

# UNOFFICIAL COPY

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94458357

94458357



A. T. G. F.  
BOX 370

[Space Above This Line For Recording Date]

## MORTGAGE

DEPT-01 RECORDING \$31.00  
100000 TRAN 7762 05/23/94 09:47:00  
45198 + C.J. # - 94 - 458357  
COOK COUNTY RECORDER

THIS MORTGAGE ("Security Instrument") is given on May 12, 1994. The mortgagor is

Teresa R. Pearson

94458357

("Borrower"). This Security Instrument is given to Home Loan & Investment Association

which is organized and existing under the laws of the State of Rhode Island, and whose address is 2 Altieri Way, Warwick, R.I. 02586

(Lender). Borrower owes Lender the principal sum of Seventy thousand four hundred dollars and 00/100

Dollars (U.S. \$ 70,400.00).

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 May 17, 2014.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

Lot 26 in Block 3 in William McClure's Subdivision of the West 1/2 of the Northwest 1/4 of the Southeast 1/4 of Section 12, Township 38 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

PERMANENT INDEX NUMBER: 19-12-408-021-0000

which has the address of 5255 South California Avenue, Chicago Illinois 60632 ("Property Address");

[Zip Code]

ILLINOIS Single Family-FNMA/FHLMC UNIFORM INSTRUMENT

U.S. 68(II) (9217)

Form 3014 8/90

Amended 5/91

VMF MORTGAGE FORMS (800)821-7291

94458357



31.00

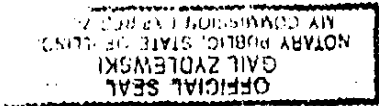
[Street, City]



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Form 3014 9/90

Chicago, IL 60601  
222 N. LaSalle St. Ste. 500  
Johnson & Bell, Ltd.  
This instrument was prepared by Jeffrey Deor



Notary Public  
Gail Zydlewski

My Commission Expires 7-6-97

subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she personally known to me to be the same person(s) whose name(s) signed and delivered the said instrument as free and voluntary act, for the uses and purposes therein set forth. Given under my hand and official seal, this 12th day of May 1994

Teresa R. Pearson

(County ss: ) a Notary Public in and for said county and state do hereby certify

STATE OF ILLINOIS  
Teresa R. Pearson

(Seal) Borrower

(Seal) Borrower

(Seal) Borrower

(Seal) Borrower

Teresa R. Pearson  
Teresa R. Pearson

Witnesses

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

- Adjustable Rate Rider
  - Graduated Payment Rider
  - Balloon Rider
  - V.A. Rider
  - Condominium Rider
  - Planned Unit Development Rider
  - Rate Improvement Rider
  - Others (Specify)
  - 1-4 Family Rider
  - Bi-weekly Payment Rider
  - Second Home Rider
- [Check applicable boxes]
24. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the contents and agreements of each such rider shall be incorporated into and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

94458357

Property of Cook County Clerk's Office

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**17. Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**18. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

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

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

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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

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

**22. 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.

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

Form 3014 9/90

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

Borrower for COV'L NANTS 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 defends generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by trustee to constitute a uniform security instrument covering real property.

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 payment or due under the Note until the Note is paid in full, a sum ("Funds") for (a) yearly taxes and assessment which has annual priority over this Security Instrument as a lien on the Property; (b) yearly household payments or payments on the Property; (c) any yearly hazard or property insurance premiums; (d) yearly flood insurance premiums; (e) any yearly mortgage insurance premiums; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 2, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items."

Funds may be deposited with Lender and held 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 through June 12, 1987, Section 2031.21 of the RESPA, unless another law that applies to the Funds sets a lesser amount. If a 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.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentally, or entity including a lender, lender's such as a bank or depository or in any Federal 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 returning the Funds to Borrower. 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 shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree to waive, 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 dollar 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 amount permitted to be held by applicable law, Lender shall account to Borrower for the excess. Lender may, with the consent 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 in writing, and, in such 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-month payments at Lender's discretion.

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 on the debt evidenced by the Note; and last, to any late charges due under the Note.

4. Charges: Lender shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which are a lien on the Property, except the payment of ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, if not paid in that manner. Borrower shall pay them on time directly to the person to whom they are due. Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly pay when due the debt evidenced by the Note and any prepayment and late charges due under the Note. Lender 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.

5. 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 on the debt evidenced by the Note; and last, to any late charges due under the Note.

6. 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 payment or due under the Note until the Note is paid in full, a sum ("Funds") for (a) yearly taxes and assessment which has annual priority over this Security Instrument as a lien on the Property; (b) yearly household payments or payments on the Property; (c) any yearly hazard or property insurance premiums; (d) yearly flood insurance premiums; (e) any yearly mortgage insurance premiums; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 2, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items."

Funds may be deposited with Lender and held 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 through June 12, 1987, Section 2031.21 of the RESPA, unless another law that applies to the Funds sets a lesser amount. If a 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.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentally, or entity including a lender, lender's such as a bank or depository or in any Federal 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 returning the Funds to Borrower. 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 shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree to waive, 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 dollar was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

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payments may no longer be required, at the option of Lender, if mortgage insurance coverage (the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

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

**10. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

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

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

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

**11. Borrower Not Released; Forbearance by Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**12. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument, only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

**13. Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

**14. 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 other 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.

**15. 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.

**16. Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

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