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FHA Case No 131:6465483-703 / 203B
LOAN # 00071196(0056)

State of Illinois

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on SEPTEMBER 9, 1991. The Mortgagor is DANIEL J. HAYES, HUSBAND AND WIFE, KIMBERLY L. HAYES

whose address is 21835 CLYDE AVENUE, SAUK VILLAGE, ILLINOIS 60411

("Borrower"). This Security Instrument is given to SOUTHLAND MORTGAGE CORPORATION

which is organized and existing under the laws of THE STATE OF ILLINOIS and whose address is 18110 SOUTH DIXIE HIGHWAY, HOMEWOOD, ILLINOIS 60430

("Lender"). Borrower owes Lender the principal sum of SIXTY THREE THOUSAND SEVEN HUNDRED THIRTY THREE AND 00/100

Dollars (U.S. \$ 63,733.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with interest, due and payable on OCTOBER 1, 2021.

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 6 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 6 IN BLOCK 24 IN SOUTHDALE SUBDIVISION NUMBER II, BEING A SUBDIVISION OF PART OF SECTION 25, TOWNSHIP 35 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, LYING NORTH OF SAUK TRAIL ROAD, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 29, 1958 AS DOCUMENT 17331660, IN COOK COUNTY, ILLINOIS.

TAX ID #32-25-301-024

DEPT-01 RECORDING \$15.29
T#7777 (RAN 2887 09/13/91 14:34:00
#2107 # 32-25-301-024-91-477095
COOK COUNTY RECORDER

which has the address of 21835 CLYDE AVENUE

[Street]

SAUK VILLAGE

60411

[City]

Illinois

[Zip Code]

("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.

1. Payment of Principal, Interest and Late Charge. Borrower shall pay when due the principal of and interest on, the debt evidenced by the Note and late charges due under the Note.

2. Monthly Payments of Taxes, Insurance and Other Charges. Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, an instalment of any local taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for insurance required by Paragraph 4.

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insurance and other items mentioned in Paragraph 2. Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations, then Lender may do and pay and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the property) shall promptly furnish to Lender receipts evidencing these payments.

6. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental or municipal charges and impositions that are not included in Paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request

5. Occupancy, Preservation, Maintenance and Protection of Property. Borrower's Loan Application, Leasehold, Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless the Secretary determines that the requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonably wear and tear excepted. Lender may inspect the property if the property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned Property. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender or failed to provide Lender with any material information in connection with the loan evidenced by the Note, including, but not limited to representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

4. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amount and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss payable clauses in favor of, and in form acceptable to, Lender. In the event of loss, Borrower shall give to Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in Paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in Paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entry legal title holder thereof.

3. Application of Payments. All payments under Paragraphs 1 and 2 shall be applied by Lender as follows: First, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium; Second, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required; Third, to interest due under the Note; Fourth, to amortization of the principal of the Note; Fifth, to the late charges due under the Note.

Each monthly installment for items (a), (b), and (c) shall equal one-twelfth of the annual amounts, as reasonably estimated by Lender, plus an amount sufficient to maintain an additional balance of not more than one-sixth of the estimated amounts. The full annual amount for each item shall be accumulated by Lender within a period ending one month before an item would become delinquent. Lender shall hold the amounts collected in trust to pay items (a), (b), and (c) before they become delinquent.

At any time the total of payments held by Lender for items (a), (b), and (c) together with the future monthly payments for such items payable to Lender prior to the due dates of such items, exceeds by more than one-sixth the estimated amount of payments required to pay such items when due, and if payments on the Note are current, then Lender shall either refund the excess over one-sixth of the estimated payments or credit the excess over one-sixth of the estimated payments to subsequent payments by Borrower, at the option of Borrower. If the total of the payments made by Borrower for item (a), (b), or (c) is insufficient to pay the item when due, then Borrower shall pay to Lender any amount necessary to make up the deficiency on or before the date the item becomes due.

As used in this Security Instrument, "Secretary" means the Secretary of Housing and Urban Development or his or her designee. In any year in which the Lender must pay a mortgage insurance premium to the Secretary, each monthly payment shall also include: (i) an installment of the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary. Each monthly installment of the mortgage insurance premium shall be in an amount sufficient to accumulate the full annual mortgage insurance premium with Lender one month prior to the date the full annual mortgage insurance premium is due to the Secretary, or if this Security Instrument is held by the Secretary, each monthly charge shall be in an amount equal to one-twelfth of one-half percent of the outstanding principal balance due on the Note.

If Borrower tenders to Lender the full payment of all sums secured by this Security Instrument, Borrower's account shall be credited with the balance remaining for all installments for items (a), (b), and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b), and (c).

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Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of Lender, shall be immediately due and payable.

7. 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 place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument. Delinquent amounts applied in the order provided in Paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in Paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

8. Fees. Lender may collect fees and charges authorized by the Secretary.

9. Grounds for Acceleration of Debt:

(a) **Default.** Lender may, except as limited by regulations issued by the Secretary, in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument.

(b) **Default by failing to pay in full any monthly payment** required by this Security Instrument prior to or on the due date of the next monthly payment, or

(c) **Borrower defaults by failing for a period of thirty days to perform any other obligations contained in this Security Instrument.**

(d) **Sale Without Credit Approval.** Lender shall, if permitted by applicable law and with the prior approval of the Secretary, require immediate payment in full of all sums secured by this Security Instrument if

(i) A or part of the Property, or a beneficial interest in a trust owning a or part of the Property, is sold or otherwise transferred other than by devise or descent by the Borrower, and

(ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property, but his or her credit has not been approved in accordance with the requirements of the Secretary.

(e) **No Waiver.** Circumstances occur that would permit Lender to reduce or waive the payment of the debt, but Lender does not require such payment. Lender does not waive its rights with respect to subsequent events.

(f) **Regulations of HUD, Secretary.** In any circumstances regulations issued by the Secretary, Lender's rights, in the case of payment defaults, to reduce or waive the payment of the debt, and to reduce or waive the payment of the debt, does not authorize acceptance of or recourse to the Secretary.

(g) **Mortgage Not Insured.** Borrower agrees that should this Security Instrument and the mortgage thereon not be eligible for insurance under the National Housing Act, then the Secretary shall, if permitted by applicable law, require immediate payment in full of all sums secured by this Security Instrument.

(h) **SIXTY DAYS.** If a Secretary dated subsequent to the date of the Security Instrument, a statement of any authorized agent of the Secretary dated subsequent to the date of the Security Instrument, or a statement of any authorized agent of the Secretary dated subsequent to the date of the Security Instrument, is received by Lender, then the Secretary shall, if permitted by applicable law, require immediate payment in full of all sums secured by this Security Instrument. However, Lender is not required to permit reinstatement of the mortgage if the Secretary has accepted the reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding. Reinstatement will preclude foreclosure on different grounds in the future, or the reinstatement agreement shall be void if the Secretary has accepted the reinstatement after the commencement of a current foreclosure proceeding.

10. Reinstatement. Borrower has a right to be reinstated. Lender has reduced the debt payment of the debt because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right and the reinstatement procedure are subject to the following conditions:

(a) Borrower's failure to pay an amount due under the Note or this Security Instrument, and the expenses properly associated with the reinstatement, shall be paid by Borrower. Lender shall not be required to pay the costs and reasonable attorney's fees and expenses properly associated with the reinstatement.

(b) Borrower shall be required to pay the costs and reasonable attorney's fees and expenses properly associated with the reinstatement.

(c) Borrower shall be required to pay the costs and reasonable attorney's fees and expenses properly associated with the reinstatement.

(d) Borrower shall be required to pay the costs and reasonable attorney's fees and expenses properly associated with the reinstatement.

(e) Borrower shall be required to pay the costs and reasonable attorney's fees and expenses properly associated with the reinstatement.

(f) Borrower shall be required to pay the costs and reasonable attorney's fees and expenses properly associated with the reinstatement.

(g) Borrower shall be required to pay the costs and reasonable attorney's fees and expenses properly associated with the reinstatement.

(h) Borrower shall be required to pay the costs and reasonable attorney's fees and expenses properly associated with the reinstatement.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Except for the amount of payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest, Lender shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend the time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any command 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.

12. 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 9(b). 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 under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) 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 that Borrower's consent.

13. 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 Lenders' 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.

14. 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 which can be given effect without the law, such conflict shall not affect other provisions of this Security Instrument and the Note are declared to be severable.

15. Borrower's Copy. Borrower shall be given one conformed copy of this Security Instrument.

16. Assignment of Rights. Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of any breach of any

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covenant or agreement in the Security Instrument. Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes a security assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower, (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this Paragraph 16.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the property shall terminate when the debt secured by the Security Instrument is paid in full.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows

17. Foreclosure Procedure. If Lender requires immediate payment in full under Paragraph 9, Lender may foreclose this Security Instrument by judicial proceeding and any other remedies permitted by applicable law. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument. 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 17, including, but not limited to, reasonable attorney's fees and costs of title evidence.

18. 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.

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

20. 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)]

- Condominium Rider
- Growing Equity Rider
- Planned Unit Development Rider
- Graduated Payment Rider
- Other (Specify)

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.

Daniel J. Hayes (Seal)
DANIEL J. HAYES -Borrower

Kimberly L. Hayes (Seal)
KIMBERLY L. HAYES -Borrower

____ (Seal)
____ -Borrower

____ (Seal)
____ -Borrower

STATE OF ILLINOIS Cook County ss:

The undersigned a Justice of the Peace in and for the County and State of Illinois, do hereby certify that

Daniel J. Hayes and Kimberly L. Hayes, husband and wife

I, the undersigned, being a Justice of the Peace in and for the County and State of Illinois, do hereby certify that the persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged to me that they signed, sealed, and delivered the said instrument as the free and voluntary act and deed of the said persons for the uses and purposes therein set forth.

Given under my hand and the seal of the said County and State of Illinois this 9th day of September AD 1991.

My commission expires _____

Notary Public

This instrument was prepared by: WESTAMERICA MORTGAGE COMPANY
RETURN TO: 17 WEST 635 BUTTERFIELD ROAD, SUITE 140
OAKBROOK TERRACE, IL 60181