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AFTER RECORDING MAIL TO:
MIDWEST FUNDING CORPORATION
1020 31ST STREET, SUITE 401
DOWNERS GROVE, ILLINOIS 60515



93579466

LOAN NO. 2592037

[Space Above This Line For Recording Data]

STATE OF ILLINOIS

FHA MORTGAGE

FHA CASE NO.
131:7156198 703

This Mortgage ("Security Instrument") is given on July 12, 1993. The Mortgagor is FRANCES A. WATSON, MARRIED TO KIRK S. WATSON whose address is 10902 S. HERMOSA AVENUE, CHICAGO, IL 60643 ("Borrower"). This Security Instrument is given to MIDWEST FUNDING CORPORATION which is organized and exists under the laws of ILLINOIS 1020 31st Street, Suite 300, Downers Grove, IL 60515 ("Lender"). Borrower owes Lender the principal sum of Sixty Thousand Four Hundred Dollars and 00/100 Dollars (U.S. \$ 60,400.00). 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 August 1, 2023. 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 AND 2 IN BLOCK 36 IN WASHINGTON HEIGHTS, IN SECTION 18, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

DEPT-OF RECORDINGS \$27.50
TRAN 3737 07/26/93 03:55:00
09175 * 93-579466
COOK COUNTY RECORDER

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which has the address of 10902 S. HERMOSA AVENUE CHICAGO Illinois 60643 ("Property Address"); [Street] [City] [Zip Code]

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.

Handwritten signature and initials.

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 immediately paid and payable to Lender, and at the option of Lender, shall be immediately due and payable. These amounts shall be immediately due and payable from the date of disbursement, at the Note rate, secured by this Security Instrument. Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. 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. 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 or to enforce laws or regulations, then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations) which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

8. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in Paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments. If Borrower fails to make these payments or the payments required by Paragraph 2, or fails to perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding or to enforce laws or regulations, then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations) which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

9. Occupancy, Preservation, Maintenance and Protection of the Property. Borrower shall occupy, maintain, preserve and protect the Property as a principal residence. Lender shall have the right to enter the Property at any time for the purpose of inspecting the Property, and to take any action necessary to protect the Property or to enforce the provisions of this Security Instrument. Borrower shall not commit waste or damage to the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may, at its option, require Borrower to repair or replace the Property or to take any action necessary to protect the Property or to enforce the provisions of this Security Instrument. Borrower shall not commit waste or damage to the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may, at its option, require Borrower to repair or replace the Property or to take any action necessary to protect the Property or to enforce the provisions of this Security Instrument.

10. In the event of foreclosure of the Security Instrument or other transfer of the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to the Property shall pass to the purchaser. Lender shall have the right to occupy, maintain, preserve and protect the Property as a principal residence. Lender shall have the right to enter the Property at any time for the purpose of inspecting the Property, and to take any action necessary to protect the Property or to enforce the provisions of this Security Instrument. Borrower shall not commit waste or damage to the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may, at its option, require Borrower to repair or replace the Property or to take any action necessary to protect the Property or to enforce the provisions of this Security Instrument.

11. 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 named is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in Paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged property. Any application for, or of the proceeds to the principal, shall not extend or postpone the due date of the monthly payments which are referred to in Paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount referred to in Paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount referred to in Paragraph 2, or change the amount of such payments.

12. Lender shall have all improvements on the Property, whether now in existence or subsequently erected, against which Lender requires insurance. This insurance shall be maintained in the amount and for the periods that Lender requires. Borrower shall also have all improvements on the Property, whether now in existence or subsequently erected, against which Lender requires insurance. This insurance shall be maintained in the amount and for the periods that Lender requires. Borrower shall also have all improvements on the Property, whether now in existence or subsequently erected, against which Lender requires insurance. This insurance shall be maintained in the amount and for the periods that Lender requires.

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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 the 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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OFFICIAL SEAL
DIANE M. TROJANAR
Notary Public, State of Illinois
My Commission Expires 5/4/97

COREEN MENZIEB
(Name)
1020 WEST STREET, SUITE 401
DOWNERS GROVE, ILLINOIS 60515
(Address)

This instrument was prepared by:

My Commission expires:

Given under my hand and official seal, this

before me this day in person, and acknowledged that they personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument, appeared as

that FRANCIS A. WATSON, (H & HUSBAND) AND KIRK WATSON, (H & HUSBAND)

STATE OF ILLINOIS, County as: deco

(Seal) _____

(Seal) _____
RIGHT OF HIS SPOUSE, FRANCIS A. WATSON

(Seal) _____
SOLE PURPOSE OF PERFECTING THE WAIVER OF THE HOMESTEAD

(Seal) _____
KIRK WATSON HAS EXECUTED THIS MORTGAGE FOR THE BORROWER

(Seal) _____
FRANCIS A. WATSON

Witnesses:

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in pages 1 through 4 of this Security Instrument and any rider(s) executed by Borrower and recorded with it.

Planned Unit Development Rider
 Condominium Rider
 Graduated Payment Rider
 Growing Equity Rider
Other (Specify) _____

17. Foreclosure Procedure. If Lender requires immediate payment in full under Paragraph 9, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedy provided in this Paragraph 17, including, but not limited to, reasonable attorneys' fees and costs of this evidence.

18. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

19. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

Riders to this Security Instrument, if one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were in a part of this Security Instrument. (Check applicable box(es)).

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

17. Foreclosure Procedure. If Lender requires immediate payment in full under Paragraph 9, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedy provided in this Paragraph 17, including, but not limited to, reasonable attorneys' fees and costs of this evidence.

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LOAN NO. 2392037