

Mortgage to Secure a PREFERRED LINE Agreement

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PREFERRED LINE PO Box 803487 Chicago, Illinois 60680 Telephone (1 312) 621 3117

444-104-5906 This Instrument was prepared by: ANNETTE CALDWELL

PLEASE RETURN PACKAGE TO: CITICORP SAVINGS OF ILLINOIS 22 W. MADISON SUITE 550 CHICAGO, IL 60602

THIS MORTGAGE ("Mortgage") is made this 25TH day of JULY 19 89 between Mortgagor, EDDIE P. SMITH AND CHERYL E. SMITH HIS WIFE

"Borrower" and the Mortgage, Citicorp Savings of Illinois, A Federal Savings and Loan Association, a corporation organized and existing under the laws of the United States, One South Dearborn Street, Chicago, Illinois 60603 ("Lender")

WHEREAS, Borrower is indebted to Lender pursuant to a Preferred Line Account Agreement ("Agreement") of even date herewith, in the principal sum of U.S. \$ 25,000 (Borrower's "Credit Limit") or so much of such principal as may be advanced and outstanding, with interest thereon, providing for periodic installment payments of principal of 1/60th of the principal balance outstanding and unpaid as of the date of the most recent advance to Borrower hereunder, interest, optional credit life and/or disability insurance premiums, and miscellaneous fees and charges for ten (10) years from the date herewith, all such sums, if not sooner paid, being due and payable ten (10) years from the date herewith, the "Maturity Date"

To secure to Lender the repayment of the indebtedness under the Agreement, with interest thereon, and payment of all other sums, with interest thereon advanced to protect the security of this Mortgage, and the performance of the covenants and agreements of the Borrower under the Mortgage and the Agreement, (b) the repayment of any future advances, with interest, made to Borrower by Lender pursuant to paragraph 7 hereof ("future advances"), and to any "Loans" (advance of principal after the date herewith as provided for in the Agreement (it being the intention of Lender and Borrower that all such Loans made after the date herewith enjoy the same priority and security hereby created as if all such Loans had been made on the date herewith) Borrower do hereby mortgage, grant, convey and warrant (unless Borrower be an Illinois land trust, in which case Borrower mortgages, grants, conveys and quit claims) to Lender the following described property ("Property") located in the County of COOK and State of Illinois

LOT 77 AND THE SOUTH 15 FEET OF LOT 78 IN ELLINWOOD'S RESUBDIVISION OF PART OF THE NORTH EAST QUARTER OF THE NORTH WEST QUARTER OF SECTION 18, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED ON JANUARY 4, 1917 AS DOCUMENT 6023787, IN COOK COUNTY, ILLINOIS

PIN No 25-18-113-017

PROPERTY ADDRESS 10436 SOUTH HOYNE CHICAGO, IL 60643

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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, unless Borrower is an Illinois land trust, warrants and will defend generally the title to the property against all claims and demands, subject to any encumbrances of record

Borrower and Lender covenant and agree as follows

1. Payment of Principal and Interest. Borrower shall promptly pay when due by the terms of the Agreement the principal of and interest accrued on the indebtedness evidenced by the Agreement, together with any other fees, charges or premiums imposed by the Agreement or by this Mortgage

2. Line of Credit Loan. This Mortgage secures a Line of Credit Loan Agreement. Borrower will enjoy access to that Line of Credit during the term hereof.

3. Agreed Periodic Payments. During the term hereof, Borrower agrees to pay on or before the payment due date shown on each periodic Billing Statement the Minimum Payment Due for that Billing Cycle (each Billing Cycle will be approximately one month). The payment due date for each Billing Cycle is approximately twenty five (25) days after the close of the Billing Cycle

If, on the Maturity Date, Borrower still owes amounts under the Agreement, Borrower will pay those amounts in full on the Maturity Date

4. Finance Charges. Borrower agrees to pay interest (a "Finance Charge") on the Outstanding Principal Balance of Borrower's Preferred Line Account as determined by the Agreement. Borrower agrees to pay interest at the Annual Percentage Rate of 14.40%

Lender reserves the right, after notice to Borrower, to change the Annual Percentage Rate, the Credit Limit, or cancel Borrower's Preferred Line Account

5. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Agreement and this Mortgage shall be applied as provided in the Agreement. Charges incurred pursuant to paragraph 7 hereof will be treated as Finance Charges for purposes of application of payments only

6. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the property which may attain priority over this Mortgage, and leasehold payments or ground rents, if any. Borrower shall promptly furnish to Lender receipt evidencing these payments

7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants and agreements contained in this Mortgage, 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 action may include paying any sums secured by a lien which has priority over the Mortgage appearing in court, paying reasonable attorney's 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 amount disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by the Mortgage. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate provided in the Agreement and shall be payable, with interest, upon notice from Lender to Borrower requesting payment



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