

# UNOFFICIAL COPY

MFC05312

Loan Number: 5194451

92-240565

8782401341

(Space Above This Line for Recording Data)

## MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on MARCH 10, 1992. The mortgage is MICHAEL N. BROD AND CATHERINE M. BROD, HUSBAND AND WIFE.

given to SHELTER MORTGAGE CORPORATION ("Borrower"). This Security Instrument is given to SHELTER MORTGAGE CORPORATION, which is organized and existing under the laws of THE STATE OF WISCONSIN, and whose address is 4201 EUCLID AVENUE, ROLLING MEADOWS, IL 60008 ("Lender"). Borrower owes Lender the principal sum of TWO HUNDRED TWO THOUSAND THREE HUNDRED AND NO/100

Dollars (U.S. \$ 202,300.00). 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, 1999. 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 16 IN TALBOT'S MILL, BEING A SUBDIVISION OF PART OF THE SOUTH 1/2 OF SECTION 31 AND SOUTHWEST 1/4 OF SECTION 32, ALL IN TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 23, 1989 AS DOCUMENT NUMBER 89-28764, IN COOK COUNTY.

DEPT-01 RECORDING  
T:6666 TRN 0825 04/09/92 10:45:00  
#8367 PH \*92-240565  
COOK COUNTY RECORDER

92240565

Tax Key No: 08-31-402-016

which has the address of 1223 MONTEGO COURT, ELK GROVE VILLAGE, Illinois 60007 [Street] [City] [Zip Code] ("Property Address");

TOGETHER WITH all the improvements now 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.

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.



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 at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be for unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair 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 entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. **Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. **Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. **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 lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

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 such payments.

11. **Borrower Not Released; Forbearance by Lender Not a Waiver.** Extension of the time for 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 successors 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 17. 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.



# UNOFFICIAL COPY

costs of title evidence.

in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and in pursuing this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred and require immediate payment in full of all sums secured by this Security Instrument without further demand and may and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to Property. In acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

that relate to health, safety or environmental protection. used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located by Environmental Law and the following substances: asbestos or formaldehyde, and radon and materials. As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

regulatory authority, that any removal or other remediation of any Hazardous Substances affecting the Property is necessary, Environmental Law or regulatory agency or private party involving the Property and any Hazardous Substances or Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action to normal residential uses and to maintenance of the Property.

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

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

occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17. Borrower, this Security Instrument and the obligation secured hereby shall remain fully effective as if no acceleration had obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this (ii) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower applicable law may specify for enforcement of the Property pursuant to any power of sale contained in this enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as 18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a federal law as of the date of this Security Instrument.

secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by 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 17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument, which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note conflict with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the 15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the in this paragraph.

provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided first class mail to Lender's address stated herein or any other address designated by notice to Borrower. Any notice Property Address or any other address designated by notice to Lender. Any notice to Lender shall be given by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the 14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by a partial payment without any prepayment charge under the Note.

under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in 13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan

59505226

# UNOFFICIAL COPY

Form 3014 8/90 (page 5 of 5 pages)

Return to:  
SHELTER MORTGAGE CORPORATION  
4201 EUCLID AVENUE  
ROLLING MEADOWS, IL 60008

" OFFICIAL SEAL "  
ELEANOR A. BENNETT  
NOTARY PUBLIC, STATE OF ILLINOIS  
MY COMMISSION EXPIRES 11/30/84

This instrument was prepared by: KATHI ROBERTSON

Notary Public

My commission expires: 11/30/84

State of Illinois, County of COOK,  
10TH day of MARCH, 1992, by Kathi C. Robertson and Lisa D. Fleck of Shelter Mortgage Corp., a Wisconsin Corporation, on behalf of the corporation.

The foregoing instrument was acknowledged before me this

By: Kathi C. Robertson (SEAL) Atest: Lisa D. Fleck (SEAL)  
SHELTER MORTGAGE CORPORATION  
Ill. Assistant Secretary  
Ill. Assistant Secretary

Witness its hand and seal this 10TH day of MARCH, 1992.

For value received, Shelter Mortgage Corp. of Milwaukee, WI, hereby assigns to KATHI ROBERTSON its interest in the within Mortgage together with the indebtedness therein mentioned.

" OFFICIAL SEAL "  
KATHY MATIAS  
NOTARY PUBLIC, STATE OF ILLINOIS  
MY COMMISSION EXPIRES 11/30/84

This instrument was prepared by: KATHI ROBERTSON

Notary Public

My commission expires: 11/30/84

Given under my hand and official seal, this 10TH day of MARCH, 1992.

do hereby certify MICHAEL N. BROD AND CATHERINE M. BROD, HUSBAND AND WIFE, personally known to me to be the same person(s) whose name(s) are 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.

a Notary Public in and for said county and state,

STATE OF ILLINOIS, County ss: Cook

(Space Below This Line for Acknowledgment)

CATHERINE M. BROD  
-Borrower (Seal)

MICHAEL N. BROD  
-Borrower (Seal)

Witnesses:

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

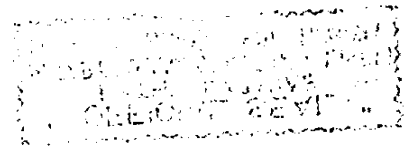
- Adjustable Rate Rider
- Balloon Rider
- Graduated Payment Rider
- Other(s) [Specify]
- Condominium Rider
- Planned Unit Development Rider
- Rate Improvement Rider
- 1-4 Family Rider
- Biweekly Payment Rider
- Second Home Rider

Instrument without charge to Borrower. Borrower shall pay any recordation 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 box(es))

92240565

UNOFFICIAL COPY

Property of Cook County Clerk's Office



92240585

**BALLOON RIDER (CONDITIONAL RIGHT TO REFINANCE)**

THIS BALLOON RIDER is made this TENTH day of MARCH, 1992, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure the Borrower's Note to SHELTER MORTGAGE CORPORATION of the same date and covering the property described in the Security Instrument and located at:

1223 MONTEGO COURT, BLK GROVE VILLAGE, IL 60007  
(Property Address)

"The interest rate stated on the Note is called the "Note Rate." The date of the Note is called the "Note Date." I understand the Lender may transfer the Note, Security Instrument and this Rider. The Lender or anyone who takes the Note, the Security Instrument and this Rider by transfer and who is entitled to receive payments under the Note is called the "Note Holder."

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements in the Security Instrument, Borrower and Lender further covenant and agree as follows (despite anything to the contrary contained in the Security Instrument or the Note):

**1. CONDITIONAL RIGHT TO REFINANCE**  
At the maturity date of the Note and Security Instrument (the "Maturity Date"), I will be able to obtain a new loan ("New Loan") with a new Maturity date of APRIL 1, 2022, and with an interest rate equal to the "New Note Rate" determined in accordance with Section 3 below if all the conditions provided in Sections 2 and 5 below are met (the "Conditional Refinancing Option"). If those conditions are not met, I understand that the Note Holder is under no obligation to refinance or modify the Note, or to extend the Maturity Date, and that I will have to repay the Note from my own resources or find a lender willing to lend me the money to repay the Note.

**2. CONDITIONS TO OPTION**  
If I want to exercise the Conditional Refinancing Option at maturity, certain conditions must be met as of the Maturity Date. These conditions are: (1) I must still be the owner and occupant of the property subject to the Security Instrument (the "Property"); (2) I must be current in my monthly payments and cannot have been more than 30 days late on any of the 12 scheduled monthly payments immediately preceding the Maturity Date; (3) no lien against the Property (except for taxes and special assessments not yet due and payable) other than that of the Security Instrument may exist; (4) the New Note Rate cannot be more than 5 percentage points above the Note Rate; and (5) I must make a written request to the Note Holder as provided in Section 5 below.

**3. CALCULATING THE NEW NOTE RATE**  
The New Note Rate will be a fixed rate of interest equal to the Federal National Mortgage Association's required net yield for 30-year fixed rate mortgages subject to a 60-day mandatory delivery commitment, plus one-half of one percentage point (0.5%), rounded to the nearest one-eighth of one percentage point (the "New Note Rate"). The required net yield shall be the applicable net yield in effect on the date and time of day that the Note Holder receives notice of my election to exercise the Conditional Refinancing Option. If this required net yield is not available, the Note Holder will determine the New Note Rate by using comparable information.

**4. CALCULATING THE NEW PAYMENT AMOUNT**  
Provided the New Note Rate as calculated in Section 3 above is not greater than 5 percentage points above the Note Rate and all other conditions required in Section 2 above are satisfied, the Note Holder will determine the amount of the monthly payment that will be sufficient to repay in full (a) the unpaid principal, (b) accrued but unpaid interest, plus (c) all other sums I will owe under the Note and Security Instrument on the Maturity Date (assuming my monthly payments then are current, as required under Section 2 above), over the term of the New Note at the New Note Rate in equal monthly payments. The result of this calculation will be the new amount of my principal and interest payment every month until the New Note is fully paid.

**5. EXERCISING THE CONDITIONAL REFINANCING OPTION**  
The Note Holder will notify me at least 60 calendar days in advance of the Maturity Date and advise me of the principal, accrued but unpaid interest, and all other sums I am expected to owe on the Maturity Date. The Note Holder also will advise me that I may exercise the Conditional Refinancing Option if the conditions in Section 2 above are met. The Note Holder will provide my payment record information, together with the name, title and address of the person representing the Note Holder that I must notify in order to exercise the Conditional Refinancing Option. If I meet the conditions of Section 2 above, I may exercise the Conditional Refinancing Option by notifying the Note Holder no later than 45 calendar days prior to the Maturity Date. The Note Holder will calculate the fixed New Note Rate based upon the Federal National Mortgage Association's applicable published net yield in effect on the date and time of day notification is received by the Note Holder and as calculated in Section 3 above. I will then have 30 calendar days to provide the Note Holder with acceptable proof of my required ownership, occupancy and property lien status. Before the Maturity Date the Note Holder will advise me of the new interest rate (the New Note Rate), new monthly payment amount and a date, time and place at which I must appear to sign any documents required to complete the required refinancing. I understand the Note Holder will charge me a \$250 processing fee and the costs associated with updating the title insurance policy, if any.

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

MICHAEL N. BROD (Seal) Borrower  
CATHERINE M. BROD (Seal) Borrower

UNOFFICIAL COPY

Property of Cook County Clerk's Office

92240565