

# UNOFFICIAL COPY

## MORTGAGE

This form is used in connection with mortgages insured under the one to four-family provisions of the National Housing Act.

THIS INDENTURE, Made this 27th day of FEBRUARY 1986 between PAULA A. WALOWITZ, A SINGLE PERSON AND LESLIE K. WARREN, A SINGLE PERSON, Mortgagor, and

THE MORTGAGE FACTORY, INC. a corporation organized and existing under the laws of ILLINOIS Mortgagee.

16<sup>00</sup>

WITNESSETH: That whereas the Mortgagor is justly indebted to the Mortgagee, as is evidenced by a certain promissory note bearing even date herewith, in the principal sum of SEVENTY EIGHT THOUSAND ONE HUNDRED FIFTY AND NO/100----- Dollars (\$ 78,150.00---)

payable with interest at the rate of ELEVEN per centum (11.0-----%) per annum on the unpaid balance until paid, and made payable to the order of the Mortgagee at its office in BENSENVILLE, ILLINOIS or at such other place as the holder may designate in writing, and delivered; the said principal and interest being payable in monthly installments of SEVEN HUNDRED FORTY FOUR AND 24/100----- Dollars (\$ 744.24-----) on the first day of APRIL 19 86, and a like sum on the first day of each and every month thereafter until the note is fully paid, except that the final payment of principal and interest, if not sooner paid, shall be due and payable on the first day of MARCH, 2016.

57 85-05484 JB

NOW, THEREFORE, the said Mortgagor, for the better securing of the payment of the said principal sum of money and interest and the performance of the covenants and agreements herein contained, does by these presents MORTGAGE and WARRANT unto the Mortgagee, its successors or assigns, the following described Real Estate situate, lying, and being in the county of COOK and the State of Illinois, to wit: LOT 11 IN CRAM'S SUBDIVISION OF LOT 1 IN THE WEST 1/2 OF BLOCK 3 IN SUPERIOR COURT PARTITION OF BLOCKS 2, 4, 7 AND THE WEST 1/2 OF BLOCK 3 AND THE SOUTH 1/2 OF BLOCK 8 IN THE SUBDIVISION BY CACHRAN AND OTHERS OF THE WEST 1/2 OF THE SOUTH EAST 1/2 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PLEASE SEE ATTACHED RIDERS TO BE MADE A PART OF THIS INSTRUMENT

PTN: 17-06-413-032 PROPERTY ADDRESS: 1032 NORTH WINCHESTER, CHICAGO, ILLINOIS 60622

THIS DOCUMENT PREPARED BY: KATHLEEN M. BOENM THE MORTGAGE FACTORY, INC. 229 WEST GRAND AVE., SUITE S BENSENVILLE, ILLINOIS 60106

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging, and the rents, issues, and profits thereof, and all apparatus and fixtures of every kind for the purpose of supplying or distributing heat, light, water, or power, and all plumbing and other fixtures in, or that may be placed in, any building now or hereafter standing on said land, and also all the estate, right, title, and interest of the said Mortgagor in and to said premises.

TO HAVE AND TO HOLD the above-described premises, with the appurtenances and fixtures, unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois which said rights and benefits the said Mortgagor does hereby expressly release and waive.

AND SAID MORTGAGOR covenants and agrees

To keep said premises in good repair, and not to do, or permit to be done, upon said premises, anything that may impair the value thereof, or of the security intended to be effected by virtue of this instrument; not to suffer any lien of mechanics men or material men to attach to said premises; to pay to the Mortgagee, as hereinafter provided, until said note is fully paid, (1) a sum sufficient to pay all taxes and assessments on said premises, or any tax or assessment that may be levied by authority of the State of Illinois, or of the county, town, village, or city in which the said land is situate, upon the Mortgagor on account of the ownership thereof; (2) a sum sufficient to keep all buildings that may at any time be on said premises, during the continuance of said indebtedness, insured for the benefit of the Mortgagee in such forms of insurance, and in such amounts, as may be required by the Mortgagee.

In case of the refusal or neglect of the Mortgagor to make such payments, or to satisfy any prior lien or incumbrance other than that for taxes or assessments on said premises, or to keep said premises in good repair, or the Mortgagee may pay such taxes, assessments, and insurance premiums, when due, and may make such repairs to the property herein mortgaged as in its discretion it may deem necessary for the proper preservation thereof, and any moneys so paid or expended shall become so much additional indebtedness, secured by this mortgage, to be paid out of proceeds of the sale of the mortgaged premises, if not otherwise paid by the Mortgagor.

It is expressly provided, however (all other provisions of this mortgage to the contrary notwithstanding), that the Mortgagee shall not be required nor shall it have the right to pay, discharge, or remove any tax, assessment, or tax lien upon or against the premises described herein or any part thereof or the improvements situated thereon, so long as the Mortgagor shall, in good faith, contest the same or the validity thereof by appropriate legal proceedings brought in a court of competent jurisdiction, which shall operate to prevent the collection of the tax, assessment, or lien so contested and the sale or forfeiture of the said premises or any part thereof to satisfy the same.

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IN THE EVENT of default in making any monthly payment provided for herein and in the note secured here-  
by for a period of thirty (30) days after the due date thereof, or in case of a breach of any other covenant or  
agreement herein stipulated, then the whole of said principal sum remaining unpaid together with accrued in-  
terest thereon, shall, at the election of the Mortgagee, without notice, become immediately due and payable.

THE MORTGAGOR FURTHER AGREES that should this mortgage and the note secured hereby not be all-  
gible for insurance under the National Housing Act within SIXTY DAYS from the date hereof (written state-  
ment of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of  
Housing and Urban Development dated subsequent to the SIXTY DAYS time from the date of this  
mortgage, declining to insure said note and this mortgage, being deemed conclusive proof of such ineligibility),  
the Mortgagee or the holder of the note may, at its option, declare all sums secured hereby immediately due and  
payable.

THAT if the premises, or any part thereof, be condemned under any power of eminent domain, or acquired for  
a public use, the damages, proceeds, and the consideration for such acquisition, to the extent of the full amount  
of indebtedness upon this Mortgage, and the Note secured hereby remaining unpaid, are hereby assigned by the Mort-  
gagor to the Mortgagee and shall be paid forthwith to the Mortgagee to be applied by it on account of the indebted-  
ness secured hereby, whether due or not.

in force shall pass to the purchaser or grantee.  
Indebtedness secured hereby, all right, title and interest of the Mortgagee in and to any insurance policies then  
event of foreclosure of this mortgage or other transfer of title to the mortgaged property in extinguishment of the  
reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In  
jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee and the Mortgagee  
directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagee and the Mortgagee  
proof of loss if not made promptly by Mortgagee, and each insurance company concerned is hereby authorized and  
to the Mortgagee. In event of loss Mortgagee will give immediate notice by mail to the Mortgagee, who may make  
shall be held by the Mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable  
All insurance shall be carried in companies approved by the Mortgagee and the policies and renewals thereof  
in companies approved by the Mortgagee and the policies and renewals thereof.

THAT HE WILL KEEP the improvements now existing or hereafter erected on the mortgaged property, in-  
sured as may be required from time to time by the Mortgagee against loss by fire, and other hazards, casualties  
and contingencies in such amounts and for such periods as may be required by the Mortgagee and will pay prompt-  
ly, when due, any premiums on such insurance provision for payment of which has not been made heretofore.

AND AS ADDITIONAL SECURITY for the payment of the indebtedness hereinafter described the Mortgagee does hereby  
assign to the Mortgagee all the rents, issues, and profits now due or which may hereafter become due for the use  
and occupation of the premises hereinafter described.

If the total of the payments made by the Mortgagee under subsection (b) of the preceding paragraph shall exceed  
the amount of the payments actually made by the Mortgagee for ground rent, taxes, and assessments, or insurance  
premiums, as the case may be, such excess, if the loan is current, at the option of the Mortgagee, shall be credited on  
subsequent payments to be made by the Mortgagee, or returned to the Mortgagee. If, however, the monthly payments  
made by the Mortgagee under subsection (b) of the preceding paragraph shall not be sufficient to pay ground  
rent, taxes, and assessments, or insurance premiums, as the case may be, when the same shall become due  
and payable, then the Mortgagee shall pay to the Mortgagee any amount necessary to make up the deficiency, on  
or before the date when payment of such ground rent, taxes, assessments, or insurance premiums shall be due.  
If at any time the Mortgagee shall tender to the Mortgagee, in accordance with the provisions of the note secured  
hereby, full payment of the entire indebtedness contemplated thereby, the Mortgagee shall, in computing the  
amount of such indebtedness, credit to the account of the Mortgagee all payments made under the provisions of  
subsection (a) of the preceding paragraph which the Mortgagee has not become obligated to pay to the Secretary  
of Housing and Urban Development, and any balance remaining in the funds accumulated under the provisions of  
subsection (b) of the preceding paragraph. If there shall be a default under any of the provisions of this  
mortgage resulting in a public sale of the premises covered hereby, or if the Mortgagee acquires the property  
otherwise after default, the Mortgagee shall apply, at the time of the commencement of such proceedings or at  
the time the property is otherwise acquired, the balance then remaining in the funds accumulated under sub-  
section (b) of the preceding paragraph as a credit against the amount of principal then remaining unpaid under  
said note and shall properly adjust any payments which shall have been made under subsection (a) of the pre-  
ceding paragraph.

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the Mortgagee prior  
to the due date of the next such payment, constitute an event of default under this mortgage. The Mortgagee may col-  
lect a "late charge" not to exceed four cents (\$4) for each dollar (\$1) for each payment more than fifteen (15) days in  
arrear, to cover the extra expense involved in handling delinquent payments.

- (a) An amount sufficient to provide the holder hereof with funds to pay the next mortgage insurance premium if this  
instrument and the note secured hereby are insured, or a monthly change (in lieu of a mortgage insurance premium)  
if they are held by the Secretary of Housing and Urban Development, as follows:  
(1) If and so long as said note or even date and this instrument are insured or are retained under the provisions  
of the National Housing Act, an amount sufficient to accumulate in the hands of the holder one (1) month  
prior to its due date the annual mortgage insurance premium, in order to provide such holder with funds to  
pay each premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act,  
as amended, and applicable Regulations thereunder; or  
(2) If and so long as said note of even date and this instrument are held by the Secretary of Housing and Urban  
Development, a monthly change (in lieu of a mortgage insurance premium) which shall be in an amount equal  
to one-twelfth (1/12) of one-half (1/2) per centum of the average outstanding balance due on the note com-  
puted without taking into account delinquencies or prepayments;
- (b) A sum equal to the ground rent, if any, next due, plus the premiums that will next become due and payable on  
policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due  
on the mortgaged property (all as estimated by the Mortgagee) less all sums already paid therefor divided by the  
number of months to elapse before one month prior to the date when such ground rent, premium, taxes and as-  
sessments will become delinquent; such sums to be held by Mortgagee in trust to pay said ground rent, premiums,  
taxes and assessments mentioned in the two preceding subsections of this paragraph and all payments to be made under the  
note secured hereby shall be added together and the aggregate amount thereof shall be paid by the Mortgagee each  
month in a single payment to be applied by the Mortgagee to the following items in the order set forth:  
(1) Payment under the contract of insurance with the Secretary of Housing and Urban Development, or  
mortgagee change (in lieu of mortgage insurance premium), as the case may be;  
(2) Interest on the note secured hereby; and  
(3) Amortization of the principal of the said note.

That, together with, and in addition to, the monthly payments of principal and interest payable under the  
terms of the note secured hereby, the Mortgagee will pay to the Mortgagee, on the first day of each month until

That privilege is reserved to pay the debt in whole or in part, on any installment due date,  
on the principal that is now due on the note, on the first day of any month prior to maturity provided, however,  
that within notice of an intention to exercise such privilege is given at least thirty (30) days prior to pay-  
ment.

AND the said Mortgagee further covenants and agrees as follows:

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P.A.W. want  
L.K.W.

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AND IN THE EVENT That the whole of said debt is declared to be due, the Mortgagee shall have the right immediately to foreclose this mortgage, and upon the filing of any bill for that purpose, the court in which such bill is filed may at any time thereafter, either before or after sale, and without notice to the said Mortgagor, or any party claiming under said Mortgagor, and without regard to the solvency or insolvency at the time of such applications for appointment of a receiver, or for an order to place Mortgagee in possession of the premises of the person or persons liable for the payment of the indebtedness secured hereby, and without regard to the value of said premises or whether the same shall then be occupied by the owner of the equity of redemption, as a homestead, enter an order placing the Mortgagee in possession of the premises, or appoint a receiver for the benefit of the Mortgagee with power to collect the rents, issues, and profits of the said premises during the pendency of such foreclosure suit and, in case of sale and a deficiency, during the full statutory period of redemption, and such rents, issues, and profits when collected may be applied toward the payment of the indebtedness, costs, taxes, insurance, and other items necessary for the protection and preservation of the property.

Whenever the said Mortgagee shall be placed in possession of the above described premises under an order of a court in which an action is pending to foreclose this mortgage or a subsequent mortgage, the said Mortgagee, in its discretion, may: keep the said premises in good repair; pay such current or back taxes and assessments as may be due on the said premises; pay for and maintain such insurance in such amounts as shall have been required by the Mortgagee; lease the said premises to the Mortgagor or others upon such terms and conditions, either within or beyond any period of redemption, as are approved by the court; collect and receive the rents, issues, and profits for the use of the premises hereinabove described; and employ other persons and expend itself such amounts as are reasonably necessary to carry out the provisions of this paragraph.

AND IN CASE OF FORECLOSURE of this mortgage by said Mortgagee in any court of law or equity, a reasonable sum shall be allowed for the solicitor's fees, and stenographers' fees of the complainant in such proceeding, and also for all outlays for documentary evidence and the cost of a complete abstract of title for the purpose of such foreclosure; and in case of any other suit, or legal proceeding, wherein the Mortgagee shall be made a party thereto by reason of this mortgage, its costs and expenses, and the reasonable fees and charges of the attorneys or solicitors of the Mortgagee, so made parties, for services in such suit or proceedings, shall be a further lien and charge upon the said premises under this mortgage, and all such expenses shall become so much additional indebtedness secured hereby and be allowed in any decree foreclosing this mortgage.

AND THERE SHALL BE INCLUDED in any decree foreclosing this mortgage and be paid out of the proceeds of any sale made in pursuance of any such decree: (1) All the costs of such suit or suits, advertising, sale, and conveyance, including attorneys', solicitors', and stenographers' fees, outlays for documentary evidence and cost of said abstract and examination of title; (2) all the moneys advanced by the Mortgagee, if any, for the purpose authorized in the mortgage with interest on such advances at the rate set forth in the note secured hereby, from the time such advances are made; (3) all the accrued interest remaining unpaid on the indebtedness hereby secured; (4) all the said principal money remaining unpaid. The overplus of the proceeds of sale, if any, shall then be paid to the Mortgagor.

If Mortgagor shall pay said note at the time and in the manner aforesaid and shall abide by, comply with, and duly perform all the covenants and agreements herein, then this conveyance shall be null and void and Mortgagee will, within thirty (30) days after written demand therefor by Mortgagor, execute a release or satisfaction of this mortgage, and Mortgagor hereby waives the benefits of all statutes or laws which require the earlier execution or delivery of such release or satisfaction by Mortgagee.

IT IS EXPRESSLY AGREED that no extension of the time for payment of the debt hereby secured given by the Mortgagee to any successor in interest of the Mortgagor shall operate to release, in any manner, the original liability of the Mortgagor.

THE COVENANTS HEREIN CONTAINED shall bind, and the benefits and advantages shall inure, to the respective heirs, executors, administrators, successors, and assigns of the parties hereto. Wherever used, the singular number shall include the plural, the plural the singular, and the masculine gender shall include the feminine.

WITNESS the hand and seal of the Mortgagor, the day and year first written.

Paula A. Walowitz  
PAULA A. WALOWITZ, A SINGLE PERSON [SEAL]

Leslie K. Warren  
LESLIE K. WARREN, A SINGLE PERSON [SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, THE UNDERSIGNED, a notary public in and for the county and State aforesaid, Do Hereby Certify That PAULA A. WALOWITZ, A SINGLE PERSON AND LESLIE K. WARREN, ~~XXX~~ A SINGLE PERSON, personally known to me to be the same person whose name s ARE subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that THEY signed, sealed, and delivered the said instrument as THEIR free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

GIVEN under my hand and Notarial Seal this 27th day FEBRUARY, A. D. 19 86

Justice M. Gandy  
Notary Public

DOC. NO. Filed for Record in the Recorder's Office of \_\_\_\_\_ County, Illinois, on the \_\_\_\_\_ day of \_\_\_\_\_ A.D. 19 \_\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_\_ m., and duly recorded in Book \_\_\_\_\_ of \_\_\_\_\_ Page \_\_\_\_\_

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COOK COUNTY, ILLINOIS  
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## REHABILITATION LOAN AGREEMENT

This Agreement is made this 27th day of FEBRUARY 1986 ,  
between PAULA A. WALOWITZ AND LESLIE K. WARREN (Borrower)  
and THE MORTGAGE FACTORY, INC. (Lender) to  
establish the conditions under which the Lender will advance proceeds  
of a loan to be used to: purchase and rehabilitate, refinance and  
rehabilitate, rehabilitate the property described below. The property  
is located in the County of COOK , State of  
ILLINOIS , and is described as:

1032 NORTH WINCHESTER, CHICAGO, ILLINOIS 60622

1. The loan will be in the principal sum of SEVENTY EIGHT THOUSAND ONE HUNDRED FIFTY AND NO/100- Dollars (\$ 78,150.00-----) to be advanced by Lender to Borrower as provided in this agreement and will be secured by a mortgage or deed of trust ("Mortgage") which will be a first lien on the property.
2. Payments required under the mortgage or deed of trust must be made by the borrower on the date specified, even though the proposed rehabilitation or improvement may not be completed, or the property may not be suitable for occupancy, on the anticipated date.
3. The Lender intends to request the Federal Housing Commissioner ("Commissioner") to insure the loan under the provisions of Section 203(k) of the National Housing Act; therefore, Borrower agrees to conform to, and to cause improvements to be constructed in conformance with all requirements of the Commissioner.
4. The Lender will place that portion of the principal amount of the mortgage allocated to rehabilitation in an interest bearing account, trust or escrow for the benefit of the Borrower. Lender shall release these funds by check, payable to the Borrower (or at Lender's option, to Borrower and appropriate payee who performed the work and supplied the materials in connection with this contract) at such times as the stages of construction are completed as follows:

As per attached Inspection and Release Schedule

5. The principal amount of the loan specified in paragraph 1 may contain a contingency reserve. If the actual cost of rehabilitation exceed the estimated cost of rehabilitation, the contingency reserve or any part thereof may, with the consent of the Commissioner, be paid to the Borrower or contractor. If the contingency reserve or any part thereof is not so paid, the remaining balance will be applied as a partial prepayment of the loan, but such prepayment will not extend or postpone the due date of any monthly installment due under the note, nor change the amount of such installments.
6. The Borrower will complete all improvements on the property in accordance with Drawings and Specification as approved by the Commissioner.
7. Changes in the Drawings and Specifications, or the Inspection and Release Schedule must be approved in writing by the Lender and the Commissioner.
8. Borrower will cause all improvements to be made in a workmanlike manner and in accordance with all applicable statutes and regulations. All licenses, permits and privileges required by local governmental authorities to rehabilitate the property will be obtained by the Borrower or Borrower's contractor.
9. Representatives of the Lender and of the Commissioner shall have the right to enter upon the property at all times during the period of construction and on completion of construction to determine whether the work conforms with this agreement and to determine the amount of the loan to be released by the Lender.
10. Borrower will furnish such records, contracts, bills and other documents relating to property and improvements as the Lender or the Commissioner may require.

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11. Without prior, written consent of Lender, no materials, equipment, fixtures or any other part of improvements financed with this loan shall be purchased or installed subject to conditional sales contracts, security agreements, lease agreements or other arrangements whereby title is retained or the right is reserved or accrues to anyone to remove or repossess any item, or to consider it as personal property.
12. The Borrower shall cause either this instrument or the construction contract under which the improvements are to be made to be filed in the public records, if the effect of recording will be to relieve the mortgaged property from mechanics' and materialmen's liens. Before any advance under this agreement, the Lender may require the Borrower to obtain acknowledgement of payment and releases of lien from the contractor and all subcontractors and materialmen dealing directly with the principal contractor. These releases shall cover the period down to the date covered by the last advance, and concurrently with the final payment for the entire project. Such acknowledgments and releases shall be in the form required by local lien laws and shall cover all work done, labor performed and materials (including equipment and fixtures) furnished for the project.
13. Borrower shall cause work to begin within 60 days following the date of this agreement. Borrower shall have work completed within 18 months following the date of this agreement. Work is to be performed with reasonable diligence, therefore, work is never to cease for more than 45 consecutive days. Should Borrower fail to comply with these terms, the Lender may refuse to make any further payments under this agreement. Any funds remaining in the Rehabilitation Escrow Account shall be applied as a prepayment to the mortgage.
14. In the event any Stop Notices, Notices to Withhold, Mechanics Liens, or claims of lien are filed against property, Lender, after five (5) days' notice to the undersigned of its intention to do so, may pay any or all of such liens or claims, or may contest the validity of any of them, paying all costs and expenses of contesting the same.
15. Failure of the Borrower to perform under the terms of this rehabilitation loan agreement shall make the loan amount, at the option of the lender, due and payable.

  
Borrower PAULA A. WALOWITZ

FEBRUARY 27, 1986  
Date

  
Co-Borrower LESLIE K. WARREN

FEBRUARY 27, 1986  
Date

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## REHABILITATION RIDER

1. Loan proceeds are to be advanced for the rehabilitation of the premises in accordance with the rehabilitation loan agreement dated FEBRUARY 27, 1986, between borrower and lender. This agreement is incorporated by reference and made a part of this mortgage. No advances shall be made unless approved by the Secretary of Housing and Urban Development.
2. If the rehabilitation is not properly completed, performed with reasonable diligence, or is discontinued at any time except for strikes or lockouts, the lender is vested with full authority to take the necessary steps to protect the rehabilitation improvements and property from harm, continue existing contracts or enter into necessary contracts to complete the rehabilitation. All sums expended for such protection, exclusive of the advances of the principal indebtedness, shall be added to the principal indebtedness, and secured by the mortgage and be due and payable on demand with interest as set out in the note.
3. If the borrower fails to perform any obligation under the loan, including the commencement, progress and completion provisions of the Rehabilitation Loan Agreement, and such failure continues for a period of 30 days, the loan shall, at the option of the lender, be in default.

  
Borrower PAULA A. WALOWITZ

  
Co-Borrower LESLIE K. WARREN

FEBRUARY 27, 1986  
Date

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