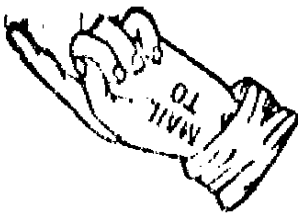


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After recording, return to:
Home Family Mortgage Corp
188 Industrial Drive S.W.
Elmhurst, IL 60126



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Form # 1207585

(Space Above This Line For Recording Data)

State of Illinois

MORTGAGE

THIS Case No.

13117165043 779

THIS MORTGAGE ("Security Instrument") is given on July 30, 1993. The Mortgagor is

JUAN M. OCHOA, A MARRIED MAN, and REYNUNDO FAVAREZ I., A BACHELOR

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

Home Family Mortgage Corp

188 INDUSTRIAL DRIVE S.W.
ELMHURST, ILLINOIS 60126
TEL: 630-261-1100
FAX: 630-261-1101

which is organized and existing under the laws of The State of Illinois, and whose address is 188 Industrial Drive S.W., 124, Elmhurst, IL 60126

("Lender"). Borrower owes Lender the principal sum of Sixty One Thousand Seven Hundred Forty Eight Dollars and no/100 Dollars (U.S. \$ 61,748.00).

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 2 IN BLOCK 4 IN WARD'S SUBDIVISION OF BLOCKS 1, 4 AND 5 IN STONE AND WHITNEY'S SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER: 20-06 408-026

which has the address of 4402 S. HOOD STREET, CHICAGO, Illinois 60609 Zip Code ("Property Address");

(Street Code)

2004R(1) 2004 FHA Illinois Mortgage - 492

2004 MORTGAGE FORM 1-1-04 (1-1-04) (1-1-04)

Page 1 of 1 (Total) MC R 12



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Section 10-10-010 of the Code of Ordinances of the City of Chicago, Illinois, and the provisions of the Illinois Mortgage and Lending Act, 225 ILCS 505, are hereby incorporated by reference into this instrument.

The Lender shall be responsible for the payment of all taxes, assessments, household payments or ground rents, and fire, flood and other hazard insurance premiums, and shall maintain the same in full force and effect during the term of this instrument.

Application of Payments. All payments under paragraphs 1 and 2 shall be applied by Lender as follows:

1. If any payments are received by Lender, the full amount of all sums so received by this Security Instrument, Lender's account shall be credited with the full amount of such payments for all installment payments for taxes, fire, and flood and any mortgage insurance premiums to the extent of the payments received. The balance of any such payments shall be applied to the principal of the loan.

2. If any payments are received by Lender, the full amount of such payments shall be applied to the principal of the loan. The balance of any such payments shall be applied to the interest on the loan. The balance of any such payments shall be applied to the late charges, if any, and to the unpaid interest on the loan. The balance of any such payments shall be applied to the unpaid principal of the loan.

3. If any payments are received by Lender, the full amount of such payments shall be applied to the principal of the loan. The balance of any such payments shall be applied to the interest on the loan. The balance of any such payments shall be applied to the late charges, if any, and to the unpaid interest on the loan. The balance of any such payments shall be applied to the unpaid principal of the loan.

4. If any payments are received by Lender, the full amount of such payments shall be applied to the principal of the loan. The balance of any such payments shall be applied to the interest on the loan. The balance of any such payments shall be applied to the late charges, if any, and to the unpaid interest on the loan. The balance of any such payments shall be applied to the unpaid principal of the loan.

5. If any payments are received by Lender, the full amount of such payments shall be applied to the principal of the loan. The balance of any such payments shall be applied to the interest on the loan. The balance of any such payments shall be applied to the late charges, if any, and to the unpaid interest on the loan. The balance of any such payments shall be applied to the unpaid principal of the loan.

6. If any payments are received by Lender, the full amount of such payments shall be applied to the principal of the loan. The balance of any such payments shall be applied to the interest on the loan. The balance of any such payments shall be applied to the late charges, if any, and to the unpaid interest on the loan. The balance of any such payments shall be applied to the unpaid principal of the loan.

7. If any payments are received by Lender, the full amount of such payments shall be applied to the principal of the loan. The balance of any such payments shall be applied to the interest on the loan. The balance of any such payments shall be applied to the late charges, if any, and to the unpaid interest on the loan. The balance of any such payments shall be applied to the unpaid principal of the loan.

8. If any payments are received by Lender, the full amount of such payments shall be applied to the principal of the loan. The balance of any such payments shall be applied to the interest on the loan. The balance of any such payments shall be applied to the late charges, if any, and to the unpaid interest on the loan. The balance of any such payments shall be applied to the unpaid principal of the loan.

9. If any payments are received by Lender, the full amount of such payments shall be applied to the principal of the loan. The balance of any such payments shall be applied to the interest on the loan. The balance of any such payments shall be applied to the late charges, if any, and to the unpaid interest on the loan. The balance of any such payments shall be applied to the unpaid principal of the loan.

10. If any payments are received by Lender, the full amount of such payments shall be applied to the principal of the loan. The balance of any such payments shall be applied to the interest on the loan. The balance of any such payments shall be applied to the late charges, if any, and to the unpaid interest on the loan. The balance of any such payments shall be applied to the unpaid principal of the loan.

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4. **Fire, Flood and Other Hazard Insurance.** Borrower shall insure all improvements on the Property, whether now in existence or subsequently created, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently created, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of and in a form acceptable to Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, in total or 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 the 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 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 required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of termination of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

5. **Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; 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 the Secretary determines this requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lender of any extenuating circumstance. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned Property. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information 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 the provisions of the lease. If Borrower acquires fee title to 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 impositions that are not included in paragraph 4. Borrower shall pay these obligations on time directly to the entity which received 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 4, or fails to perform any other 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, for condemnation 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, including payment of taxes, hazard insurance and other items mentioned in paragraph 4.

Any amounts disbursed by Lender under this paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of Lender, shall be immediately due and payable.

7. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are

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11. Borrower Not Released From Liability. Lender shall not be released from its obligations under the Security Instrument or the Note by the completion of the sale of the Property, the completion of the foreclosure of the Security Instrument, or the completion of the foreclosure of the Note. Lender shall not be released from its obligations under the Security Instrument or the Note by the completion of the sale of the Property, the completion of the foreclosure of the Security Instrument, or the completion of the foreclosure of the Note.

12. Reinstatement. The Borrower shall be required to reinstate the Security Instrument and the Note if the Borrower fails to make any payment due under the Security Instrument or the Note on or before the date such payment is due. Reinstatement shall be required if the Borrower fails to make any payment due under the Security Instrument or the Note on or before the date such payment is due.

13. Acceleration. If the Borrower fails to make any payment due under the Security Instrument or the Note on or before the date such payment is due, the Lender may, at its option, declare the entire principal amount of the Note to be immediately due and payable. Acceleration shall be required if the Borrower fails to make any payment due under the Security Instrument or the Note on or before the date such payment is due.

14. Foreclosure. The Lender may, at its option, foreclose on the Security Instrument and the Note if the Borrower fails to make any payment due under the Security Instrument or the Note on or before the date such payment is due. Foreclosure shall be required if the Borrower fails to make any payment due under the Security Instrument or the Note on or before the date such payment is due.

15. Sale Without Credit Approval. Lender shall, at its option, sell the Property, with or without credit approval, if the Borrower fails to make any payment due under the Security Instrument or the Note on or before the date such payment is due. Sale without credit approval shall be required if the Borrower fails to make any payment due under the Security Instrument or the Note on or before the date such payment is due.

16. Assumption of Debt. The Borrower shall be deemed to have assumed the debt secured by the Security Instrument and the Note if the Borrower fails to make any payment due under the Security Instrument or the Note on or before the date such payment is due. Assumption of debt shall be required if the Borrower fails to make any payment due under the Security Instrument or the Note on or before the date such payment is due.

17. Remedies for Acceleration of Debt. The Lender may, at its option, exercise any or all of the remedies available to it under the Security Instrument and the Note if the Borrower fails to make any payment due under the Security Instrument or the Note on or before the date such payment is due. Remedies for acceleration of debt shall be required if the Borrower fails to make any payment due under the Security Instrument or the Note on or before the date such payment is due.

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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 accepts this Security Instrument but does not execute the Note (a) is 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 same 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 conflictive 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 continued 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.

NON ENFORCEMENT CLAUSES. Borrower and Lender further covenant and agree as follows:

17. Foreclosure Procedure. If Lender requires immediate payment in full under paragraph 9, Lender 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 costs 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 right of homestead exemption in the Property.

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ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 30th day of JULY, 1995 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

Home Family Mortgage Corp.

(the "Lender") of the same date and covering the property described in the Security Instrument and located at

4402 S. WOOD STREET, CHICAGO, IL 60609

(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:

INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Date

The interest rate may change on the first day of JANUARY, 1995, 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 used in this Rider, "Secretary" means the Secretary of Housing and Urban Development or his or her designee. 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 Two percentage points (i.e., 2.000%) 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 (D) of this Rider, 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.

FHA Substantive ARM Rider - 2.91

2000-07-01

