

UNOFFICIAL COPY

077 34283

89460953

BOX 112
BELL FEDERAL SAVINGS & LOAN ASSN.
18340 GOVERNORS HWY.
HOMewood, ILLINOIS 60430
UNIT HWD LOAN NO. *10-61-2019*

[Space Above This Line For Recording Data]

MORTGAGE

\$16.00

THIS MORTGAGE ("Security Instrument") is given on SEPTEMBER 06
1989. The mortgagor is ROBERT G. GATES AND MARY L. GATES, HIS WIFE
("Borrower"). This Security Instrument is given to
BELL FEDERAL SAVINGS AND LOAN ASSOCIATION, which is organized and existing
under the laws of THE UNITED STATES OF AMERICA, and whose address is
Monroe & Clark Streets, Chicago, Illinois 60603 ("Lender").
Borrower owes Lender the principal sum of FORTY THREE THOUSAND AND 00/100
Dollars (U.S. \$ 43,000.00). 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 10-01-2019. 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 19 IN BERNARD A. FOLEK'S SUBDIVISION OF PART OF LOT 6 IN ADMINISTRATOR'S
DIVISION OF THE EAST 1/2 OF THE SOUTH EAST 1/4 AND THE SOUTH EAST 1/4 OF THE NORTH
EAST 1/4 OF SECTION 4, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL
MERIDIAN, IN COOK COUNTY, ILLINOIS.

10:53

89460953

89460953

THIS IS A JUNIOR MORTGAGE

PERMANENT TAX I. D. NUMBER 24-04-428-023

which has the address of 9246 S. 49TH CT. OAK LAWN
(Street) (City)
Illinois 60453 ("Property Address");
(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 seised 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.

MY COMMISSION EXPIRES MAY 3, 1990

My Commission Expires

Notary Public (SEAL) [Signature]

Witness my hand and official seal this 11th day of September 1989

THEY (he, she, they) executed said instrument for the purposes and uses therein set forth. (his, her, their) have executed same, and acknowledged said instrument to be 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; free and voluntary act and deed and that

ROBERT G. GATES AND MARY L. GATES, HIS WIFE, a Notary Public in and for said county and state, do hereby certify that

STATE OF ILLINOIS COUNTY OF COOK } SS

Property of Cook County Clerk's Office

[Space Below This Line for Acknowledgment]

MARY L. GATES (Seal) - Borrower
ROBERT G. GATES (Seal) - Borrower

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

- 20. Lender in Possession...
21. Release...
22. Waiver of Homestead...
23. Riders to this Security Instrument...
EQUITY LOAN MORTGAGE RIDER
[] 2-4 Family Rider
[] Condominium Rider
[] Planned Unit Development Rider
[] Adjustable Rate Rider
[] Graduate Payment Rider
[] Others (Specify)

5346053

UNOFFICIAL COPY

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 a 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 amounts 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.

49480953

UNOFFICIAL COPY

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.

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 12. 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 and (b) 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 the sums secured by this Security Instrument being affected. 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 partial prepayment without any prepayment charge under the Note.

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 limits; 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. In 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) prior to the date 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 Reinstatement. 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 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 attorney's 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 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.

CS619947-005

EQUITY LOAN MORTGAGE RIDER (Adjustable Rate and Payment) (Revolving Line of Credit)

THIS EQUITY LOAN MORTGAGE RIDER is made this 6TH day of SEPTEMBER

19 89, and is incorporated into and shall be deemed to amend and supplement the Mortgage (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Equity Loan Note to BELL FEDERAL SAVINGS AND LOAN ASSOCIATION (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at:

9246 S. 49TH CT., OAK LAWN, IL 60453
(PROPERTY ADDRESS)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE. IF THE INTEREST RATE INCREASES, THE BORROWER'S MONTHLY PAYMENTS WILL BE HIGHER. IF THE INTEREST RATE DECREASES, THE BORROWER'S MONTHLY PAYMENTS WILL BE LOWER.

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, MONTHLY PAYMENT CHANGES AND BILLING NOTICES

Section 2.a., 3., 4. and part of 5. of the Equity Note provides for changes in the interest rate, the monthly payments, billing notices, and a revolving line of credit, as follows:

2. INTEREST

a. Interest Rate

The interest rate may change monthly. Interest rate changes may occur on the first day of any billing cycle beginning on 11-01-1989 and on the first day of every billing cycle thereafter. Billing cycles shall begin on the first day of each month.

1) The Index

Interest rate changes will be based on an interest rate index which will be called the "Index." The "Index" is the Prime Rate, the base rate on corporate loans at large U.S. money center commercial banks as published in the Money Rates section of the Midwest Edition of the Wall Street Journal on the last day the Journal is published each month. If more than one Prime Rate is listed on that day, the Index in effect for your Equity Loan will be an average of the Prime Rates listed.

If the Index ceases to be made 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.

2) Setting the Interest Rate

The Note Holder shall calculate the per annum interest rate for any given billing cycle by adding two percentage points (2%) to the Index as published on the last day the Journal is published the previous month. However, the interest rate on this loan will never exceed 16.000 percent per annum.

3. PAYMENTS

Monthly payments of principal and interest shall be due on the first day of each month beginning the first of the month following the first advance under this Note. The monthly payment shall be sufficient to repay in part the principal and accrued interest of my Note in substantially equal payments by the Maturity Date at the interest rate effective for the billing cycle immediately prior to the payment and rounded up to the next dollar. Except for the last payment, **IN NO EVENT SHALL ANY PAYMENT BE LESS THAN \$100.** Advances under this Note will increase the payment and prepayments will reduce the payment unless offset by changes in the interest rate. The interest rate on this Note may change from time to time. An increase in the interest rate will result in an increased payment and a decrease in the interest rate will result in a decreased payment unless offset by prepayments or advances. Prepayment in whole or in part shall be permitted without penalty or fee, but prepayment shall not excuse my subsequent failure to pay principal or interest as it becomes due.

69460953

MARY L. GATES
ROBERT G. GATES

4. BILLING NOTICES
Each month that there is an outstanding principal balance I will receive a billing which will show the outstanding principal balance carried forward from the last billing date, the date and amount of additional advances (or principal or payments) since the last billing date and the amount of interest added at the end of the billing cycle, the annual percentage rate, periodic rate, payment due, late charge date, new balance, available balance and any other terms the Note Holder may choose to disclose.

5. WHEN PRINCIPAL RECEIVED
The principal of this loan represents a revolving line of credit available to me. . . . In no event shall voluntary advances be made after the twentieth anniversary of the original Note.

B. ADDITIONAL NON-FORM COVENANTS

21. ADDITIONAL INSURANCE. In the event that any, either or all of the undersigned Borrowers shall elect to secure the or disability insurance or both, or insurance of similar nature, in an amount, form and company acceptable to the Lender as additional security for the indebtedness hereby secured, the Borrowers agree to pay or provide for the payment of all premiums on such insurance policies; and further agree that the Lender may advance any premiums due and payable on such insurance policies, and add the amount so advanced in payment of premiums as additional debt secured hereby, with interest at the Note rate.

22. RELEASE FEE. Notwithstanding Covenant 21 of the Security Instrument to the contrary, this Security Instrument shall be released upon cancellation of the line of credit and payment to the Lender of the indebtedness secured hereby pursuant to the terms hereof and the payment of its reasonable release fee.

23. PRIOR MORTGAGE. The Borrowers affirm that they are the obligors under a note secured by a mortgage in the original sum of \$28,400.00 (DOLLARS, dated MARCH 22, 1976 and recorded in the Recorder's Office of Cook County, Illinois, as Document No. 23427299) and recorded in the second paragraph of paragraph 17.

24. DEFERRAL OF TAX AND INSURANCE ESCROWS. This mortgage provides for payments to be made for tax and insurance escrows. As long as the mortgage referred to in paragraph 20 is outstanding and all taxes and insurance premiums are paid the escrow portions in this mortgage will not be enforced. However, should said previous mortgage be repaid, the Borrower will be responsible for making escrow payments in accordance with this mortgage.

25. STAFF ATTORNEYS' FEE. The term "attorneys' fees" shall include reasonable fees charged by the Lender for the services of attorneys on its staff.

26. DEFAULT. In the event of any default under the terms of the Mortgage, the Equity Loan Mortgage Rider or the Equity Loan Note, Lender will notify Borrower in writing pursuant to Paragraphs 13, 17 and 19 of the Mortgage, of acceleration of this loan. Lender will notify of acceleration, no future advances under the line of credit will be permitted. If Borrower cures the default to Lender's satisfaction, future advances under the line of credit may be made.

27. ASSUMPTION. Notwithstanding anything in Paragraph 17 of the Mortgage to the contrary, 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 to this Paragraph) will not affect or negate any of Lender's other rights and remedies under Paragraph 17 of the Mortgage.

28. ASSIGNMENT. The lien of this Mortgage secures payment of any existing indebtedness and future advances made pursuant to the Equity Loan Note to the same extent as if such future advances were made on the date of the execution of this Mortgage without regard to whether or not there is any advance made on the date of this Mortgage is executed and without regard to whether or not there is any indebtedness outstanding at the time any advance is made.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Equity Loan Mortgage Rider.