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MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on October 15, 1985. The mortgagor is STANISLAW OBROCHTA AND ANNA OBROCHTA, HIS WIFE, A/K/A STANLEY OBROCHTA, ("Borrower"). This Security Instrument is given to NORTHWESTERN SAVINGS AND LOAN ASSOCIATION, which is organized and existing under the laws of the State of Illinois, and whose address is 2300 North Western Avenue - Chicago, Illinois 60647 ("Lender"). Borrower owes Lender the principal sum of Forty Thousand and no/100 Dollars (U.S. \$40,000.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on December 1, 2000. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

Lot 97 in Second Addition to Cumberland Heights, being a subdivision of the East 1/2 of the North east 1/4 of the northeast 1/4 of Section 14, Township 40 North, Range 12, east of the Third Principal Meridian, and the West 1/2 of the Northeast 1/4 of the Northeast 1/4 (except the west 300 feet of the North 725.73 feet thereof) and (except the east 250 feet of the west 550 feet of the North 250 feet) of Section 14, Township 40 north, range 12, East of the Third Principal Meridian, in Cook County, Illinois.

Perm. Tax No. 12-14-208-004

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which has the address of 8043 W. Giddings Norridge, Illinois 60656 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

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

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



Notary Public
This instrument was prepared by...
I, Notary Public in and for said county and state, do hereby certify that...

STATE OF Illinois
COUNTY OF Cook
SS:

Notary Public
This instrument was prepared by...
I, Notary Public in and for said county and state, do hereby certify that...

Notary Public
This instrument was prepared by...
I, Notary Public in and for said county and state, do hereby certify that...

NON-TRUST COVENANT
Lender and Borrower agree as follows:
1. Acceleration Provision. Lender shall have the right to accelerate the loan...
2. Deficiency. Lender shall have the right to pursue a deficiency judgment...
3. Insurance. Borrower shall maintain fire and theft insurance...
4. Taxes. Borrower shall pay all taxes...
5. Maintenance. Borrower shall maintain the property in good condition...
6. Assignment. Borrower shall not assign the loan...
7. Subordination. Borrower shall subordinate its interest...
8. Waiver of Rights. Borrower waives all rights of homestead exemption...
9. Remedies. Lender shall have the right to pursue all remedies...
10. Attorney's Fees. Borrower shall pay all reasonable attorney's fees...
11. Payment. Borrower shall pay all sums due...
12. Default. In the event of default, Lender may...
13. Foreclosure. Lender shall have the right to foreclose...
14. Expenses. Borrower shall pay all expenses incurred...
15. Release. Upon completion of the loan, Lender shall release the property...
16. Entire Agreement. This instrument constitutes the entire agreement...
17. Severability. If any provision is held invalid, the remainder shall survive...
18. Counterparts. This instrument may be executed in counterparts...
19. Governing Law. This instrument shall be governed by the law of the State of Illinois...
20. Signatures. This instrument shall be signed by the Borrower and Lender...

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If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

10. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. 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.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

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

13. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

14. Notices. Any notice to Borrower provided for in this Security Instrument 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 or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument 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 Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

*or if the borrower ceases to occupy the property as his principal residence or if all or any portion of a beneficial interest in a trust holding title to the property is sold or transferred.

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CONVERTIBLE ARM RIDER

THIS CONVERTIBLE ARM RIDER is made this 15th day of October, 19 85, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to NORTHWESTERN SAVINGS AND LOAN ASSOCIATION (The "Lender") of the same date and covering the property in the Security Instrument and located at:

8043 W. Giddings Norridge, IL 60656
(Property Address)

The Note contains provisions allowing for changes in the interest rate, the monthly payment and for increases in the principal amount to be repaid. On each payment Change Date, Borrower may convert the adjustable rate loan into a fixed rate, level payment, fully amortizing loan.

ADDITIONAL COVENANTS. In addition to the covenant and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 8.90%. Sections 3 and 4 of the Note provides for changes in the interest rate and the monthly payments, as follows:

(A) Interest Rate Change Dates

The interest rate I will pay may change on the 1st day of January, 19 87, and on that day of the month every twelve months thereafter. Each date on which my interest rate could change is called an "Interest Rate Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an "Index." The Index is the: [Check one box to indicate Index]

- (1) National Median Cost of Funds as published by the Federal Home Loan Bank Board.
(2) _____

The "Current Index" is the most recent Index figure available not more than 45 days prior to each Interest Rate Change Date.

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of its choice.

(C) Calculation of Changes

Before each Interest Rate Change Date, the Note Holder will calculate my new interest rate by adding 2 $\frac{1}{2}$ percentage points (2.50%) to the Current Index. The sum will be my new interest rate.

(D) Change in Payment of Principal and Interest.

My "Payment Change Date" shall be one year(s) from the date of the first payment as herein provided and each one year(s) thereafter. I will pay the amount of my new monthly payment beginning on my "Payment Change Date" until my monthly payment changes again.

My monthly payment will change every Payment Change Date to an amount necessary to repay in full, in substantially equal payments, the remaining unpaid principal balance including accrued and unpaid interest, at the new interest, by the maturity date.

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15. Uniform Security Instrument: Governing Law; Severability. This form of Security Instrument combines uniform covenants for national use and nonuniform covenants with limited variations by jurisdiction to constitute a uniform security instrument governing real property. This Security Instrument 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 Security Instrument with applicable law, such conflict (b) shall not affect other provisions of this Security Instrument which can be given effect without the conflicting provision; and to this end the provisions of this Security Instrument and the Note are declared to be severable.

D. UNIFORM SECURITY INSTRUMENT: GOVERNING LAW; SEVERABILITY. On each payment (change rate) borrower may correct the appropriate Uniform Covenants of the Security Instrument as amended to read as follows:

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein; and (b) any notice to Lender shall be given by first class mail to Lender at address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower on Lender when given in the manner designated herein.

Uniform Covenant 14 of the Security Instrument is amended to read as follows:

C. NOTICE

13. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein; and (b) any notice to Lender shall be given by first class mail to Lender at address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower on Lender when given in the manner designated herein.

12. Charges; Liens. Borrower shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Property which may attain a priority over this Security Instrument, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument; however, Borrower shall not be required to discharge any such lien so long as Borrower (a) shall agree in writing in good faith contest such lien by a defend against enforcement of such lien in legal proceedings which in the opinion of Lender operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof; or (c) shall secure from the holder of such lien an agreement in a form satisfactory to Lender subordinating such lien to this Security Instrument. If Lender determines that all or any part of the Property is subject to a lien which may attain a priority over this Security Instrument, Lender shall give Borrower a notice identifying such lien. Borrower shall satisfy such lien or more of the acts set forth within ten days of the giving of notice.

Uniform Covenant 4 of the Security Instrument is amended to read as follows:

B. CHARGES; LIENS

11. The new interest rate on my loan as of the Payment Change Date; (i) the amount of my monthly payment following the Payment Change Date; (ii) the amount of my monthly payment following the Payment Change Date; and (iii) any additional matters which the Note Holder is required to disclose; and (iv) the time and telephone number of a person who will answer any questions I may have regarding notice.

The Note Holder will advise me of:

(E) Notice of Changes

The Note Holder will mail or deliver to me a notice before each Payment Change Date. The notice will advise me of:

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E. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

17. **Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property of an interest therein is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at Lender's option, declare all the sums secured by this Security Instrument to be immediately due and payable. However, this option shall not be exercised by Lender if exercise is not authorized by Federal Law.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

Notwithstanding a sale or transfer, Borrower will continue to be obligated under the Note and this Security Instrument unless Lender has released Borrower in writing.

F. LOAN CHARGES

If the loan secured by the Security Instrument is subject to a law which sets maximum loan charges, and that law is fairly interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed permitted limits, then: (1) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (2) any sums already collected from Borrower which exceed permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment under the Note.

G. BORROWER'S OPTION TO CONVERT

Borrower may, at Borrower's option, modify the repayment terms of the indebtedness secured hereby on the ~~xxx~~ Payment Change Date. At that time, Borrower may convert the Adjustable Rate Loan evidenced by the Note into a fixed interest rate loan to be fully repaid in equal monthly payments of principal and interest over the remaining term of the loan. The interest rate shall be determined as hereinafter set forth.

A fee of 1% of the unpaid principal balance will be due at the time of conversion.

H. LENDER'S NOTICE TO BORROWER

Lender's "Notice of Changes" to Borrower pursuant to paragraph 4(E) of the Note given prior to the first Change Date shall also contain the following additional information pertaining to Borrower's option to convert:

- (i) the fixed interest rate payable to Borrower if Borrower converts into a fixed rate interest loan;
- (ii) the amount of Borrower's new monthly payment at the fixed rate of interest; and
- (iii) a date, not more than 15 days from the date the notice is given, by which Borrower must execute and deliver to Lender a document in the form required by Lender evidencing the modification of the Note to provide a fixed interest rate.

I. SELECTION OF FIXED INTEREST RATE AND MONTHLY PAYMENT ADJUSTMENT

Lender shall set the fixed rate of interest payable by Borrower at a rate identical to the sum of the Federal Home Loan Mortgage Corporation's Required Net Yield for 60-day delivery of 30 year, fixed rate mortgages available 45 days prior to the first Change Date plus three-eighths of one percent (.375%). If no such Required Net Yield is available, Lender will determine the fixed interest rate by using a comparable figure. The new fixed interest rate will become effective on the first Change Date if Borrower chooses to convert to a fixed interest rate.

Borrower's monthly payments at the new fixed interest rate will begin as of the first monthly payment after the first Change Date. The monthly payment will be the amount that is necessary to repay in full the principal Borrower is expected to owe on the Change Date in substantially equal payments by the maturity date at the fixed interest rate.

