

# UNOFFICIAL COPY

State of Illinois

## MORTGAGE

FHA Case No.

1316869160703

60904021

92884156

THIS MORTGAGE ("Security Instrument") is made on  
The Mortgagor is  
IGNACIO VALDEZ, AND TERESA VALDEZ, , HIS WIFE

November 6th, 1992

whose address is

1316 W FARWELL AVE CHICAGO, IL 60626

MARGARETTEN & COMPANY, INC.

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

which is organized and existing under the laws of  
address is

the State of New Jersey  
One Ronson Road, Iselin, New Jersey, 08830

, and whose

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

One Hundred Twenty-Four Thousand, Two Hundred Sixty-Nine and 00/100  
Dollars (U.S. \$ 124,269.00 ). 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, 2022. 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 1 IN THE SUBDIVISION OF LOTS 8 AND 9 IN BLOCK 2 OF  
L. E. INGALL'S SUBDIVISION OF BLOCKS 5 AND 6 OF CIRCUIT  
COURT PARTITION OF THE EAST 1/2 OF THE NORTHWEST 1/4  
AND THE NORTHEAST FRACTIONAL 1/4 OF SECTION 32, TOWNSHIP  
41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN,  
IN COOK COUNTY, ILLINOIS.  
PIN #11-32-118-010-0000

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DEPT-01 RECORDINGS \$27.50  
92888 TRAM 4529 11/24/92 14:00:00  
4557 \* -92-884166  
COOK COUNTY RECORDER

which has the address of

1316 W FARWELL AVE CHICAGO, IL 60626

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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.



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ILLINOIS MIA MORTGAGE  
MAR-1201 PAGE 4 OF 4 (Rev 7/91)  
MORTGAGE MIA-1201 (Rev 7/91)

at \_\_\_\_\_ o'clock \_\_\_\_\_ m., and duly recorded in Book \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ day of \_\_\_\_\_ County, Illinois, on the \_\_\_\_\_

Filed for Record in the Recorder's Office of \_\_\_\_\_

DOC. NO. \_\_\_\_\_

ISELIN, NJ 08830

1 RONSON ROAD

MARGARETTEN & COMPANY, INC.

PALATINE IL 60067

MARGARETTEN & COMPANY INC

This instrument was prepared by:

**MAIL TO:**

My Commission expires \_\_\_\_\_  
Andrew James  
Notary Public, State of Illinois  
My Commission Expires \_\_\_\_\_  
Public

I, the undersigned, a Notary Public in and for said county and state do hereby certify that  
IGNACIO VALDEZ, AND TERESA VALDEZ, HIS WIFE  
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 (his, her, their) free and voluntary act,  
for the use and purposes therein set forth.  
Given under my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_, 1992

STATE OF ILLINOIS,

COUNTY AS \_\_\_\_\_

Book \_\_\_\_\_

\_\_\_\_\_  
-Borrower

\_\_\_\_\_  
-Borrower

TERESA VALDEZ, HIS WIFE-Borrower

*Teresa Valdez*

IGNACIO VALDEZ-Borrower

*Ignacio Valdez*

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.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:  
17. Foreclosure Procedures: 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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**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 with the principal and interest as set forth in the Note and this Security Instrument, together with any late charges, penalties, interest, and special assessments levied or to be levied against the Property, (b) household expenses or ground rents in the Property, and (c) premiums for insurance required by Paragraph 4.

Each monthly installment for items (a), (b) and (c) shall equal the amount of the annual amount, as reasonably estimated by Lender, divided by 12, plus the amount of any additional taxes or other charges which may be levied against the Property. The full amount of the installment shall be paid to Lender within a month ending one month before an item would become delinquent. Lender shall have the right to collect in full for any item (a), (b) and (c) before they become delinquent.

If at any time the total amount of payments made by Lender exceeds by more than one-sixth the estimated amount of the debt, Lender shall either refund the excess to the Borrower or credit the excess to the estimated amount of the debt. If the total of the payments made by Borrower for item (a), (b) or (c) is insufficient to pay the amount of the debt, Lender shall pay the deficiency on or before the date the item becomes due.

As used in this Security Instrument, "Security Instrument" means the Security Instrument of Housing and Urban Development or his or her designee. It also includes any mortgage insurance premium to 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 at any time the full payment of all items 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 has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Lender shall not be obligated to pay to the Secretary, or to the Property or its acquisition by Lender, Borrower's account shall be credited with any advance remaining for all items secured by this Security Instrument.

**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 in full 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 maintenance of the ground of the Note; Fifth, to any other charges due under the Note.

**4. Tax, Flood and Other Hazard Insurance.** Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, perils and contingencies, including fire, for which Lender requires insurance. The insurance shall be maintained in the amount and for the period that Lender requires. Borrower shall also insure 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 clause in favor of Lender, 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 each 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 as the order in Paragraph 2, and then to principal of the mortgage, or (b) to the payment 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; Leasehold.** 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 this requirement will cause undue hardship for Borrower, or unless extraordinary circumstances exist which are beyond Borrower's control. Borrower shall notify Lender of any extraordinary circumstances, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loss 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 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 by title to the Property, the leasehold and the title shall not be merged unless Lender agrees to the merger in writing.

**6. Changes to Borrower and Protection of Lender's Rights in the Property.** Borrower shall pay all governmental or municipal charges, taxes and improvements that are assessed against the Property. 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 provide 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 adversely affect Lender's rights in the Property (such as a foreclosure in bankruptcy, for condemnation or to enforce a lease or easement), 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 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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**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.

**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 if:

- (i) Borrower defaults 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
- (ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

(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 sums secured by this Security Instrument if:

- (i) All or part of the Property, or a beneficial interest in a trust owning all 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.

(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.

(e) **Mortgage Not Insured.** Borrower agrees that should this Security Instrument and the note secured thereby not be eligible for insurance under the National Housing Act within 60 days from the date hereof, Lender may, at its option and notwithstanding anything in Paragraph 9, 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 60 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.

**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 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 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 the 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.

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