

91222544 2 5

(Space Above This Line for Recording Data)

5125490

M

MORTGAGE

FHA Case No 131:6318237-703

State of Illinois

THIS MORTGAGE ("Security Instrument") is made on MAY 6, 1991. The Mortgagor is MICHAEL A. SCHULTZ, DIVORCED NOT SINCE REMARRIED

whose address is 2227 WEST 220TH STREET, SAUK VILLAGE, ILLINOIS 60411

This Security Instrument is given to UNITED SAVINGS ASSN OF THE SOUTHWEST FSB which is organized and existing under the laws of UNITED STATES OF AMERICA and whose address is 1301 NORTH BASSWOOD-4TH FLOOR, SCHAUMBURG, ILLINOIS 60173

Borrower owes Lender the principal sum of FIFTY FIVE THOUSAND SIX HUNDRED EIGHTY EIGHT AND 00/100 Dollars (U.S. \$ 55,688.00). 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 JUNE 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 8 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 161 IN INDIAN HILL SUBDIVISION UNIT NUMBER 1, BEING A SUBDIVISION OF PART OF THE EAST 3/4 OF THE SOUTH 1/2 OF SECTION 25, TOWNSHIP 35 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF SAUK TRAIL ROAD, ACCORDING TO THE PLAT OF SAID SUBDIVISION RECORDED MAY 28, 1957 AS DOCUMENT 16916761, BOOK 493 OF PLATS, PAGE 49, IN COOK COUNTY, ILLINOIS.

DEPT-01 RECORDING \$15.29
T#6666 TRAN 3488 05/10/91 10146100
05536 # *-91-222544
COOK COUNTY RECORDER

32-25-409-027

which has the address of 2227 WEST 220TH STREET, SAUK VILLAGE Illinois 60411 (Street City) (Zip Code) ("Property Address")

HSND

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 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.

Borrower(s) Initials M A S VMP 40 (IL) (9001)

91222544

1529

Borrower's Initials M.A.S.

Security Instrument
(III) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this
due date of the next monthly payment, or
(III) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the
immediate payment in full of all sums secured by this Security Instrument if:

(A) DEFAULT. Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require
B. FEES. Lender may collect fees and charges authorized by the Secretary.
C. GROUNDS FOR ACCELERATION OF DEBT.
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.

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. 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 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.

6. CHANGES 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 shall 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 whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes,
hazard insurance and other items mentioned in Paragraph 2.
Any amounts disbursed by Lender under this Paragraph shall bear interest from the date of disbursement, at the Note rate, and at the option of
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.

5. PRESERVATION AND MAINTENANCE OF THE PROPERTY, LEASEHOLDS. 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 lot, leasehold, or other interest in the Property is in
and preserve such vacant or abandoned property, 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.

4. FIRE, FLOOD AND OTHER HAZARD INSURANCE. Borrower shall insure all improvements on the Property, whether now
existence or subsequently created, against any hazards, casualties, and contingencies, including fire, for which Lender requires
insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure
all improvements on the Property, whether now in existence or subsequently created, 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, 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 entity legally
entitled thereto.

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, unless Borrower paid the entire mortgage insurance premium when this
Security Instrument was signed;
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 principal of the Note;
Fifth, to late charges due under the Note.

As used in this Security Instrument, "Secretary" means the Secretary of Housing and Urban Development or his or her
designee. Most Security Instruments insured by the Secretary are insured under programs which require advance payment of the
entire mortgage insurance premium. If this Security Instrument is or was insured under a program which did not require advance
payment of the entire mortgage insurance premium, then each monthly payment shall also include either: (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).

11-22-54

(B) **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 the sums secured by this Security Instrument if

- (i) All or part of the Property is otherwise transferred (other than by devise, descent) by the Borrower, and
- (ii) The Property is not occupied by the purchaser or grantee as his or her primary 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.

(C) **NO WAIVER.** If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

(D) **REGULATIONS OF HUD SECRETARY.** In many circumstances regulations issued by the Secretary will limit Lender's rights in the case of payment defaults to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

10. **REINSTATEMENT.** Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, 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 after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

11. **BORROWER NOT RELEASED; FORBEARANCE BY LENDER NOT A WAIVER.** Extension of the time of 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 successor 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.

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 term 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 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 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 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 one conformed copy of this Security Instrument.

16. **ASSIGNMENT OF RENTS.** 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 rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any 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 an absolute 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. 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 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.



RECORD AND RETURN TO: UNITED SAVINGS ASSN OF THE SOUTHWEST FSB
1301 NORTH BASSWOOD-4TH FLOOR
SCHAUMBURG, ILLINOIS 60173

This instrument was prepared by: DEBORAH DOWNING
SCHAUMBURG, IL 60173

My Commission expires:

Notary Public
The State of Illinois
My Commission Expires

Notary Public

Given under my hand and official seal, this

day of

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 signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.
I, MICHAEL A. SCHULTZ, DIVORCED NOT SINCE REMARRIED, a Notary Public in and for said county and state do hereby certify that

STATE OF ILLINOIS,

County as:

Borrower

Borrower

Borrower

Borrower

MICHAEL A. SCHULTZ
Michael A. Schultz

Witness:

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

- Condominium Rider
- Adjustable Rate Rider
- Growing Equity Rider
- Other
- Graduated Payment Rider
- Planned Unit Development Rider

ACCELERATION CLAUSE. Borrower agrees that should this Security Instrument and the note secured thereby not be eligible for insurance under the National Housing Act within 240 DAYS from the date hereof, Lender may, at its option and notwithstanding anything in Paragraph 8, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 240 DAYS from the date hereof, declining to insure this Security Instrument and the note secured thereby, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the secretary.

RIDERS TO THIS SECURITY INSTRUMENT. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants 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 in a part of this Security Instrument. (check applicable boxes)

Property of Cook County Clerk's Office

514