

UNOFFICIAL COPY

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PREPARED BY:
KAREN A. JARCHIGO
CHICAGO, IL 60656

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RECORD AND RETURN TO:
COLUMBIA NATIONAL BANK OF CHICAGO
5231 NORTH HARLEM AVENUE
CHICAGO, ILLINOIS 60656

MORTGAGE

THE TERMS OF THIS LOAN
CONTAIN PROVISIONS WHICH WILL REQUIRE A BALLOON PAYMENT AT MATURITY.

THIS MORTGAGE ("Security Instrument") is given on **NOVEMBER 10, 1992**
by **ANDRZEJ LACHOWSKI**
AND **KRYSTYNA L. CHOSNY**, HUSBAND AND WIFE

to **COLUMBIA NATIONAL BANK OF CHICAGO**

which is organized and existing under the laws of the UNITED STATES OF AMERICA
with its principal office at **5231 NORTH HARLEM AVENUE
CHICAGO, ILLINOIS 60656**
and **ONE HUNDRED NINE THOUSAND
AND 00/100**

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 **DECEMBER 1, 1997**.
This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all costs,
extension and modifications of the Note; (b) the payment of all other loans, 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 grant, give and convey to Lender the following
described property located in **COOK** County, Illinois:

**THE EAST 2 FEET OF LOT 2 AND ALL OF LOT 3 IN GORSKI'S SUBDIVISION
OF LOT 94 AND THE VACATED ALLEY LYING EAST OF AND ADJOINING SAID
LOT 94, ALL IN ATRINSON'S SUBDIVISION OF LOTS 2, 4 AND 5 IN VOSE'S
PARTITION OF 80 ACRES WEST OF AND ADJOINING THE EAST 40 ACRES OF
THE SOUTHEAST 1/4 OF SECTION 20, TOWNSHIP 30 NORTH, RANGE 13 EAST
IN OWNER'S PARTITION OF LOTS 6, 7, 8, 9 AND 10 IN VOSE'S PARTITION
AFORSAID, IN COOK COUNTY, ILLINOIS.**

11-20-432-003

with its principal office at **5751 WEST WILLOW STREET, CHICAGO
ILLINOIS 60634** ("Property Address")

ILLINOIS Single Family State-Provided Home Ownership Instrument
FORM 1001 (REV. 11/88)

RECORDED IN 15210750

COOK COUNTY RECORDER
11/25/92 11:11 AM
SERIAL 15210750

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TOGETHER WITH all the improvements now or hereafter created on the property, and all covenants, appurtenances, and... 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, sell 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 contains uniform covenants for standard use and non-uniform covenants with limitations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS Borrower and Lender covenant and agree as follows:

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

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the due monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attach priority over this Security Instrument as a lien on the Property; (b) yearly household payments, ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any, and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These sums are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentally, or equity (including Lender, if Lender is such an institution) or in any Federal Home Loan bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender will not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower as writing, and, in each case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

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

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

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Page 2 of 2

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5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term [inserted coverage] and any other hazards, including theft or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

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

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged. If the restoration or repair is economically feasible and Lender's security is not impaired, if the restoration or repair is not economically feasible or Lender's security would be impaired, the insurance proceeds shall be applied to the amount secured by this Security Instrument or, if less, to the amount of the loss, with any amount paid to Borrower. If Borrower abandons the Property, or does not advise Lender within 30 days of notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay usual costs incurred by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

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

6. Occupancy, Preservation, Maintenance or Preservation of the Property; Borrower's Loan Application; Leasehold. Borrower shall occupy, maintain, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld; or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not demolish, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forcible 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, (including forfeiture of the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest) is not warranted. 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 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 the 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 an enforced law or regulation), 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 taxes secured by a lien which has priority over this Security Instrument, appraising the Property, paying reasonable attorney's fees and retaining 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 regarding 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 lapses or ceases to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserves

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

(Check applicable boxes)

- Adjustable Rate Rider
- Graduated Payment Rider
- Balloon Rider
- V.A. Rider

- Condominium Rider
- Planned Unit Development Rider
- Risk Improvement Rider
- Other(s) (specify)

- 1-4 Family Rider
- Biweekly Payment Rider
- Second Home Rider

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

 Witness *Andrzej Lachowski* ANDRZEJ LACHOWSKI ANDRZEJ LACHOWSKI Borrower

 Witness *Krzyszyna Lachowska* KRYSZYNA LACHOWSKI KRYSZYNA LACHOWSKI Borrower

 Borrower

 Spouse

STATE OF ILLINOIS, COOK

COUNTY BE:

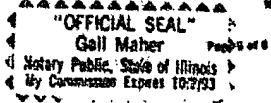
Gail Maher a Notary Public in and for said county and state do hereby certify that ANDRZEJ LACHOWSKI AND KRYSZYNA LACHOWSKI, HUSBAND AND WIFE

personally known to me to be the same persons whose names 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.
 Given under my hand and official seal, this 10 day of November, 1992.

My Commission Expires:

Gail Maher

 Notary Public



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BALLOON RIDER
(CONDITIONAL RIGHT TO REFINANCE)

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THIS BALLOON RIDER is made this **10TH** day of **NOVEMBER**, 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 **COLUMBIA NATIONAL BANK OF CHICAGO**

the "Lender" of the same date and covering the property described in the Security Instrument and located at **5751 WEST MELROSE STREET**
CHICAGO, ILLINOIS 60634

(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."

INTERNAL COVENANTS. In addition to the covenants and agreements in the Security Instrument, Borrower and Lender further covenant and agree as follows (except 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 **DECEMBER 1, 2022**, and with an interest rate equal to the "New Note Rate" determined in accordance with Section 2 below if all the conditions provided in Sections 2 and 3 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 loan 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 making my 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 must 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 maintenance of rate commitment, plus one-half of one percentage point (0.5%), rounded to the nearest one-eighth of one percentage point (1/8%) (the "New Note Rate"). The required net yield shall be the applicable net yield in effect on the date and time of day that I, as Borrower, receive 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, plus (b) accrued but unpaid interest, plus (c) all other sums I will owe under the Note and Security Instrument on the Maturity Date (including any monthly payments that 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 amount of my new 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. 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 required 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 tax status. Before the Maturity Date the Note Holder will advise me of the new interest rate (the New Note Rate), the 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.

Andrzej Lachowicz
ANDRZEJ LACHOWICZ Borrower

Krystyna Lachowicz
KRYSZYNA LACHOWICZ Borrower

Borrower

Borrower

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Property of Cook County Clerk's Office

DEPT-11 RECORDS
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*93-297053
COOK COUNTY RECORDER

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RECORDER OF DEEDS
COOK COUNTY, ILL.