

93130497

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FHA Case No. 131:6979724-729

Date of Note

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on FEBRUARY 12TH 1992 The Mortgagor is GAYNE A. McDONALD, a married man and STEPHANIE ATKINS McDONALD, his wife whose address is 2121 NORTH MONITOR AVENUE, CHICAGO, IL 60639 INDEPENDENCE LIFE MORTGAGE CORPORATION, A MICHIGAN CORPORATION which is organized and existing under the laws of MICHIGAN and whose address is 500 GALERIA CENTER, SOUTHFIELD, MI 48034

(Lender). Borrower owes Lender the principal sum of SEVENTY EIGHT THOUSAND ONE HUNDRED AND NO/100

Dollars (U.S. \$ 78,100.00 ) 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 MARCH 1ST, 2005. 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 92 IN THE PRESUBDIVISION OF PARTS OF GRANDVIEW, BEING JOHN T. KELLY AND VENERA'S SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, BEING OF THE CENTER LINE OF GRAND AVENUE AND NORTH OF THE SOUTH LINE OF BICKEN'S AVENUE PRODUCED WEST ACCORDING TO THE PLAT THEREOF RECORD OF SAID SUBDIVISION RECORDED JANUARY 31, 1914 AS DOCUMENT NO. 5349766. IN COOK COUNTY, ILLINOIS. TAX I.D.# 13-32-222-01R

COOK COUNTY RECORDER 120010 TRAM 2078 02/19/92 13:10:00 93130497

which has the address of 2121 NORTH MONITOR AVENUE CHICAGO (Street City) Illinois 60634 (Zip Code) ("Property Address").

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'S 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.

1. Payment of Principal, Interest and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and late charges due under the Note.

2. Monthly Payments of Taxes, Insurance and Other Charges. Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, an installment of any (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Prop.

2/27/92

7. Condemnation. The proceeds of any award or claim for damages, direct or consequential, resulting from any condemnation of any part of the Property, or for conversion in place of condemnation, are hereby assigned to Lender, and shall be paid to Lender to the extent of the full amount of the full amount of the award or claim and the proceeds of any award or claim for damages, direct or consequential, resulting from any condemnation of any part of the Property, or for conversion in place of condemnation, are hereby assigned to Lender, and shall be immediately due and payable.

8. 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 2. Borrower shall pay all obligations or 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.

9. Preservation and Maintenance of the Property, Leaseholds, Leasehold Improvements, and Other Assets. 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. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires an interest in the Property, the leasehold and lessor shall not be assigned unless Lender agrees in writing to the merger in writing.

10. In the event of foreclosure of the 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.

11. In the event of loss, Borrower shall give Lender immediate notice in writing. Lender may make proof of loss if not made promptly by Borrower. Each insurance company contacted by Lender is hereby authorized 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 this Security Instrument, or (b) to the satisfaction or part of the damaged property. Any application of the proceeds of the proceeds (a) 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 off outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

12. The insurance policy and any renewal shall be held by Lender and shall include loss payable clause in favor of, and in a form acceptable to, Lender. The insurance policy and any renewal shall be carried with a company approved by Lender. The insurance policy shall also insure all improvements on the Property, whether now in existence or subsequently erected, agreed upon by Lender. This insurance shall be maintained in the amount and for the periods that Lender requires. Borrower shall give Lender immediate notice in writing.

13. Application of Payments. All payments under Paragraphs 1 and 2 shall be applied by Lender as follows: (a) to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary; (b) to the monthly mortgage insurance premium, unless Borrower paid the entire mortgage insurance premium when the Security Instrument was signed; (c) to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required; (d) to interest due under the Note; (e) to late charges due under the Note; (f) to principal of the note.

14. Borrower's Obligation to Pay. Borrower shall remain obligated to pay all installments for items (a), (b), and (c) and to pay to the Secretary or to the Secretary, and Lender shall promptly retain any excess funds credited with the balance remaining for items (a), (b), and (c) and any mortgage insurance premium. Lender shall maintain all improvements on the Property, whether now in existence or subsequently erected, agreed upon by Lender. This insurance shall be maintained in the amount and for the periods that Lender requires. Borrower shall give Lender immediate notice in writing.

15. As used in this Security Instrument, "Secretary" means the Secretary of Housing and Urban Development or his or her designee. Most Security Instruments issued by the Secretary are insured under programs which require advance payment of the mortgage insurance premium. If the Security Instrument is or was insured under a program which does not require advance payment of the mortgage insurance premium, then each monthly payment shall also include either (i) an installment of the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge for the mortgage insurance premium. If the mortgage insurance premium is to be paid by Lender to the Secretary, the mortgage insurance premium shall be in an amount sufficient to accumulate the full annual mortgage insurance premium with Lender one month prior to the date the full annual mortgage insurance premium is due to the Secretary, or (iii) the full annual mortgage insurance premium shall be paid by the Secretary. Each monthly installment of the mortgage insurance premium shall be in an amount equal to one-twelfth of one-half percent of the outstanding principal balance due on the Note.

16. Each monthly installment for items (a), (b), and (c) shall equal one-twelfth of the annual amount, as reasonably estimated by Lender, plus an amount sufficient to maintain an additional balance of not more than one-sixth of the estimated amount. The full annual amount for each item shall be accumulated by Lender within a period ending one month before an item would become delinquent. Lender shall hold the amounts collected in trust to pay items (a), (b), and (c) before they become delinquent.

17. If at any time the total of the payments held by Lender for items (a), (b), and (c), together with the prior monthly payments for each item payable to Lender prior to the due date of such item, exceeded by more than one-sixth the estimated amount of payments required to pay such item when due, and if payments on the Note are current, the Lender shall not be required to pay such item over one-sixth of the estimated payments or credit the excess over one-sixth of the estimated amount of payments required to pay the item when due. Then borrower shall pay to Lender any amount necessary to make up the deficiency on or before the date the item becomes due.

18. Borrower's Obligation to Pay. Borrower shall remain obligated to pay all installments for items (a), (b), and (c) and to pay to the Secretary or to the Secretary, and Lender shall promptly retain any excess funds credited with the balance remaining for items (a), (b), and (c) and any mortgage insurance premium. Lender shall maintain all improvements on the Property, whether now in existence or subsequently erected, agreed upon by Lender. This insurance shall be maintained in the amount and for the periods that Lender requires. Borrower shall give Lender immediate notice in writing.

19. As used in this Security Instrument, "Secretary" means the Secretary of Housing and Urban Development or his or her designee. Most Security Instruments issued by the Secretary are insured under programs which require advance payment of the mortgage insurance premium. If the Security Instrument is or was insured under a program which does not require advance payment of the mortgage insurance premium, then each monthly payment shall also include either (i) an installment of the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge for the mortgage insurance premium. If the mortgage insurance premium is to be paid by Lender to the Secretary, the mortgage insurance premium shall be in an amount sufficient to accumulate the full annual mortgage insurance premium with Lender one month prior to the date the full annual mortgage insurance premium is due to the Secretary, or (iii) the full annual mortgage insurance premium shall be paid by the Secretary. Each monthly installment of the mortgage insurance premium shall be in an amount equal to one-twelfth of one-half percent of the outstanding principal balance due on the Note.

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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 referred to in Paragraph 2, or change the amount of each payment. 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.

**4. Fees.** Lender may collect fees and charges authorized by the Secretary.

**5. 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 is 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 primary or secondary 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 foreclosure if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of 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 of this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate this 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 attorney's 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 for payment or modification of acceleration 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 acceleration 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 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 laws 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 the Note and of this Security Instrument.

**16. Assignments 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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INDEPENDENCE ONE MORTGAGE CORPORATION  
100 WEST 2ND STREET, STE. 141  
LOMBARD, IL 60148-6489

My Commission Expires 12/13/98  
Notary Public, State of Illinois  
Kelly A. Strano  
OFFICIAL SEAL

My Commission expires:

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 he signed and delivered the said instrument as given under my hand and official seal, this 12TH day of FEBRUARY 1998.

that DWAYNE R. McDONALD, a married man and STEPHANIE A. MCKINNON, his wife, a Notary Public in and for said county and state do hereby certify

County of: Cook

STATE OF ILLINOIS

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\_\_\_\_\_  
Borrower (Seal)

\_\_\_\_\_  
Borrower (Seal)

\_\_\_\_\_  
Borrower (Seal)

\_\_\_\_\_  
Borrower (Seal)

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in this Security Instrument and in any riders) executed by Borrower and recorded with it.  
See Adjustable Rate Rider attached hereto and made a part hereof for additional terms, Covenants and Conditions of this mortgage.

- Condominium Rider
- Adjustable Rate Rider
- Growing Equity Rider
- Other
- Graduated Payment Rider
- Planned Unit Development Rider

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))

Accelerated Payment. Borrower agrees that should this Security Instrument and the note secured thereby not be eligible for insurance under the National Housing Act within 90 (NINETY) DAYS from the date hereof, Lender may, at its option and without extending anything in Paragraph 9, require immediate payment in full of all sums secured by this Security Instrument, a written consent of any authorized agent of the Secretary dated subsequent to 30 (THIRTY) DAYS from the date hereof, declining to insure this Security Instrument and the note secured thereby, shall be deemed conclusive proof of such inability. 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.

- 17. Foreclosure Procedure. If Lender requires immediate payment in full under paragraph 9, Lender may foreclose the 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 the evidence.
- 18. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.
- 19. Waiver of Homestead. Borrower waives all rights of homestead exemption in the Property.

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## FHA MULTISTATE ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 12TH day of FEBRUARY, 1993, 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 INDEPENDENCE ONE MORTGAGE CORPORATION, A MICHIGAN CORPORATION

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

2171 NORTH MONITOR AVENUE, CHICAGO, IL 60639  
(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 JULY, 1994, and that day of each succeeding year. "Change Date" means each date on which the interest rate can 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 (2.00%) 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.

#### (E) Calculation of Payments Change

If the interest rate changes on a Change Date, Lender will calculate the amount of monthly payments of principal and interest which would be necessary to repay the unpaid principal balance in full at the maturity date at the new interest rate through substantially equal payments. In making such calculation, Lender will use the unpaid principal balance which would be owed on the Change Date if there had been no default in payments on the Note, reduced by the amount of any prepayments to principal. The result of this calculation will be the amount of the new monthly payment of principal and interest.

#### (F) Notice of Changes

Lender will give notice to Borrower of any change in the interest rate and monthly payment amount. The notice must be given at least 25 days before the new monthly payment amount is due, and must set forth (i) the date of the notice, (ii) the Change Date, (iii) the old interest rate, (iv) the new interest rate, (v) the new monthly payment amount, (vi) the Current Index and the date it was published, (vii) the method of calculating the change in monthly payment amount, and (viii) any other information which may be required by law from time to time.

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First Liberty National Bank, Inc. 10000 N. 11th St. Suite 1000  
Phoenix, AZ 85020 FAX 602-955-1111

(Page 2 of 2 pages)

(11-14-99 2:12:04 PM)

Property of Cook County Clerk's Office

93130497

Borrower (Seal) _____ Borrower (Seal) _____ Borrower (Seal) <u>Stephanie Atkins McDonald</u>	Borrower (Seal) _____ Borrower (Seal) _____ Borrower (Seal) <u>Stephanie Atkins McDonald</u>
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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in pages 1 and 2 of this Adjustable Rate Rider.

(C) Effective Date of Changes

A new interest rate calculated in accordance with Paragraphs (C) and (D) of this Rider will become effective on the Change Date. Borrower shall make a payment to the new monthly amount beginning on the first payment date which occurs at least 25 days after Lender has given Borrower the notice of changes required by Paragraph (F) of this Rider. Borrower shall have no obligation to pay any increase in the monthly payment amount calculated in accordance with Paragraph (E) of this Rider for any payment date occurring less than 25 days after Lender has given the required notice. If the monthly payment amount calculated in accordance with Paragraph (E) of this Rider decreased, but Lender failed to give timely notice of the decrease and Borrower has the option to either (i) demand the payment amount which would have been paid to a timely notice, then Borrower has the option to either (i) demand the return to Borrower of any excess payment, with interest thereon at the Note rate (a rate equal to the interest rate which should have been stated in a timely notice), or (ii) request that any excess payment, with interest thereon at the Note rate, be applied as payment of principal. Lender's obligation to return any excess payment with interest on demand is not assignable even if the Note is otherwise assigned before the demand for return is made.