

# UNOFFICIAL COPY

State of Illinois

MORTGAGE

FHA Case No.  
1316582062729

92037703

504 14 37 3

THIS MORTGAGE ("Security Instrument") is made on  
The Mortgagor is  
JORGE A TOVAR, MARRIED AND MARICELLA PINOZZI, SPINSTER

92037703

whose address is

MARJAKE PINOZZI, S. LINCOLN, ILL.

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

which is organized and existing under the laws of  
address is

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

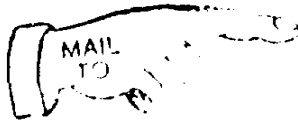
Dollars (U.S. \$

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 [REDACTED]. 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

County, Illinois:

LOT 12 IN BLOCK 12 OF SUBDIVISION 12, WALKER'S ADDITION TO THE CITY OF CHICAGO, TOWNSHIP 40 NORTH, RANGE 14 WEST, MERIDIAN, IN DEKALB COUNTY, ILLINOIS  
PIN# 13-14-303-009-000

BOX 260



which has the address of

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 PIA MORTGAGE  
MAR-1201 PAGE 4 OF 4 (REV 7/91)  
Replaces MAR-1201 (REV 3/90)

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

**MAIL TO:**



*[Signature]*  
Notary Public

This instrument was prepared by: \_\_\_\_\_

My Commission expires: \_\_\_\_\_

Given under my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_ 1993

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 they, she, they, signed and delivered the said instrument as their, her, their, free and voluntary act.

I, the undersigned, a Notary Public in and for said county and state do hereby certify that \_\_\_\_\_

STATE OF ILLINOIS, COUNTY OF COOK

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*[Signature]*  
-----

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

Witnesses: \_\_\_\_\_

SEE ADJUSTABLE RATE RIDE

- 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 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 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 article 1 hereof, an installment of any (a) taxes and special assessment levied or to be levied against the Property, (b) leasehold payments or ground rent 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 reserve fund in excess of one-sixth of the estimated amount. The full annual amount for each item shall be accumulated by Lender and paid ending one month before an item would become delinquent. Lender shall hold the amounts collected in trust to pay a delinquent item or items 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 payment for such items payable to Lender prior to the due date of a payment, exceeds by more than one-sixth the estimated amount of payments required to pay such items when due, and if payments by 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 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 YIELDER. The Secretary. Each monthly installment of the mortgage insurance premium shall be an amount with interest on the unpaid mortgage insurance premium with Lender one month prior to the date the full annual mortgage insurance premium is due to the Secretary of this Security Instrument is held by the Secretary, each monthly charge shall be an amount sufficient to pay one-sixth of one percent of the outstanding principal balance due on the Note.

If Borrower tenders or for the full payment of all items due under this Security Instrument, Borrower's account shall be credited with the balance remaining for all installments due, taxes, interest 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 foreclosing sale of the Property or acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments due under this Security Instrument.

3. **Application of Payments.** All payments under Paragraph 2 and 3 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 assessment, 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, with a new extension or substantial improvement, with fire, flood and other hazard insurance, including theft, which Lender requires. This insurance shall be maintained until the improvements are destroyed, abandoned, or otherwise disposed of. Borrower shall also maintain all improvements on the Property, with a new extension or substantial improvement, with fire, flood and other hazard insurance required by the Secretary. All insurance shall be arranged and maintained by Borrower. The nature, type, policy and any renewal shall be held by Lender and shall not be provided to Borrower. Lender may make periodic audits of the insurance, including any renewal, to verify compliance with the requirements of this Paragraph 4.

In the event of loss, Borrower shall make the claim promptly and Lender may make periodic audits of the claim, if not made promptly by Borrower. Each insurance company shall be named as an insured party in the insurance policy. If the claim is not made promptly by Borrower, Lender may, at its option, pay the claim on behalf of Borrower and its heirs, assigns and assigns in law. All insurance proceeds shall be applied by Lender, at its option, either (a) to the reduction of the indebtedness and any late charges or interest due on the Note, or (b) to the payment of any delinquent amount applied in the order in Paragraph 3, and then to pay any other amounts due on the Note, in the order in Paragraph 3. Any application of the proceeds of the proceeds shall not constitute a discharge of the indebtedness of the Property. Any application of the proceeds of the proceeds shall not constitute a discharge of the indebtedness of the Property. Any application of the proceeds of the proceeds shall not constitute a discharge of the indebtedness of the Property. Any application of the proceeds of the proceeds shall not constitute a discharge of the indebtedness of the Property.

In the event of foreclosure of this Security Instrument, the proceeds of the insurance shall be applied to the indebtedness, in full, with all right, title and interest of Borrower in and to the Property.

5. **Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.**

Borrower shall occupy, establish, and use the Property as a single-family residence and shall, within sixty days after the execution of this Security Instrument, cause the Property to be appraised and the appraiser to file a report with Lender. At least one year after the date of occupancy, and at the Secretary's request, the appraiser shall appraise the Property and report to Lender, or, unless extenuating circumstances exist which have been approved by Lender, Lender may, at its option, require an appraisal of the Property by an independent appraiser. Borrower shall not commit waste or destroy, damage, or substantially damage the Property or allow the Property to deteriorate, reasonably wear and tear excepted. Lender may inspect the Property at any time for wear and tear or substantial damage. If Lender is in default, Lender may take reasonable action to protect and preserve the value of the Property. Borrower shall also be liable for any damage to the Property during the loan application process. Borrower shall maintain the Property in good condition and shall, at all times, maintain the Property in good condition. Lender, with any maintenance or repair work on the Property, shall not be limited to representation concerning Borrower's compliance with the provisions of this Paragraph 5. If Borrower is a party to a lease of 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, taxes and liens and all other obligations which are assessed against the Property. Borrower shall pay these obligations on time due to the entity which is owed the payment. Borrower shall pay to Lender, upon Lender's request, all payments due to Lender's interest in the Property, upon Lender's request. Borrower shall promptly reimburse Lender for all payments made by Lender on behalf of Borrower.

If Borrower fails to make these payments or the payments required by Paragraph 6 or fails to perform any other obligations and agreements contained in this Security Instrument, then Lender shall be permitted to take any action that may lawfully affect Lender's rights in the Property (such as a proceeding in bankruptcy or a proceeding to enforce a lien or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's interest in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 4.

Any amounts disbursed by Lender under this Paragraph shall be an amount in addition to that 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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PROPERTY OF COOK COUNTY CLERK'S OFFICE

9. Grounds for Acceleration of Debt. Lender may collect fees and charges authorized by the Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument. Any application of the proceeds to the principal shall not extend or postpone the due date of any monthly payments, which are referred to in Paragraph 7. Lender and this Security Instrument shall be paid to the lender by the date of payment of such payments. Any excess payments shall be applied to the principal in the order provided in Paragraph 7 and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of any monthly payments, which are referred to in Paragraph 7, or change the amount of such payments. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument.

8. Fees. Lender may collect fees and charges authorized by the Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument. Any application of the proceeds to the principal shall not extend or postpone the due date of any monthly payments, which are referred to in Paragraph 7. Lender and this Security Instrument shall be paid to the lender by the date of payment of such payments. Any excess payments shall be applied to the principal in the order provided in Paragraph 7 and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of any monthly payments, which are referred to in Paragraph 7, or change the amount of such payments. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument.

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 the proceeds in place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness secured by the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument.

(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. 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. 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) Failure to Pay. 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. 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. 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.

(c) No Waiver. If any instrument or document in connection with this loan contains any provision that purports to waive, limit or modify the obligations of the Borrower under this Security Instrument, the same shall be null and void. Lender shall not be bound by any such instrument or document. Lender shall not be bound by any such instrument or document. Lender shall not be bound by any such instrument or document.

(d) Regulatory (H.D) Secretary. In the event that the Secretary of the State shall issue any regulation, order or rule, which shall be binding upon the Borrower, the Borrower shall comply with such regulation, order or rule. Lender shall not be bound by any such regulation, order or rule. Lender shall not be bound by any such regulation, order or rule. Lender shall not be bound by any such regulation, order or rule.

(e) Mortgage Not Insured. The amount of any proceeds of an insurance policy covering the Property shall be paid to Lender to the extent of the full amount of the indebtedness secured by the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument.

(f) Mortgage Not Insured. The amount of any proceeds of an insurance policy covering the Property shall be paid to Lender to the extent of the full amount of the indebtedness secured by the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness as it deems proper under the Security Instrument.

(g) Notwithstanding anything to the contrary hereof, Lender may, at its option and notwithstanding anything to the contrary hereof, require immediate payment in full of all sums secured by this Security Instrument. Lender may, at its option and notwithstanding anything to the contrary hereof, require immediate payment in full of all sums secured by this Security Instrument. Lender may, at its option and notwithstanding anything to the contrary hereof, require immediate payment in full of all sums secured by this Security Instrument.

(h) Written Statement. A written statement of any authorized agent of the Secretary shall be deemed conclusive proof of such matters. Lender shall not be bound by any such statement. Lender shall not be bound by any such statement. Lender shall not be bound by any such statement.

(i) Notice. 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. 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. 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.

(j) Successors and Assigns Bound. Lender shall be bound by the obligations of the Borrower and its successors and assigns. Lender shall not be bound by any such obligations. Lender shall not be bound by any such obligations. Lender shall not be bound by any such obligations.

(k) Remedies. 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. 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. 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.

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## ADJUSTABLE RATE RIDER

101-6543052-129  
6049434

THIS ADJUSTABLE RATE RIDER is made this \_\_\_\_\_ day of January, 1997, 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:

4131 N. RIDGEWAY, CHIEF ABLE, NJ 07033  
(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 \_\_\_\_\_, 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 Changes

Before each Change Date, Lender will calculate a new interest rate by adding a margin of \_\_\_\_\_ percentage points (\_\_\_\_\_% ) 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  
MAR 7304 PAGE 2 OF 2 (2/79)



Property of Cook County Clerk's Office

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MARTIN L. ROYAL  
MARTIN L. ROYAL

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-----  
JOHN A. ROYAL  
JOHN A. ROYAL  
John A. Royal  
John A. Royal  
John A. Royal

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-----  
WITNESS  
WITNESS

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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 amount 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.