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PREPARED BY:  
FLORENCE FRANCO  
CHICAGO, IL 60604

**UNOFFICIAL COPY**

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RECORD AND RETURN TO:  
CITIBANK, FEDERAL SAVINGS BANK  
BOX 165

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# MORTGAGE

010073127

THIS MORTGAGE ("Security Instrument") is given on MARCH 26, 1992. The mortgagor is WALTER J. LONCALA AND CHRISTINE LONCALA, HIS WIFE.

(Borrower). This Security Instrument is given to CITIBANK, FEDERAL SAVINGS BANK, which is organized and existing under the laws of UNITED STATES OF AMERICA, and whose address is 1 SOUTH LEARHORN, CHICAGO, ILLINOIS 60604 (Lender). Borrower owes Lender the principal sum of TWENTY THOUSAND AND 00/100

Dollars (U.S. \$ 20,000.00). 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 APRIL 1, 2007. This Security Instrument secures to Lender (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note, (b) the payment of all other sums, with interest, advanced under paragraph 7 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 3 IN BLOCK 3 IN SECOND ADDITION TO JH BARTLETT'S 6RD STREET INDUSTRIAL DISTRICT IN EAST HALF (E 1/2) OF SOUTH EAST QUARTER (SE 1/4) OF SECTION 18, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

3/1/92

19-18-426-020

which has the address of 6206 SOUTH NEENAH CHICAGO, Illinois 60648

(Property Address)

TOGETHER WITH all the improvements or hereafter erected on the property, and all easements, appurtenances, and 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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3. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; and any sums payable by Borrower to Lender in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. CHARGES; LIENS. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Lender's and Borrower's covenants and agreements under this paragraph 2 are subject to applicable state and federal law.

5. ESCROW ACCOUNT. The Funds in the Escrow Account are pledged to Lender as additional security for all sums secured by this Security Instrument. Upon payment in full of all sums secured by this Security Instrument, Lender shall refund to Borrower any Funds held by Lender. Such refund shall be made within 30 days of Borrower's payment of all sums secured by this Security Instrument. If, under paragraph 2, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

6. LENDER'S OBLIGATIONS. Lender shall apply the Funds to pay the Escrow items when due. Lender shall give to Borrower an annual accounting of the Escrow Account, showing credits and debits to the Escrow Account and the purpose for which each debit from the Escrow Account was made. The Funds in the Escrow Account are pledged to Lender as additional security for all sums secured by this Security Instrument. Upon payment in full of all sums secured by this Security Instrument, Lender shall refund to Borrower any Funds held by Lender. Such refund shall be made within 30 days of Borrower's payment of all sums secured by this Security Instrument. If, under paragraph 2, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

7. ANALYSIS OF FUNDS. Lender shall analyze the Escrow Account to determine the adequacy of the monthly Funds being collected for each Escrow item, at its option Lender may analyze the Escrow Account more frequently. Lender shall estimate the amount of Funds needed in the Escrow Account to pay future Escrow items when due, including anticipated disbursement dates for each Escrow item; (iii) reasonable estimates of expenditures of future Escrow items; (iv) the time interval between disbursements for each Escrow item; and (v) the amount of Funds in the Escrow Account for each Escrow item at the time Lender analyzes the Escrow Account. Lender and Borrower agree that Lender's estimate of the amount of Funds needed in the Escrow Account is an approximate calculation. At any time if the amount of Funds in the Escrow Account for each Escrow item will not be sufficient to pay each Escrow item when due, Lender may notify Borrower in writing and may require Borrower to pay Lender the amount of the deficiency. Borrower shall be in default if, after receipt of notice from Lender, Borrower fails to timely pay Lender the amount of the deficiency. At Lender's sole discretion, Borrower may repay any deficiency in no more than 12 monthly payments. If Lender's Escrow Account analysis indicates that the Funds in the Escrow Account for each Escrow item exceed the amount Lender estimates is needed to pay each future Escrow item when due, Lender shall refund any such excess to Borrower within 30 days of the Escrow Account analysis. In addition to the Funds estimated as described above, and to ensure that the Funds in the Escrow Account will be sufficient to pay Escrow items when due, Lender may require Borrower to maintain in the Escrow Account an additional balance of Funds not to exceed 2 monthly escrow payments.

2. FUNDS FOR TAXES AND INSURANCE. Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to Lender's estimate, as described below, of: (a) one-twelfth of each type of yearly taxes and assessments which may attain priority over this Security Instrument; (b) one-twelfth of the yearly leasehold payments or ground rents on the Property, if any; (c) one-twelfth of the yearly hazard or property insurance premiums, if any; (e) one-twelfth of the yearly mortgage insurance premiums, if any; and (f) one-twelfth of any similar items which are commonly paid by borrowers to lenders, whether now or in the future, in connection with a secured debt. The items described in (a) - (f) are called "Escrow items".

The Funds shall be placed in an account ("Escrow Account") at an institution whose deposits are insured by a federal agency, instrumentally, or entity (including Lender, if Lender is such an institution) or at any Federal Home Loan Bank. Lender may charge Borrower for holding and applying the Funds, analyzing the Escrow Account and verifying the Escrow items, and Lender may require Borrower to pay a one-time charge to establish a real estate tax reporting service used or provided by Lender in connection with this loan. Lender shall not be required to pay Borrower any interest or earnings on the Funds.

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

1. PAYMENT OF PRINCIPAL AND INTEREST, PREPAYMENT AND LATE CHARGES. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located.

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Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower (a) agrees in writing to the payment of the obligations secured by the lien in a manner acceptable to Lender, (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien, or (c) secures from the holder of the lien an agreement satisfactory to Lender, subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of giving of notice.

**5. HAZARD OF PROPERTY INSURANCE.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance, including floods or flooding, whether or not identified or existing at the time the loan is made. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with Paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Insurance proceeds shall be applied to restoration or repair of the Property damaged if, in Lender's sole determination, the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

**6. 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 Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or unpair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

**7. PROTECTION OF LENDER'S RIGHTS IN THE PROPERTY.** If Borrower fails to perform the 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, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and paying fees for periodic inspections of the Property. In addition to these actions Lender may enter on the Property to make repairs, change locks, replace or board-up doors and windows, drain pipes, eliminate building code violations or dangerous conditions, turn utilities on or off, or undertake whatever else is necessary to protect the value of the Property and Lender's rights in the Property. Although Lender may take action under this paragraph 7, Lender does not have to do so.

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13. **LOAN CHARGES.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charges under the Note.

14. **NOTICES.** Any notice to Borrower provided for in this Security Instrument shall be given by personal delivery or by sending it by (a) first class mail postage prepaid, or (b) prepaid overnight delivery service, or (c) any similar common or private carrier or delivery method generally accepted in the locality where the Property is located, 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 postage prepaid to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to borrower or Lender when given as provided in this paragraph.

15. **SEVERABILITY.** 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.

16. **BORROWER'S COPY.** Borrower shall be given one duplicate of the Note and of this Security Instrument.

17. **TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER.** If all or any part of the Property or any interest in it is sold or transferred or if a beneficial interest in borrower is sold or transferred and borrower is not a natural person without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

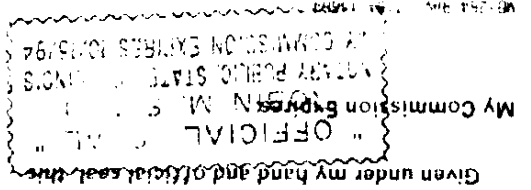
18. **BORROWER'S RIGHT TO REINSTATE.** If borrower meets certain conditions, borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument, or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred, (b) cures any default of any other covenants or agreements, (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. **SALE OF NOTE, CHANGE OF LOAN SERVICER.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. **HAZARDOUS SUBSTANCES.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

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Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_ 1992. My Commission Expires 10/16/94

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 signed and delivered the said instrument as THEIR free and voluntary act, for the uses and purposes therein set forth.

STATE OF ILLINOIS, COOK County ss: I, Notary Public in and for said county and state do hereby certify that WALTER J. LONCALA AND CHRISTINE LONCALA, HIS WIFE

WALTER J. LONCALA (Seal) - Borrower  
CHRISTINE LONCALA (Seal) - Borrower

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

- Adjustable Rate Assumption Rider 
Fixed Rate Assumption Rider 
Second Home Rider 
Condominium Rider 
Planned Unit Development Rider 
1-4 Family Rider 
Graduated Payment Rider 
Balloon rider 
Other(s) (specify)

21. ACCELERATION; REMEDIES: Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify (a) the default; (b) the action required to cure the default; (c) a failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument; foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including but not limited to, reasonable attorneys' fees and costs of title evidence.

22. RELEASE: Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Subject to applicable law, Borrower shall pay a reasonable fee for the preparation of the release document and shall pay any recording costs.

23. WAIVER OF HOMESTEAD: Borrower waives all right of homestead exemption in the Property.

24. RIDERS TO THIS SECURITY INSTRUMENT: If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument (Check applicable boxes)

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosenes, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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