

1st AMERICAN TITLE order # 0759092 3 of 4 1/2 copies

BELL FEDERAL SAVINGS AND LOAN ASSOCIATION
78 WEST MONROE STREET
CHICAGO, ILLINOIS 60603
BOX 112
53000402A

94486130

(Print Above This Line For Recording Date)

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on MAY 19 19 94. The mortgagor is JOANNE JONES, A NEVER MARRIED WOMAN ("Borrower"). This Security Instrument is given to BELL FEDERAL SAVINGS AND LOAN ASSOCIATION, which is organized and existing under the laws of THE UNITED STATES OF AMERICA and whose address is 78 West Monroe Street - Chicago, IL 60603 ("Lender").

Borrower owes Lender the principal sum of TWO THOUSAND AND 00/100 Dollar (U.S. \$ 2,000.00). 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 on time, due and payable on~~ 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:

THE WEST 3 FEET OF LOT 8 AND ALL OF LOT 8 IN THE REBUDIVISION OF LOT 5 IN THE SUBDIVISION OF LOTS 10 AND 11 IN ANDREWS' SUBDIVISION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 AND OF THE SOUTHEAST FRACTIONAL 1/4 OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, NORTH OF THE INDIAN BOUNDARY LINE, IN COOK COUNTY, ILLINOIS.

THIS IS A JUNIOR MORTGAGE

PERMANENT TAX I.D. NUMBER 25-28-413-079

which has the address of 145 W. 125TH STREET (Street) CHICAGO ILLINOIS 60628 ("Property Address"); (Zip Code) 94486130

CHICAGO
SEVENTH FLOOR
110000 110000 110000 110000
110000 110000 110000 110000
110000 110000 110000 110000
COOK COUNTY, ILLINOIS

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 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.

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

* to be forgiven on JULY 1, 1999 if not repaid at an earlier date pursuant to the note.

3500

UNOFFICIAL COPY

94456130

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 box(es)]

- Adjustable Rate Rider
- Graduated Payment Rider
- Balloon Rider
- Other(s) [specify] PROMISSORY NOTE AND NOTE RIDER
- Condominium Rider
- Planned Unit Development Rider
- Rate Improvement Rider
- 1 - 4 Family Rider
- Biweekly Payment Rider
- Second Home Rider

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

Witnesses:

..... (Seal)
 JOANNE JONES --Borrower

..... (Seal)
 --Borrower

[Space Below This Line For Acknowledgment]

STATE OF Illinois }
 COUNTY OF Cook } SS:

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that **JOANNE JONES, A NEVER MARRIED WOMAN**, personally appeared before me and is (are) known or proved to me to be the person(s) who, being informed of the contents of the foregoing instrument, have executed same, and acknowledged said instrument to be HER free and voluntary act and deed and that SHE executed said instrument for the purposes and uses therein set forth.

Witness my hand and official seal this 1st day of May, 1994

My Commission Expires 11/1/94

OFFICIAL SEAL
 Carla Davis
 Notary Public, State of Illinois
 My Commission Expires 11/1/94

Carla Davis (SEAL)
 Notary Public

This instrument was prepared by MICHELLE D. THOMAS 79 W MONROE CHICAGO, IL 60603

OFFICIAL SEAL
 Notary Public, State of Illinois
 My Commission Expires 11/1/94

Section 8

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. If cost substantially exceeds the cost of the mortgage insurance coverage provided by Lender, Borrower shall pay to Lender each month an amount 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 reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in 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.

Secured instrument. Lender and Borrower shall bear interest from the date of distribution of the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment. Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Lender and Borrower agree to other terms of payment, these amounts shall bear interest from the date of distribution of the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding or there may be a legal proceeding that may significantly affect Lender's rights in the Property, Lender may, in its sole discretion, take any action necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

6. 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 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 destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture 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, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. 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 application. Borrower, 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 fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

5. 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 lessened. If the restoration or repair is not economically feasible or repair is economically lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to restore or repair the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower, Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30 day period will begin when the notice is given.

4. 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 make proof of loss if not made promptly by Borrower.

UNOFFICIAL COPY

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.

Upon either the expiration of 5 years from the date of the first payment on the first mortgage or the reimbursement of the remaining sums due.

999991301

UNOFFICIAL COPY

9. **Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall

also, before or 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 of all or part of the Property, or for convenience in lieu of condemnation, are hereby assigned

to the lender as part of the Property.

11. **Partial taking of the Property.** The proceeds shall be applied to the sums secured by this Security Instrument,

when the amount of the award or claim is paid to Borrower. In the event of a partial taking of the Property in which the

market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured

by the Security Instrument, the proceeds shall be applied to the sums secured by the Security Instrument in the following

order: (a) the sums secured immediately before the taking; (b) the sums secured immediately before the taking; (c) the

sums secured immediately before the taking; (d) the sums secured immediately before the taking; (e) the sums secured

immediately before the taking; (f) the sums secured immediately before the taking; (g) the sums secured immediately

before the taking; (h) the sums secured immediately before the taking; (i) the sums secured immediately before the

taking; (j) the sums secured immediately before the taking; (k) the sums secured immediately before the taking; (l)

the sums secured immediately before the taking; (m) the sums secured immediately before the taking; (n) the sums

secured immediately before the taking; (o) the sums secured immediately before the taking; (p) the sums secured

immediately before the taking; (q) the sums secured immediately before the taking; (r) the sums secured immediately

before the taking; (s) the sums secured immediately before the taking; (t) the sums secured immediately before the

taking; (u) the sums secured immediately before the taking; (v) the sums secured immediately before the taking; (w)

the sums secured immediately before the taking; (x) the sums secured immediately before the taking; (y) the sums

secured immediately before the taking; (z) the sums secured immediately before the taking; (aa) the sums secured

immediately before the taking; (ab) the sums secured immediately before the taking; (ac) the sums secured

immediately before the taking; (ad) the sums secured immediately before the taking; (ae) the sums secured

immediately before the taking; (af) the sums secured immediately before the taking; (ag) the sums secured

immediately before the taking; (ah) the sums secured immediately before the taking; (ai) the sums secured

immediately before the taking; (aj) the sums secured immediately before the taking; (ak) the sums secured

immediately before the taking; (al) the sums secured immediately before the taking; (am) the sums secured

immediately before the taking; (an) the sums secured immediately before the taking; (ao) the sums secured

immediately before the taking; (ap) the sums secured immediately before the taking; (aq) the sums secured

immediately before the taking; (ar) the sums secured immediately before the taking; (as) the sums secured

immediately before the taking; (at) the sums secured immediately before the taking; (au) the sums secured

immediately before the taking; (av) the sums secured immediately before the taking; (aw) the sums secured

immediately before the taking; (ax) the sums secured immediately before the taking; (ay) the sums secured

immediately before the taking; (az) the sums secured immediately before the taking; (ba) the sums secured

immediately before the taking; (bb) the sums secured immediately before the taking; (bc) the sums secured

immediately before the taking; (bd) the sums secured immediately before the taking; (be) the sums secured

immediately before the taking; (bf) the sums secured immediately before the taking; (bg) the sums secured

immediately before the taking; (bh) the sums secured immediately before the taking; (bi) the sums secured

immediately before the taking; (bj) the sums secured immediately before the taking; (bk) the sums secured

immediately before the taking; (bl) the sums secured immediately before the taking; (bm) the sums secured

immediately before the taking; (bn) the sums secured immediately before the taking; (bo) the sums secured

immediately before the taking; (bp) the sums secured immediately before the taking; (bq) the sums secured

immediately before the taking; (br) the sums secured immediately before the taking; (bs) the sums secured

immediately before the taking; (bt) the sums secured immediately before the taking; (bu) the sums secured

immediately before the taking; (bv) the sums secured immediately before the taking; (bw) the sums secured

immediately before the taking; (bx) the sums secured immediately before the taking; (by) the sums secured

immediately before the taking; (bz) the sums secured immediately before the taking; (ca) the sums secured

immediately before the taking; (cb) the sums secured immediately before the taking; (cc) the sums secured

immediately before the taking; (cd) the sums secured immediately before the taking; (ce) the sums secured

immediately before the taking; (cd) the sums secured immediately before the taking; (ce) the sums secured

immediately before the taking; (cd) the sums secured immediately before the taking; (ce) the sums secured

immediately before the taking; (cd) the sums secured immediately before the taking; (ce) the sums secured

immediately before the taking; (cd) the sums secured immediately before the taking; (ce) the sums secured

immediately before the taking; (cd) the sums secured immediately before the taking; (ce) the sums secured

immediately before the taking; (cd) the sums secured immediately before the taking; (ce) the sums secured

immediately before the taking; (cd) the sums secured immediately before the taking; (ce) the sums secured

immediately before the taking; (cd) the sums secured immediately before the taking; (ce) the sums secured

immediately before the taking; (cd) the sums secured immediately before the taking; (ce) the sums secured

immediately before the taking; (cd) the sums secured immediately before the taking; (ce) the sums secured

immediately before the taking; (cd) the sums secured immediately before the taking; (ce) the sums secured

immediately before the taking; (cd) the sums secured immediately before the taking; (ce) the sums secured

immediately before the taking; (cd) the sums secured immediately before the taking; (ce) the sums secured

94450130

UNOFFICIAL COPY

PROMISSORY NOTE

Borrower: Joanne Jones

Lender: BELL FEDERAL SAVINGS AND LOAN ASSOCIATION
79 WEST MONROE STREET
CHICAGO, ILLINOIS 60603

Loan Number: 53000402 -A

Principal Amount: \$2,000.00

Date of Loan Disbursement: MAY 19, 1994

1st AMERICAN TITLE order # C75909 R.d.w.

PROMISE TO PAY. I promise to pay BELL FEDERAL SAVINGS & LOAN ASSOCIATION "Lender", or order, in lawful money of the United States of America, the principal amount of Two Thousand and 00/100 Dollars, (\$2,000.00), pursuant to the Promissory Note Rider.

DEFAULT. I will be in default if any of the following happens: (a) I break any promise I have made to Lender, or I fail to perform promptly at the time and strictly in the manner provided in this Note or in any other agreement or loan I have with Lender. (b) Any representation or statement made or furnished to Lender by me or on my behalf is false or misleading in any material respect. (c) I die or become insolvent, a receiver is appointed for any part of my property, I make an assignment for the benefit of creditors, or any proceeding is commenced either by me or against me under any bankruptcy or insolvency laws. (d) Any creditor tries to take any of my property on or in which Lender has a lien or security interest. This includes a garnishment of any of my accounts, including deposit accounts, with Lender. (e) Any of the events described in this default section occurs with respect to any guarantor of this Note. (f) Lender in good faith deems itself insecure.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance on this Note immediately due, without notice, and then I will pay that amount. Lender may hire or pay someone else to help collect this Note if I do not pay. I also will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. If not prohibited by applicable law, I also will pay any court costs, in addition to all other sums provided by law. This Note has been delivered to Lender and accepted by Lender in the State of Illinois. If there is a lawsuit, I agree upon Lender's request to submit to the jurisdiction of the courts of Cook County, the State of Illinois. This Note shall be governed by and construed in accordance with the laws of the State of Illinois and The United States of America.

COLLATERAL. This Note is secured by a Mortgage dated MAY 19, 1994, to Lender on real property located in COOK County, State of Illinois, all the terms and conditions of which are hereby incorporated and made a part of this Note.

ADDITIONAL PROVISIONS. The mortgage is on property located at:

145 W. 125th Street Chicago, Illinois 60626

GENERAL PROVISIONS. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. I and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew, extend (repeatedly and for any length of time) or modify this loan, or release any party or guarantor; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. The obligations under this Note are joint and several. This means that the words "I", "me", and "my" mean each and all of the persons signing below.

PRIOR TO SIGNING THIS NOTE, I, AND EACH OF US, READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. I, AND EACH OF US, AGREE TO THE TERMS OF THE NOTE AND ACKNOWLEDGE RECEIPT OF A COMPLETED COPY OF THE NOTE.

BORROWER:

X Joanne Jones
Joanne Jones

X _____

X 5-19-94
Date Signed

X _____
Date Signed

3446130

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

PROMISSORY NOTE RIDER

THIS PROMISSORY NOTE RIDER ("Rider") is made this 19TH day of MAY, 19 94, and is incorporated into and shall be deemed to amend and supplement a Note in the amount of \$2,000.00 dated an even date herewith, executed by the Undersigned ("Borrower") to BELL FEDERAL SAVINGS & LOAN ASSOCIATION ("Lender") secured by a Mortgage or Deed of Trust dated an even date herewith.

1st AMERICAN TITLE order # C75909

In addition to the agreements and provisions made in said Note, Borrower and Lender further agree as follows: This forgivable loan is originated pursuant to the Illinois League of Savings Institutions' Affordable Housing Program ("Program"). The Borrower has received subsidy funds under the Program in the amount of \$2,600.00 which will be a second mortgage on the subject property according to the conditions set forth in the Affordable Housing Program application dated 10-15-93. The Borrower hereby acknowledges receipt of such subsidy funds in the form of this forgivable loan.

The Borrower and Lender agree that each year 20 percent of the subsidy funds will be forgiven. Upon completion of a 5 year term, no amounts will remain due. In the event that the property financed pursuant to the Program is not or ceases to be used for the purpose(s) approved by the Federal Home Loan Bank of Chicago and the Federal Housing Finance Board, the Borrower shall refund the subsidy funds as follows: Twenty percent of the total subsidy received by Borrower shall be forgiven for each year that the Borrower maintains the property as their principal residence. Lender will consider the anniversary of the date on which the first payment is made by the Borrower on the first mortgage loan advanced by the Lender to finance the subject property ("First Mortgage Initial Loan Payment Date") in forgiving and/or prorating the subsidy. No credit will be given for partial years of ownership or residency. Borrower agrees to provide the Lender all and any information that Lender, the Federal Home Loan Bank or the Illinois League of Savings Institutions, deems to be necessary to provide evidence of continued compliance with the program.

The Borrower and Lender further agree that if the property financed pursuant to the Program is sold within five (5) years of the Borrower's First Mortgage Initial Loan Payment Date any gain on sale will be applied as repayment of any unused subsidy funds as follows: 20 percent of the total for each year remaining on the 5 year term from the date of Borrowers First Mortgage Initial Loan Payment. No credit will be given for partial years of ownership or residency. The amount of subsidy to be repaid shall not exceed the gain on sale.

Gain on sale is defined as the cash to you as Seller of the property, after paying standard seller closing costs, less your initial investment (earnest money and cash required from you as borrower) when you purchased the property. Gain on sale will be computed by Lender based upon its review of the appropriate H.U.D. Settlement Statements for the purchase and sale of the mortgaged property.

All subsidies can be recovered if a property is sold for less than fair market price in a less than arms length transaction.

Reimbursement of said subsidy funds shall be made directly to BELL FEDERAL SAVINGS & LOAN ASSOCIATION (Name of Institution) 79 WEST MONROE (Street Address), CHICAGO, IL 60603 (City/State/Zip)

The Borrower and Lender further agree that in the event subsidy funds are not repaid in accordance with the provisions set forth above, Lender may commence legal action to collect such funds in accordance with the terms of this Agreement and Borrower may be liable for any court costs in addition to any sums incurred in collection of this amount.

This Promissory Note Rider shall expire on JULY 1, 1999, unless the terms of this Agreement require repayment at an earlier date.

IN WITNESS WHEREOF, Borrower has executed this Promissory Note Rider.

Joanne Jones
Borrower Joanne Jones

5-19-94
Date

Co-Borrower _____

Date _____

0448130

UNOFFICIAL COPY

Property of Cook County Clerk's Office