

# UNOFFICIAL COPY

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LOAN NO 11873612

## MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on **OCTOBER 26, 1990** The mortgagor is **SABINA MORALES, MARRIED TO JOSE ESCAMILLA AND SANTOS SALGADO, MARRIED TO VICTORIA SALGADO** ("Borrower"). This Security Instrument is given to **ST. PAUL FEDERAL BANK FOR SAVINGS**, which is organized and existing under the laws of the United States of America, and whose address is **6700 W. North Avenue, Chicago, Illinois 60635** ("Lender"). Borrower owes Lender the principal sum of

**Forty Seven Thousand, Seven Hundred and No /100** Dollars (U.S. \$**47,700.00**). 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 **NOVEMBER 1, 2020**. 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:

LOTS 16 AND 17 IN BLOCK 15 IN ADAM SMITH'S SUBDIVISION OF THE SOUTH 1/2 OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 AND THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 36, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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PIN # 16-36-320-012 AND 013

INV 31783 (3082) MD

RECORDING \$19.05  
INDEXED FROM 8813 11/01/90 15 14 00  
BOOK # B \*--90--535694  
COOK COUNTY RECORDER

which has the address of **3127 W 38TH PLACE CHICAGO IL 60632** ("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.

1925

CHICAGO, IL 60635

6700 W NORTH AV

ST PAUL FEDERAL BANK FOR SAVINGS

MICHAEL J. O'CONNOR

NOTARY PUBLIC

This instrument prepared by:

My commission expires: \_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

Given under my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

set forth. \_\_\_\_\_  
signed and delivered the said instrument, \_\_\_\_\_ free and voluntary act, for the uses and purposes therein  
subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that \_\_\_\_\_ he  
personally known to me to be the same person(s) whose name(s) are \_\_\_\_\_

do hereby certify that \_\_\_\_\_  
SABINA MORALES and SANTOS SALGADO, HIS WIFE  
JOSE ESCAMILLA, HIS WIFE

a Notary Public in and for said county and state, \_\_\_\_\_  
County ss: \_\_\_\_\_

waiving his right of homestead in these premises. \_\_\_\_\_  
JOSE ESCAMILLA executes this mortgage for  
the express purpose of only releasing and  
waiving his right of homestead in these premises.  
SABINA MORALES  
waiving her right of homestead in these premises. \_\_\_\_\_  
VICTORIA SALGADO executes this mortgage for  
the express purpose of only releasing and  
waiving her right of homestead in these premises.  
SANTOS SALGADO

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

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

13. Riders 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.  
Instrument without charge to Borrower. Borrower shall pay any recordation costs.

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

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time  
to, reasonable attorney's fees and costs of title evidence.

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 attorney's fees and costs of title evidence.

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## ADJUSTABLE RATE RIDER (Cost of Funds Index - Rate Caps - Fixed Rate Conversion Option)

THIS ADJUSTABLE RATE RIDER is made this 26TH day of OCTOBER, 1990, 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 ST. PAUL FEDERAL BANK FOR SAVINGS (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

3127 W 38TH PLACE, CHICAGO IL 60632  
(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY. THE NOTE ALSO CONTAINS THE OPTION TO CONVERT THE ADJUSTABLE RATE TO A FIXED 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. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 10.250 %. The Note provides for changes in the adjustable interest rate and the monthly payments, as follows:

### 4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

#### (A) Change Dates

The adjustable interest rate I will pay may change on the first day NOVEMBER, 1991, and on that day every 12th month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date."

#### (B) The Index

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the monthly weighted average cost of savings, borrowings and advances of members of the Federal Home Loan Bank of San Francisco (the "Bank"), as made available by the Bank. 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 that 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 THREE percentage points (3.000 %) 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%). Subject to the limits stated in Section 4(D) below, 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 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.

#### (D) Limits on Interest Rate Changes

The interest rate that I am required to pay at the first Change Date will not be greater than 11.250% or less than 9.250 %. Thereafter, my adjustable interest rate will never be increased or decreased any single Change Date by more than TWO percentage point(s) 2.000 from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 14.625 %, which is called the "Maximum Rate."

#### (E) 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.

#### (F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my adjustable 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.

### B. FIXED INTEREST RATE OPTION

The Note provides for the Borrower's option to convert from an adjustable interest rate with interest rate limits to a fixed interest rate, as follows:

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## 5. FIXED INTEREST RATE CONVERSION OPTION

### (A) Option to Convert to Fixed Rate

I have a Conversion Option that I can exercise unless I am in default or this Section 5(A) will not permit me to do so. The "Conversion Option" is my option to convert the interest rate I am required to pay by this Note from an adjustable rate with interest rate limits to the fixed rate calculated under Section 5(B) below.

The conversion can only take place on a date(s) specified by the Note Holder during the period beginning on the \_\_\_\_\_ Change Date and ending on the \_\_\_\_\_ Change Date. Each date on which my adjustable interest rate can convert to the new fixed rate is called the "Conversion Date."

If I want to exercise the Conversion Option, I must first meet certain conditions. Those conditions are that: (i) I must give the Note Holder notice that I want to do so; (ii) on the Conversion Date, I must not be in default under the Note or the Security Instrument; (iii) by a date specified by the Note Holder, I must pay the Note Holder a conversion fee of U.S. \$ 250.00; and (iv) I must sign and give the Note Holder any documents the Note Holder requires to effect the conversion.

### (B) Calculation of Fixed Rate

My new, fixed interest rate will be equal to the Federal National Mortgage Association's required net yield as of date and time of day specified by the Note Holder for (i) if the original term of this Note is greater than 15 years, 30-year fixed rate mortgages covered by applicable 60-day mandatory delivery commitments, plus five-eighths of one percentage point (0.625%), rounded to the nearest one-eighth of one percentage point (0.125%), or (ii) if the original term of the Note is 15 years or less, 15-year fixed rate mortgages covered by applicable 60-day mandatory delivery commitments, plus five-eighths of one percentage point (0.625%), rounded to the nearest one-eighth of one percentage point (0.125%). If this required net yield cannot be determined because the applicable commitments are not available, the Note Holder will determine my interest rate by using comparable information. My new rate calculated under this Section 5(B) will not be greater than the Maximum Rate stated in Section 4(D) above.

### (C) New Payment Amount and Effective Date

If I choose to exercise the Conversion Option, the Note Holder will determine the amount of the monthly payment that would be sufficient to repay the unpaid principal I am expected to owe on the Conversion Date in full on the Maturity Date at my new fixed interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment. Beginning with my first monthly payment after the Conversion Date, I will pay the new amount as my monthly payment until the Maturity Date.

## C. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

1. Until Borrower exercises the Conversion Option under the conditions stated in Section B of this Adjustable Rate Rider, Uniform Covenant 17 of the Security Instrument is amended to read as follows:

**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. Lender also shall not exercise this option if (a) Borrower causes to be submitted to Lender information required by the Lender to evaluate the intended transferee and 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 also may 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.

2. If Borrower exercises the Conversion Option under the conditions stated in Section B of this Adjustable Rate Rider, the Amendment to Uniform Covenant 17 of the Security Instrument contained in Section C1 above shall then cease to be in effect, and the provisions of Uniform Covenant 17 of the Security Instrument shall instead be in effect, as follows:

**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.

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

SABINA MORALES (Seal)  
Borrower

SANTOS SALGADO (Seal)  
Borrower

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LOAN RIDER 90535694

LOAN NO. 011873612  
DATE OCTOBER 26, 1990

THIS RIDER is incorporated into a certain Security Instrument dated of even date herewith given by the undersigned (the "Borrower") to St. Paul Federal Bank For Savings (the "Lender") to secure a mortgage indebtedness; said Security Instrument encumbers real property commonly described as:

3127 W 38TH PLACE, CHICAGO IL 60632

(PROPERTY ADDRESS)

- 1.) Borrower and Lender agree that notwithstanding anything contained in Uniform Covenant 21 of the Security Instrument, Lender is hereby authorized to charge a reasonable fee for the preparation and delivery of a release deed.
- 2.) Borrower and Lender agree that if the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation buy all or some of the Lender's rights under the Security Instrument, this Rider will no longer have any force or effect.

IN WITNESS WHEREOF, BORROWER has executed this RIDER.

Sabina Morales  
SABINA MORALES Borrower

Santos Salgado  
SANTOS SALGADO Borrower

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## ADDENDUM TO ADJUSTABLE RATE RIDER

This Addendum to Adjustable Rate Rider is made this 26TH day of OCTOBER, 1990, and is incorporated into and shall be deemed to amend and supplement the Adjustable Rate Rider (the "Rider") of the same date given by the undersigned (the "Borrower") to St. Paul Federal Bank For Savings (the "Lender"). The Rider amends and supplements the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the Borrower to secure Borrower's Adjustable Rate Note (the "Note") to the Lender.

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

### A. FIXED RATE CONVERSION OPTION.

#### 1. Option to Convert to Fixed Rate.

Section 5(A) of my Rider is amended in its entirety to read as follows:

"I have a Conversion Option that I can exercise unless I am in default or this Section 5(A) will not permit me to do so. The "Conversion Option" is my option to convert the interest rate I am required to pay by the Note from an adjustable rate with interest rate limits to the fixed rate calculated under Section 5(B) below.

The conversion can take place at any time during the term of my loan (a "Conversion Date"), and is subject to the terms and conditions established by the Note Holder and in effect on the Conversion Date.

If I want to exercise the Conversion Option, I must first meet certain conditions. These conditions are that: (i) I must give the Note Holder 15 days advance notice that I want to do so; (ii) on the Conversion Date, I must not be in default under the Note or the Security Instrument; (iii) on the Conversion Date, I must pay the Note Holder a conversion fee of US \$250.00; (iv) I must sign and give the Note Holder any documents the Note Holder requires to effect the conversion; (v) I must satisfy any conditions which may be required by the Federal National Mortgage Association as a condition to its purchasing this loan at the time of conversion, and (vi) I may have to pay an appraisal fee and prepay a portion of the principal balance of the loan under the following circumstances: If, at loan origination, the principal amount is greater than 80% of the stated value of the appraisal report obtained in connection with my loan, then a new appraisal of the property securing the loan may be required. I can not exercise the Conversion Option unless I pay an amount which is enough to reduce the amount I will be expected to owe on the Conversion Date to an amount equal to 80% of the new appraisal's stated value of the property."


#### 2. Calculation of Fixed Rate.

Section 5(B) of my Rider is amended in its entirety to read as follows:

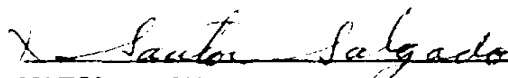
"My new, fixed interest rate will be equal to the Federal National Mortgage Association's required net yield as of a date and time of day specified by the Note Holder for (i) if the original term of the Note is greater than 15 years, 30-year fixed rate mortgages covered by applicable 60-day mandatory delivery commitments, plus a percentage ranging from five-eighths of one percentage point (0.625%) to one and one-eighth percentage points (1.125%), rounded to the nearest one-eighth of one percentage point (0.125%), depending on the amount of the unpaid principal balance I am expected to owe on the Conversion Date pursuant to the schedule below, or (ii) if the original term of the Note is 15 years or less, 15-year fixed rate mortgages covered by applicable 60 day mandatory delivery commitments, plus a percentage ranging from five-eighths of one percentage point (0.625%) to one and one-eighth percentage points (1.125%) rounded to the nearest one-eighth of one percentage point (0.125%), depending on the amount of the unpaid principal balance I am expected to owe on the Conversion Date pursuant to the following schedule:

Add.	0.625 %	for unpaid balances of up to \$187,450	
	0.875 %	for unpaid balances from \$187,451	to \$250,000
	1.125 %	for unpaid balances from \$250,001	to \$500,000

If this required net yield cannot be determined because the applicable commitments are not available, the Note Holder will determine my interest rate by using comparable information. My new rate calculated under this Section 5(B) will not be greater than the Maximum Rate stated in Section 4(D) above."

  
SABINA MORALES

(Seal)  
Borrower

  
SANTOS SALGADO

(Seal)  
Borrower