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State of Illinois

MORTGAGE

FHA Case No.

91606485

60404255

THIS MORTGAGE ("Security Instrument") is made on

November 10, 1991

The Mortgagor is

RICHARD S JOHN CHARLES, AND LOUISNETTE K JOHN CHARLES, HIS WIFE

whose address is

1729 N MCVICKER AVE CHICAGO, IL 60639

MARGARETTEN & COMPANY, INC.

("Borrower"). This Security Instrument is given to

which is organized and existing under the laws of

the State of New Jersey

and whose

address is One Ponson Road, Iselin, New Jersey, 08830

("Lender"). Borrower owes Lender the principal sum of

Ninety-two thousand, four hundred thirty-three and 00/100 Dollars (U.S. \$ 92,433.00).

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 December 1st, 1991.

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 18 IN BLOCK 1 IN MILLS AND SONS RESUBDIVISION OF SUNDRY LOTS IN BLOCKS 1, 2, 11 AND 12 IN GALE AND WELCH'S RESUBDIVISION OF BLOCKS 27 TO 30 LOTS 4 TO 12 IN BLOCK 31 AND ALL OF BLOCKS 47 TO 50 IN A. GALE'S SUB OF THE SOUTH EAST 1/4 OF SECTION 31 AND THE SOUTH WEST 1/4 OF SECTION 32 TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.
PIN# 13-02-004 010-0000

\$ 17.00

1991 NOV 10 PM 4:13

91606485

which has the address of

1729 N MCVICKER AVE CHICAGO, IL 60639

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.

MA YALOW 7316810 92

Property of Cook County Clerk's Office

91606485

at _____ o'clock _____ m., and duly recorded in Book _____ of _____ Page _____

County, Illinois, on the _____ day of _____

Filed for Record in the Recorder's Office of _____

DOC. NO. _____

MARGARETTEN & COMPANY, INC.
625 NORTH COURT, 3RD FLOOR
PALATINE, IL 60067

MARGARETTEN & COMPANY INC
625 NORTH CT
PALATINE IL 60067

My Commission Expires _____
Notary Public
This instrument was prepared by _____

OFFICIAL SEAL
Diedre Mathews
Notary Public, State of Illinois
Cook County
Commission Expires 12/7/94
MAIL TO:

Richard S. John Charles
Notary Public

Given under my hand and official seal, this _____ day of _____ 1994
for the uses and purposes therein set forth.
personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that (he, she, they) signed and delivered the said instrument as (him, her, their) free and voluntary act,

I, the undersigned, a Notary Public in and for said county and state do hereby certify that
RICHARD S JOHN CHARLES, AND LOUISNETTE K JOHN CHARLES, HIS WIFE

Cook COUNTY ILL.

STATE OF ILLINOIS

Richard S. John Charles
Richard S John Charles-Borrower
Louissette K John Charles
LOUISNETTE K JOHN CHARLES, HIS WIFE-Borrower

Witnesses:

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

SEE ADJUSTABLE RATE RIDER

- 17. Foreclosure Procedure: 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 attorneys' fees and cost 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 rights 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.

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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 convenience 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, first to any 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 3, or change the amount of such payments. Any excess proceeds or 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 default, require immediate payment in full of all amounts due under this Security Instrument.

- (i) Borrower defaults by failing to pay, or causing another person to fail to pay, any amount due under this Security Instrument on the due date of the next monthly payment; or
(ii) Borrower defaults by failing to pay a principal sum of \$100 or more, or a sum equal to the percentage stated in the Security Instrument.

(b) **Sale Without Credit Approval.** Lender may, except as limited by regulations issued by the Secretary, require immediate payment in full of all amounts due under this Security Instrument if:

- (i) All or part of the Property, or a beneficial interest therein, is sold, conveyed, transferred, or otherwise disposed of, or the Property is sold or otherwise transferred (other than by lease or deed) to a third party; and
(ii) The property is not occupied by the purchaser or transferee, or the purchaser or transferee does not occupy the Property, but instead holds title to the property in trust for the benefit of the Secretary.

(c) **No Waiver.** If a requirement herein that a borrower or transferee occupy the Property is waived, the Secretary does not require such payments. Lender does not waive a requirement herein that a borrower or transferee occupy the Property.

(d) **Regulations of the Secretary.** In many instances, the regulations issued by the Secretary do not require immediate payment in full of all amounts due under this Security Instrument. Lender shall not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) **Mortgage Not Insured.** Borrower agrees that should this Security Instrument be subject to the provisions of the National Housing Act within 60 days of the date of the recording of this Security Instrument, and notwithstanding anything in Paragraph 9, require immediate payment in full of all amounts due under this Security Instrument. A written statement of any authorized agent of the Secretary, dated on or after the date of the recording of this Security Instrument, declining to insure this Security Instrument and the note secured thereby, shall be deemed to constitute a determination of ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender unless the mortgage insurance is solely due to Lender's failure to obtain a mortgage insurance premium for the Security Instrument.

10. **Reinstatement.** Borrower has a right to be reinstated if Lender has required immediate payment in full of all amounts due under the Note and this Security Instrument. This right applies whether or not proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts due under the Note and this Security Instrument, including interest, together with reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceedings, and the principal amount due under the Note and this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement within the commencement of foreclosure proceedings within two years immediately preceding the commencement of a court foreclosure proceeding; (ii) a court judgment or order has been entered in the future or in reinstatement proceedings will adversely affect the priority of the debt secured by this Security Instrument.

11. **Borrower not Released, Forbearance by Lender not a Waiver.** Extension of the time of payment or a delay in the commencement of the proceedings 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 surety or interest. Lender shall not be required to commence proceedings against a successor in interest or to extend or refuse to extend time for payment or otherwise modify any obligation of the sums secured by this Security Instrument as a condition of any demand made by the original Borrower or Borrower's surety or 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 all successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 10. Borrower's covenant as a principal shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note (a) is not bound by the terms of this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of the Note, and (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender or its agent may agree to extend, modify, alter or make any amendments with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. **Notices.** Any notice to Borrower under this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires 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 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 if the notice is 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 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.

15. **Borrower's Copy.** Borrower shall be given a copy of this Security Instrument.

16. **Assignment of Rents.** Borrower unconditionally assigns to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues of the Property and to disburse each amount of the Property to pay the debt to Lender or Lender's agents. However, prior to Lender's commencement of proceedings against Borrower for breach of any covenant or agreement in the Security Instrument, Borrower shall collect and retain the rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment, not a mere 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 a trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall collect the rents and revenues of the Property, and each tenant of the Property shall pay all rents due and owing 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 assignment 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.

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ILLINOIS REAL ESTATE
MAR-1201 PAGE 2 OF 4 (REV. 7/01)
MAR-1201 (REV. 3/00)

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

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 installment of any (a) 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.

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.

If at any time the total of the 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 instead of a mortgage insurance premium if this Security Instrument is held by the Secretary, or (ii) a monthly charge instead of an installment of the annual mortgage insurance premium to be paid by Lender to the Secretary, or (iii) a monthly charge of a 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 elects 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 been 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).

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 late charges due under the Note.

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 also insures all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give 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, in the order in Paragraph 3, and then to payment 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 entity legally entitled thereto.

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.

5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this 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 cause under hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lenders of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable 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 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 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.

6. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental or municipal charges, fines 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 Borrower promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by Paragraph 2, or fails to perform any other 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, for condemnation or to enforce laws or regulations), then Lender may do and pay insurance and other items mentioned in Paragraph 2 to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard 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 the Lender, shall be immediately due and payable.

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ADJUSTABLE RATE RIDER

31-5541535-729
60404253

THIS ADJUSTABLE RATE RIDER is made this 4th day of November, 1991, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to Margaretten & Company, Inc., a corporation organized and existing under the laws of the State of New Jersey (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

1729 N MCVICKER AVE., CHICAGO, IL 60639

(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 INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

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

1. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Date

The interest rate may change on the first day of April, 1993, and on that day of each succeeding year. "Change Date" means each date on which the interest rate could change.

(B) The Index

Beginning with the first Change Date, the interest rate will be based on an Index. "Index" means 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. "Current Index" means the most recent Index figure available 30 days before the Change Date. If the Index (as defined above) is no longer available, Lender will use as a new Index any index prescribed by the Secretary (as defined in Paragraph 7(B)). Lender will give Borrower notice of the new Index.

(C) Calculation of Interest Rate Change

Before each Change Date, Lender will calculate a new interest rate by adding a margin of Two Per Centum percentage points (2 %) to the Current Index and rounding the sum to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Paragraph 5(D) of this Note, this rounded amount will be the new interest rate until the next Change Date.

(D) Limits on Interest Rate Changes

The interest rate will never increase or decrease by more than one percentage point (1.0%) on any single Change Date. The interest rate will never be more than five percentage points (5.0%) higher or lower than the initial interest rate stated in Paragraph 2 of this Note.

(E) Calculation of Payment Change

If the interest rate changes on a Change Date, Lender will calculate the amount of monthly payment of principal and interest which would be necessary to repay the unpaid principal balance in full at the maturity date at the new interest rate through substantially equal payments. In making such calculation, Lender will use the unpaid principal balance which would be owed on the Change Date if there had been no default in payment on the Note, reduced by the amount of any prepayments to principal. The result of this calculation will be the amount of the new monthly payment of principal and interest.

(F) Notice of Changes

Lender will give notice to Borrower of any change in the interest rate and monthly payment amount. The notice must be given at least 25 days before the new monthly payment amount is due, and must set forth (i) the date of the notice, (ii) the Change Date, (iii) the old interest rate, (iv) the new interest rate, (v) the new monthly payment amount, (vi) the Current Index and the date it was published, (vii) the method of calculating the change in monthly payment amount, and (viii) any other information which may be required by law from time to time.

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FHA ADJUSTABLE RATE RIDER
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Property of Cook County Clerk's Office

LOUISNETTE K JOHN CHARLES
Louissette K. John Charles
RICHARD S JOHN CHARLES
Richard S. John Charles

WITNESSES

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

(G) Effective Date of Changes
A new interest rate calculated in accordance with Paragraphs 5(C) and 5(D) of this Note will become effective on the Change Date. Borrower shall make a payment in the new monthly amount beginning on the first payment date which occurs at least 25 days after Lender has given Borrower the notice of changes required by Paragraph 5(F) of this Note. Borrower shall have no obligation to pay any increase in the monthly payment amount calculated in accordance with Paragraph 5(E) of this Note for any payment date occurring less than 25 days after Lender has given the required notice. If the monthly payment amount calculated in accordance with Paragraph 5(E) of this Note decreased, but Lender failed to give timely notice of the decrease and Borrower made any monthly payment amounts exceeding the payment amount which should have been stated in a timely notice, then Borrower has the option to either (i) demand the return to Borrower of any excess payment, with interest thereon at the Note rate (a rate equal to the interest rate which should have been stated in a timely notice), or (ii) request that any excess payment, with interest thereon at the Note rate, be applied as payment of principal. Lender's obligation to return any excess payment with interest on demand is not assignable even if this Note is otherwise assigned before the demand for return is made.