment plan (Exhibit 1). It is a constant interest rate used to calculate monthly payments to the Borrower throughout the life of the loan.
- 1.2. **Loan Advances** means all funds advanced from or charged to Borrower's account under conditions set forth in this Loan Agreement, whether or not actually paid to Borrower.
- 1.3. **Loan Documents** means the Note, Second Note, Security Instrument and Second Security Instrument.
- 1.4. **Maximum Claim Amount** means the lesser of the appraised value of the Property or the maximum dollar amount for an area established by the Secretary for a one-family residence under Section 203(b)(2) of the National Housing Act (as adjusted where applicable under section 214 of the National Housing Act). Both the appraised value and the maximum dollar amount for the area shall be as of the date the conditional commitment is issued. Closing costs shall not be taken into account in determining appraised value.
- 1.5. **Note** means the promissory note signed by Borrower together with this Loan Agreement and given to Lender to evidence Borrower's promise to repay, with interest, Loan Advances by Lender or Lender's assignees.
- 1.6. **Principal or Principal Balance** means the sum of all Loan Advances made as of a particular date, including interest and mortgage insurance premiums.
- 1.7. **Principal Limit** means the amount indicated on the attached payment plan (Exhibit 1) when this Loan Agreement is executed, and increases each month for the life of the loan at a rate equal to one-twelfth of the mortgage interest rate in effect at that time, plus one-twelfth of one-half percent per annum. The Principal Limit is calculated using factors provided by the Secretary, which take into account the age of the youngest Borrower, the mortgage interest rate, and the Maximum Claim Amount.
- 1.8. **Principal Residence** means the dwelling where the Borrower maintains his or her permanent place of abode, and typically spends the majority of the calendar year. A person may have only one principal residence at any one time. The Property shall be considered to be the Principal Residence of any Borrower who is temporarily or permanently in a health care institution as long as the Property is the Principal Residence of at least one other Borrower who is not in a health care institution.
- 1.9. **Property** means Borrower's property identified in the Security Instrument.
- 1.10. **Second Note** means the promissory note signed by Borrower together with this Loan Agreement and given to the Secretary to evidence Borrower's promise to repay, with interest, Loan Advances by the Secretary secured by the Second Security Instrument.
- 1.11. **Second Security Instrument** means the mortgage, deed of trust, security deed or other security instrument which is signed by Borrower together with this Loan Agreement and which secures the Second Note.
- 1.12. **Security Instrument** means the mortgage, deed of trust, security deed or other security instrument which is signed by Borrower together with this Loan Agreement and which secures the Note.

### Article 2 - Loan Advances

- 2.1. **General.** Lender agrees to make Loan Advances under the conditions set forth in this Loan Agreement in consideration of the Note and Security Instrument given by Borrower on the same date as this Loan Agreement.
- 2.2. **Initial Advances.**
  - 2.2.1. Loan Advances shall be used by Lender to pay, or reimburse Borrower for, closing costs listed in the Schedule of Closing Costs (Exhibit 2) attached to and made a part of this Loan Agreement, provided that Loan Advances will only be used to pay origination fees in an amount up to 2% of the first \$200,000 and 1% thereafter of the Maximum Claim Amount subject to a minimum origination fee of \$2,500 and a maximum origination fee of \$6,000, nor shall the Lender charge the Borrower an origination fee in excess of this amount.
  - 2.2.2. Loan Advances shall be used by Lender to discharge the liens on the Property listed in the Schedule of Liens (Exhibit 2) attached to and made a part of this Loan Agreement.





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- 2.2.3. Lender shall pay an initial Loan Advance to Borrower in the amount indicated on the attached payment plan (Exhibit 1).
- 2.2.4. Initial advances required by this Section 2.2. shall be made as soon as such advances are permitted by the applicable provisions of 12 CFR Part 226 (Truth in Lending) governing Borrower's right of rescission, but not before that time.

## 2.3. Set Asides.

- 2.3.1. Amounts set aside from the Principal Limit shall be considered Loan Advances to the extent actually disbursed or earned by Lender.
- 2.3.2. Lender shall initially set aside from the Principal Limit the amount indicated on the attached payment plan (Exhibit 1) for repairs to be made in accordance with a Repair Rider attached to and made a part of this Loan Agreement (Exhibit 3).
- 2.3.3. Lender shall initially set aside from the Principal Limit the amount indicated on the attached payment plan (Exhibit 1) to be applied to payments due for first year property charges consisting of taxes, hazard insurance, ground rents and assessments.
- 2.3.4. Lender shall initially set aside from the Principal Limit the amount indicated on the attached payment plan (Exhibit 1) to be applied to payment due for a fixed monthly charge for servicing activities of Lender or its servicer. Such servicing activities are necessary to protect Lender's interest in the Property. A servicing fee set aside, if any, is not available to the Borrower for any purpose, except to pay for loan servicing.

## 2.4. Charges and Fees. Borrower shall pay to Lender reasonable and customary charges and fees as permitted under 24 CFR 206.207(a). Such amounts shall be considered Loan Advances when actually disbursed by Lender.

## 2.5. Monthly Payments.

- 2.5.1. Loan Advances paid directly to the Borrower shall be made in equal monthly payments if requested by Borrower.
- 2.5.2. Monthly payments shall be calculated for either the term payment plan or the tenure payment plan, as requested by Borrower.
- 2.5.3. Monthly payments under the term payment plan are made only during a term chosen by Borrower and shall be calculated so that the sum of (i) or (ii) added to (iii), (iv), (v) and (vi) shall be equal to or less than the Principal Limit at the end of the term:
- (i) Initial Advances under Section 2.2, plus any initial servicing fee set aside under Subsection 2.3.4, or
  - (ii) The Principal Balance at the time of a change in payment under Sections 2.8. and 2.9. plus any remaining servicing fee set aside under Subsection 2.3.4., and
  - (iii) The portion of the Principal Limit set aside as a line of credit under Section 2.7., including any set asides for repairs (Subsection 2.3.2.) and first year property charges (Subsection 2.3.3.), and
  - (iv) All monthly payments due through the payment term, including funds withheld for payment of property charges under Section 2.10., and
  - (v) All mortgage insurance premiums, or monthly charges due to the Secretary in lieu of mortgage insurance premiums, which are due through the payment term (Subsection 2.13.), and
  - (vi) All interest through the payment term. The Expected Average Mortgage Interest Rate shall be used for this purpose.
- 2.5.4. Monthly payments under the tenure payment plan shall be calculated as in Subsection 2.5.3. as if there were a payment term with the number of months in the term equal to the sum of 100 minus the age of the youngest Borrower multiplied by 12, but payments shall continue until the loan becomes due and payable as provided in the Loan Documents.
- 2.5.5. Monthly payments shall be paid to Borrower on the first business day of a month.
- 2.5.6. If Borrower has requested monthly payments, payments shall be indicated on the attached payment plan (Exhibit 1). The payment plan may be changed by Borrower as provided in Sections 2.8. and 2.9.

## 2.6. Line of Credit without Monthly Payments.

- 2.6.1. Borrower can request Loan Advances under a line of credit payment plan in amounts and at times determined by Borrower, if the Principal Balance of the loan after the Loan Advance is made is less than or equal to the applicable Principal Limit, excluding any portion of the Principal Limit set aside under Section 2.3.2. or 2.3.4. The line of credit amount increases at the same rate as the total Principal Limit increases under Section 1.7.
- 2.6.2. Line of credit payments shall be paid to Borrower within five business days after Lender has received a written request for payment by Borrower.
- 2.6.3. Lender may specify a form for line of credit payment requests.





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2.6.4. Lender shall provide Borrower with a statement of the account every time a line of credit payment is made. The statement shall include the current interest rate, the previous Principal Balance, the amount of the current Loan Advance, the current Principal Balance after the Loan Advance, and the current Principal Limit.

## 2.7. Line of Credit with Monthly Payments.

2.7.1. Borrower may receive monthly payments under either a term or tenure payment plan combined with a line of credit, as indicated on the attached payment plan (Exhibit 1).

2.7.2. Subsections 2.6.2., 2.6.3. and 2.6.4. apply to a line of credit combined with term or tenure payments.

2.7.3. If Borrower combines a line of credit with a term or tenure payment plan, the Principal Limit is divided into: (a) an amount for the line of credit payments, including repair and property charge set asides, (b) an amount for monthly payments which shall be calculated under Subsection 2.5.3. or 2.5.4. and (c) an amount for a servicing fee set aside, if required by Lender under Subsection 2.3.4. Amounts designated for line of credit payments and monthly payments increase independently at the same rate as the total Principal Limit increases under Section 1.7. Borrower can request Loan Advances in amounts and at times determined by Borrower, if the requested amount is less than or equal to the difference between (a) the Principal Limit applicable to the line of credit set aside and (b) the portion of the outstanding Principal Balance attributable to draws on the line of credit, including accrued interest and mortgage insurance premium or monthly charge due to the Secretary, but excluding any portion of the Principal Limit set aside under Subsections 2.3.2. and 2.3.4.

2.7.4. A Borrower receiving monthly payments in combination with a line of credit may prepay the outstanding mortgage balance in accordance with the terms of the Note.

## 2.8. Change in Payments Generally.

2.8.1. Whenever the Principal Balance of the loan is less than the Principal Limit, Borrower may change from any payment plan allowable under this Loan Agreement to another.

2.8.2. If Borrower requests that monthly payments be made after a change in payment plan, Lender shall recalculate future monthly payments in accordance with Subsections 2.5.3. or 2.5.4.

2.8.3. Lender may charge a fee not to exceed an amount determined by the Secretary, whenever payments are recalculated and in any other circumstances in which Borrower is required to sign a form acknowledging a change in payment plan as provided in Subsection 2.8.5.

2.8.4. Loan Advances under a new payment plan shall be paid to Borrower in the same manner and within the time period required under Sections 2.5., 2.6. or 2.7.

2.8.5. Changes in the payment plan must be acknowledged by Borrower by signing a form containing the same information as the attached payment plan (Exhibit 1). Lender shall provide a copy of the completed form to Borrower.

## 2.9. Change in Payments Due to Initial Repairs.

2.9.1. If initial repairs after closing, made in accordance with the Repair Rider, are completed without using all of the repair set aside, Lender shall inform Borrower of the completion and the amount then available to the Borrower to be drawn under a line of credit.

2.9.2. If initial repairs after closing, made in accordance with the Repair Rider, cannot be fully funded from the repair set aside, any additional Loan Advances needed to complete repairs shall be made in the manner provided under Section 2.16.

2.9.3. If initial repairs are not completed when required by the Repair Rider, Borrower shall not request and Lender shall not make any further payments, except as needed to pay for repairs required by the Repair Rider and mandatory Loan Advances under Section 4.5. In order to complete the required repairs, Loan Advances shall be made first from the repair set aside, and then in the manner provided under Section 2.16.

## 2.10. Payment of Property Charges.

2.10.1. Borrower has elected to require Lender to use Loan Advances to pay property charges consisting of taxes, hazard insurance premiums, ground rents and special assessments if indicated on the attached payment plan (Exhibit 1). Borrower may change this election by notifying Lender and at that time Lender shall pay to Borrower any amounts withheld from the Loan Advances to pay property charges.

2.10.2. If Borrower has made the election under Subsection 2.10.1. and Borrower is receiving monthly payments, Lender shall withhold amounts from each monthly payment and use the amounts withheld to make timely payments of property charges. The amounts withheld shall be calculated as provided in Subsection 2.10.3. Amounts withheld from monthly payments shall not be treated as Loan Advances and shall not bear interest except to the extent actually disbursed by Lender.



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- 2.10.3.** Lender shall withhold from each monthly payment an amount to pay (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for fire, flood and other hazard insurance required by the Security Instrument. Each monthly withholding for items (a), (b) and (c) shall equal one-twelfth of the annual amounts, as reasonably estimated by Lender. The full annual amount for each item shall be paid by Lender before an item would become delinquent. Lender shall add the amounts for items (a), (b) and (c) to the Principal Balance when paid. If at any time the withholding for item (a), (b) or (c) exceeds the amount of actual property charges, Lender shall pay the excess withholding to Borrower and add it to the Principal Balance. If the total of the withholding for item (a), (b), or (c) is insufficient to pay the item when due, the amount necessary to make up the deficiency on or before the date the item becomes due shall be paid as a Loan Advance in the manner provided under Section 2.16.
- 2.10.4.** If Borrower has made the election under Subsection 2.10.1 and Borrower is not receiving monthly payments, Lender shall make Loan Advances under the line of credit payment plan as needed to make timely payments of property charges, provided that no such Loan Advance shall exceed the amount permitted by Section 2.6.1.
- 2.10.5.** If Borrower fails to pay the property charges in a timely manner, and has not elected to have Lender make the payments, Lender shall pay the property charges as a Loan Advance as required under Section 2.16. If a pattern of missed payments occurs, Lender may establish procedures to pay the property charges from Borrower's funds as if Borrower elected to have Lender pay the property charges.
- 2.10.6.** Lender shall immediately notify any Borrower who has made the election under Subsection 2.10.1, whenever Lender determines that amounts available from monthly payments or line of credit payments will be insufficient to pay property charges.
- 2.11. Insurance and Condemnation Proceeds.** If insurance or condemnation proceeds are paid to Lender, the Principal Balance shall be reduced by the amount of the proceeds not applied to restoration or repair of the damaged Property and the available loan funds shall be recalculated. At the same time, the Principal Limit also shall be reduced by the amount of the proceeds applied to reduce the Principal Balance.
- 2.12. Interest.**
- 2.12.1.** Interest shall be calculated as provided in the Loan Documents.
- 2.12.2.** Interest shall accrue daily and be added to the Principal Balance as a Loan Advance at the end of each month.
- 2.13. Mortgage Insurance Premium (MIP); Monthly Charge.**
- 2.13.1.** Monthly MIP shall be calculated as provided in 24 C.F.R. Part 206. If the Security Instrument is held by the Secretary or if the Secretary makes Loan Advances secured by the Second Security Instrument, a monthly charge shall be due to the Secretary and shall be calculated in the same manner as MIP.
- 2.13.2.** The full amount of monthly MIP or monthly charge, including any portion of the MIP retained by a Lender under 24 C.F.R. 206.109, shall be considered to be a Loan Advance to Borrower on the later of the first day of the month or the day Lender pays the MIP to the Secretary, if any MIP is due to the Secretary. In the event that the Note becomes due and payable or the Note is prepaid in full after the first day of the month, Lender may add the accrued MIP to the Principal Balance or the Secretary may add the accrued monthly charge to the Principal Balance.
- 2.14. Manner of Payment.** For purposes of this Section "Borrower" shall not include any person who signed this Loan Agreement but who has a Principal Residence different from the Property. Only a Borrower has a right to receive Loan Advances. Borrowers shall choose to receive Loan Advances by either electronic funds transfer to a bank account designated by all Borrowers or by check mailed to an address designated by all Borrowers, except where all Borrowers agree that payment should be made directly to a third party for the benefit of the Borrowers. Borrowers may change the manner of payment by notifying Lender.
- 2.15. Protection of Property.**
- 2.15.1.** If Borrower vacates or abandons the Property, or if Borrower is in default under the Security Instrument, then Lender may make reasonable expenditures to protect and preserve the Property and these expenditures will be considered Loan Advances as required under Section 2.16.
- 2.15.2.** If Borrower fails to pay governmental or municipal charges, fines or impositions that are not included in Section 2.10, or if there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property. These expenditures will be considered Loan Advances as required under Section 2.16.
- 2.16. Unscheduled Payments.** Loan Advances made pursuant to Sections 2.4., 2.9.2., 2.9.3., 2.10.3., 2.10.5., and 2.15. shall be made from a line of credit under Section 2.6. or 2.7. to the extent possible. If no line of credit sufficient to make the Loan Advances exists, any future monthly payments must be recalculated in accordance with Subsection 2.5.3. or 2.5.4. to create a line of credit sufficient to make the Loan Advances.



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## Article 3 - Late Charge

- 3.1. **Amount Due.** Lender shall pay a late charge to Borrower for any late payment. If Lender does not mail or electronically transfer a scheduled monthly payment to Borrower on the first business day of the month or mail or electronically transfer a line of credit payment to Borrower within 5 business days of the date Lender received the request, the late charge shall be 10 percent of the entire amount that should have been paid to the Borrower for that month or as a result of that request. For each additional day that Lender fails to make payment, Lender shall pay interest on the late payment at the interest rate stated in the Loan Documents. If the Loan Documents provide for an adjustable interest rate, the rate in effect when the late charge first accrues shall be used. In no event shall the total late charge and interest exceed five hundred dollars. Any late charge shall be paid from Lender's funds and shall not be added to the unpaid Principal Balance.
- 3.2. **Waiver.** The Secretary may waive a late charge where the Secretary determines that the late payment resulted from circumstances beyond Lender's control and that no act or omission of Lender contributed to the late payment. At the time Lender requests a waiver, Lender shall inform Borrower that a waiver of late charge has been requested from the Secretary and that the late charge will be sent to Borrower if the waiver is denied. If the Secretary denies the waiver, Lender shall pay to Borrower the late charge and interest that accrued from the date the payment was late until the date the waiver was requested.

## Article 4 - Termination of Lender's Obligation to Make Loan Advances

- 4.1. **Loan Forfeiture and Payable.** Lender shall have no obligation to make Loan Advances if Lender has notified Borrower that immediate payment in full to Lender is required under one or more of the Loan Documents unless and until the notice is rescinded by Lender.
- 4.2. **Loan Advances by Secretary.** If the Security Instrument has been assigned to the Secretary or the Secretary notifies Lender and Borrower that Loan Advances are secured by the Second Security Instrument, Lender shall have no further obligation to make Loan Advances under this Loan Agreement, unless the Secretary accepts later reimbursement by the Lender for all Loan Advances made, earned or disbursed by the Secretary. The Secretary may establish procedures for handling requests for payments and changes in payment plans during the interval between Lender's notification of intent to assign the Security Instrument to the Secretary and completion of the assignment. Borrower shall be informed of such procedures by Lender and/or the Secretary, and Borrower shall comply with such procedures.
- 4.3. **Lien Status Jeopardized.** Lender shall have no obligation to make further Loan Advances if the Lender or the Secretary determines that the lien status of the Security Instrument or the Second Security Instrument is jeopardized under State laws as described in Paragraph 12(a) of the Security Instrument or Second Security Instrument and the lien status is not extended in accordance with Paragraph 12(a).
- 4.4. **Bankruptcy.** Lender shall have no obligation to make further Loan Advances on or following the date that a petition for bankruptcy of Borrower is filed.
- 4.5. **Mandatory Loan Advances.** Notwithstanding anything in Sections 4.1. through 4.4., all Loan Advances under Sections 2.10. (property charges), 2.12. (interest), 2.13. (MIP or monthly charge), 2.15. (protection of Property) or 2.3.4. (servicing fee) shall be considered mandatory Loan Advances by Lender.
- 4.6. **Prepayment in Full.** Lender shall not make Loan Advances if Borrower has paid the Note in full (or the Second Note, if the Secretary has assumed the Lender's rights and obligations under Article 5).

## Article 5 - HUD Obligation

If the Lender has no further obligation to make payments to Borrower because of Section 4.2., the Secretary shall assume the rights and obligations of Lender under this Loan Agreement, except the Secretary shall not assume any obligation of paying flood, fire and other hazard insurance from Loan Advances. If the Secretary makes Loan Advances to Borrower under the Second Security Instrument, the portion of the Principal Limit available for Loan Advances shall be the difference between the current Principal Limit and the combined Principal Balances on the Security Instrument less accrued interest and the Second Security Instrument.

## Article 6 - Miscellaneous

- 6.1. **Forbearance Not a Waiver.** Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.
- 6.2. **Successors and Assigns; Joint and Several Liability; Co-Signers.** The covenants and agreements of this Loan Agreement shall bind and benefit the successors and assigns of Lender. An assignment made in accordance with the regulations of the Secretary shall fully relieve the Lender of its obligations under this Loan Agreement. Borrower may not assign any rights or obligations under this Loan Agreement. Borrower's covenants and agreements shall be joint and several.
- 6.3. **Notices.** Any notice to Borrower provided for in this Loan Agreement shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the property address shown in the Security Instrument or any other address all Borrowers jointly designate. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any address Lender designates by notice to Borrower. Any notice to the Secretary shall be given by first class mail to the HUD Field Office with jurisdiction over the Property or any other place designated by the Secretary. Any notice provided for in this Loan Agreement shall be deemed to have been given to Borrower, Lender or the Secretary when given as provided in this Section.



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- 6.4. Governing Law; Severability.** This Loan Agreement shall be governed by Federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Loan Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Loan Agreement which can be given effect without the conflicting provision. To this end the provisions of this Loan Agreement are declared to be severable.
- 6.5. Copies.** Lender, Borrower and the Secretary shall each receive one original executed copy of this Loan Agreement when signed by the Secretary.
- 6.6. When Agreement Becomes Binding.** This Loan Agreement shall bind Lender and Borrower when both Lender and Borrower have signed, whether or not the Secretary signs this Loan Agreement. This Loan Agreement shall bind the Secretary only when and if the Secretary has signed and a Mortgage Insurance Certificate is issued for the Security Instrument.

BY SIGNING BELOW the parties accept and agree to the terms contained in this Loan Agreement and the exhibits.

Jeffrey W. Vinley (Seal)  
JEFFREY W. VINLEY Borrower

\_\_\_\_ (Seal)  
Borrower

\_\_\_\_ (Seal)  
Borrower

\_\_\_\_ (Seal)  
Borrower

**FINANCIAL FREEDOM SENIOR FUNDING CORPORATION**

(Name of Lender)

By: Janet M. SmithTitle: Associate

By: \_\_\_\_\_ (Seal)

Secretary of Housing and Urban Development

By: \_\_\_\_\_ (Seal)



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## HOME EQUITY CONVERSION MORTGAGE PAYMENT PLAN

Date of Payment Plan: 01/06/09  
 FHA Case Number: 137-4470648-952  
 Name of Lender: FINANCIAL FREEDOM SENIOR FUNDING CORPORATION

Name of Borrower(s)  
 JEFFREY W VINLEY

Birthdate  
 11/08/38

Expected Average Mortgage Interest Rate

5.4900 %

1.	Principal Limit		\$ 247,351.00
	Initial Payments (if Completed at closing)		
2.	Closing Costs	\$ 9,034.08	
3.	Discharge of Liens	\$ 199,551.98	
4.	Outstanding Balance (if completed after closing)	\$	
5.	Loan Advance	\$ 13,730.84	
6.	Servicing Fee Set Aside	\$ 5,034.12	
7.	Total Deductions from Principal Limit (Lines 2 + 3 + 4 + 5 + 6)	\$ 227,351.00	

8.	Principal Limit for Line of Credit	\$ 20,000.00
	Funds in Line of Credit Designated for:	
9.	Repairs	\$
10.	First Year Property Charges	\$
11.	Outstanding Balance on Line of Credit from previous payments	\$
12.	Total Deductions from Principal Limit for Line of Credit (Lines 9 + 10 + 11)	\$
13.	Funds Available to Borrower in Line of Credit (Lines 8 - 12)	\$ 20,000.00

14.	Net Principal Limit (Lines 1 - 7 - 9 - 10)	\$ 20,000.00
-----	--	--------------

15.	Net Principal Limit Available for Monthly Payments (Lines 14 - 13)	\$
-----	---	----

Scheduled Payments:

16. Term (Remaining) ☐ Yrs. ☐ Mos.

or

17. Tenure ☐ (Check only one: Term or Tenure)

18. Monthly Payment (Total) \$

19. Monthly Withholding (T & I) \$ N/A

20. Net Monthly Payment (Lines 18 - 19) \$

(For graduated monthly payments from a Line of Credit, see attached schedule.)

By signing below, the borrower(s) agree(s) that this document accurately describes the principal features of the current payment plan chosen by the borrower(s).

Signature  
 JEFFREY W VINLEY

01/06/09

Date

Signature

Date



**UNOFFICIAL COPY**3000154283  
137-4470648-952

Exhibit 2

**Schedule of Closing Costs**

See HUD-1 Settlement Statement for Schedule of Closing Costs.

**Schedule of Liens**

<u>Item</u>	<u>Amount</u>
FF 01/16	\$ 199,551.96
	\$
	\$
	\$
	\$
	\$
	\$



# UNOFFICIAL COPY

Exhibit C

*Attach Security Instrument*

COOK COUNTY CLERK OFFICE  
RECORDING DIVISION  
118 N. CLARK ST. ROOM 120  
CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE  
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COOK COUNTY CLERK OFFICE  
RECORDING DIVISION  
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CHICAGO, IL 60602-1387

# UNOFFICIAL COPY

## LEGAL DESCRIPTION (Exhibit A)

08NL47289

SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS TO WIT: LOT 9 AND THE EAST 11 FEET OF LOT 10 IN BLOCK 7 IN NILES CENTER TERRACE SUBDIVISION IN THE NORTH EAST 1/4 OF SECTION 28, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD P.M., IN COOK COUNTY, ILLINOIS.

BEING THE SAME PROPERTY CONVEYED TO JEFFREY W. VINLEY, OR HIS SUCCESSOR TRUSTEE, AS TRUSTEE OF THE JEFFREY W. VINLEY TRUST, DATED AUGUST 12, 2002 BY QUITCLAIM DEED FROM JEFFREY W. VINLEY A WIDOWER AS RECORDED 8-23-2002 IN DOCUMENT 0020927136.

Tax Id:

10-28-223-045

Property of Cook County Clerk's Office