

# UNOFFICIAL COPY

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Illinois Mortgage Assoc. Ltd  
1767 Glenview Road  
Glenview, Ill 60025

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## MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on July 1, 1987. The mortgagor is Harold Edwards and Bonnie J. Edwards, his wife ("Borrower"). This Security Instrument is given to Illinois Mortgage Associates, Ltd. its successors and or its assigns, which is organized and existing under the laws of the State of Illinois, and whose address is 1767 Glenview Rd. Glenview Illinois 60025 ("Lender"). Borrower owes Lender the principal sum of Seventy One Thousand and Two Hundred and no/100ths Dollars (U.S. \$ 71,200.00). 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 August 1, 2017. 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:

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Lot 39 in Block 4 in Ford's Subdivision of blocks 3,4,5,14, 15 and lots 1,2 and 3 in block 16 in the Subdivision of section 19, Township 40 North, Range 14, East of the Third Principal Meridian, (except the Southwest 1/4 of the Northeast 1/4, the Southeast 1/4 of the Northwest 1/4 and the East 1/2 of the Southeast 1/4 thereof) in Cook County, Illinois.

Permanent tax number 14-19-200-029 volume 482

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COOK COUNTY RECORDER 87-398394

which has the address of 1904 W. Larchmont Chicago, Illinois 60613 ("Property Address");  
[Street] [City] [Zip Code]

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.

**\$17.00 MAIL**

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Cook County Clerk's Office 87-398394

My Commission Expires: 7-3-89

Witness my hand and official seal this 1ST day of JULY 19 87.

I, KATHLEEN KOLESKA, a Notary Public in and for said county and state, do hereby certify that HAROLD EDWARDS, HUSBAND AND WIFE, BONNIE J. EDWARDS, personally appeared before me and is (are) known or proved to me to be the person(s) who, being informed of the contents of the foregoing instrument, have executed same, and acknowledged said instrument to be their, free and voluntary act and deed and that they executed same, and acknowledged said instrument for the purposes and uses therein set forth.

STATE OF ILLINOIS, COUNTY OF COOK, SS: Notary Public (Seal)

Property of Cook County Clerk's Office

[Space Below This Line for Acknowledgment]

Bonnie J. Edwards (Seal) Borrower
Harold Edwards (Seal) Borrower

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

- Adjustable Rate Rider
Graduated Payment Rider
Other(s) [specify]
Planned Unit Development Rider
2-4 Family Rider

23. Rider to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

22. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amount and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower, subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

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 the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. **Preservation and Maintenance of Property; Leaseholds.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the Property; Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

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## ADJUSTABLE RATE RIDER (One Year Index—Conversion Option)

THIS ADJUSTABLE RATE RIDER is made this 1st day of July, 1987, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to Illinois Mortgage Associates, Ltd. its successors and or assigns (the "Lender"), of the same date and covering the property described in the Security Instrument and located at: \_\_\_\_\_  
1904 W. Larchmont Chicago, Illinois 60613  
(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN MY INTEREST RATE AND MY MONTHLY PAYMENT. THE NOTE ALSO CONTAINS A PROVISION BY WHICH I MAY CONVERT MY ADJUSTABLE INTEREST RATE TO A FIXED INTEREST RATE.

**Additional Covenants.** In addition to the covenants 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 7.5%. The Note provides for changes in the interest rate and the monthly payments, as follows:

### 4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

#### (A) Change Dates

The interest rate I will pay may change on the first day of July 1, 1988, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

#### (B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is 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. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

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 this choice.

#### (C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding Two & One Half percentage points (2.50%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). This rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment unless I choose to exercise my conversion option permitted by Section 5 below.

#### (D) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

#### (E) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

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## (F) *Limitations to Changes*

Regardless of the interest rate change formula set forth in this Section, the interest rate paid on this Note in no event shall be adjusted to a rate less than the Initial Interest Rate nor more than Six percentage points (6.00) above the Initial Interest Rate at any time. Furthermore, the interest rate paid on this Note shall never increase or decrease by more than Two percentage points (2.00%) on any Change Date.

## B. CONVERSION OPTION

The Note provides for a conversion option which permits the Borrower to convert the adjustable interest rate payments under the Note to fixed interest rate payments, as follows:

### 5. OPTION TO CONVERT TO FIXED RATE

#### (A) *Option Period and Determination of Interest Rate*

I have the right to choose to convert my adjustable interest rate to a fixed interest rate on the first, second, third, or fourth Change Date if I am not or have not been in default under any of the terms of this Note or the Security Instrument and I fulfill the conditions set forth in this Section 5. Each date as of which I may choose to convert my interest payment is called a "Conversion Date."

If I choose to make this conversion, I must give the Note Holder notice that I am doing so at least 30 days before the next Conversion Date (the "Effective Conversion Date"). I also must sign and give to the Note Holder a document, in any form that the Note Holder may reasonably require, changing the terms of the Note as necessary to give effect to the conversion. Beginning with the Effective Conversion Date, if such conversion has been chosen, my interest rate will be equal to the Federal Home Loan Mortgage Corporation ("FHLMC") 60 day net rate ("Conversion Index") that was in effect as of the date 45 days before the Effective Conversion Date, plus one-half of one percent (.50%). If the Conversion Index is not available, the Note Holder will choose a new conversion index which is based upon comparable information. The Note Holder will give me notice of this choice.

#### (B) *Determination of New Payment Amount*

If I convert to a fixed rate of interest as provided in Part (A) of this Section, the Note Holder will then determine the amount of my monthly payment that would be sufficient to repay the unpaid principal balance of my loan, as of the Effective Conversion Date, in full, on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment (the "New Payment Amount").

#### (C) *Payment of New Payment Amount; Continuation of Fixed Rate*

Beginning with my first monthly payment that becomes due after the Effective Conversion Date, I will, if I have chosen the conversion, pay the New Payment Amount as my monthly payment, and the interest rate I pay will not change from the fixed rate established as of the Effective Conversion Date.

#### (D) *Payment of Conversion Fee*

For choosing to convert my adjustable interest rate payments to fixed interest rate payments, as provided above, I will pay the Note Holder its then applicable conversion fee as well as all other fees required by FNMA, FHLMC, or any other investor. I will pay the conversion fee on or before the date of my first monthly payment that becomes due after the Effective Conversion Date.

#### (E) *Conversion Notice*

Before the date that my first monthly payment becomes due, after the Effective Conversion Date, the Note Holder will mail or deliver to me a notice providing the following information: (i) my new interest rate as of the Effective Conversion Date; (ii) the amount of my New Payment Amount; (iii) the amount of the conversion fee; and (iv) a date (not later than 15 days from the date the Note Holder gives me the notice) by which I must sign and give the Note Holder a document making the changes to the Note that are necessary. The notice will also include all information required by law to be given me and also the name and telephone number of a person who will answer any question I may have regarding the notice.

#### (F) *Failure to Choose Conversion*

If I do not, at least 30 days before the last possible Conversion Date specified in Part (A) of this Section, give notice to the Note Holder that I choose to convert my adjustable interest rate payments to fixed interest rate payments and do the other things that I must do under this Section, within the applicable times specified, I will no longer have the conversion option provided in this Section 5.

In the event that I do convert this Note to a fixed rate note, my loan will no longer be assumable.

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4-3-89

My commission expires:

personally known to me to be the same person(s) whose name(s) \_\_\_\_\_ ARE \_\_\_\_\_ subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that \_\_\_\_\_ the \_\_\_\_\_ signed and delivered the said instrument as \_\_\_\_\_ free and voluntary act, for the uses and purposes therein set forth. Given under my hand and official seal, this \_\_\_\_\_ 1ST day of JULY, 19 87.

Notary Public

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I, KATHLEEN KOLBESKE, a Notary Public in and for said county and state, do hereby certify that HAROLD EDWARDS AND BONNIE J EDWARDS, HUSBAND AND WIFE STATE OF ILLINOIS COOK COUNTY SS:

Borrower (Seal)

Borrower (Seal)

Borrower (Seal)

*Harold Edwards*  
Harold Edwards

*Bonnie J. Edwards*  
Bonnie J. Edwards

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

Uniform Covenant 17 of the Security Instrument is amended to read as follows:  
**C. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER**  
 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 exercised by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.  
 To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.  
 If Lender exercises the option to require immediate payment in full, 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.