BANK UNITED OF TEXAS FSB DRA COMMONWEALTH UNITED MTG 1301 N. BASSWOOD, 4TH FLOOR SCHAUMBURG, ILLINOIS 60173

H T: COMMONWEALTH LAND TITLE INSURANCE COMPANY

2020 DEAN ST., UNIT J ST. CHARLES, IL 60174



- (Space Above This Line For Recording Data)

MORTGAGE

DEPT-01 RECORDING T#0011 TRAN 2167 06/02/94 15:40:00 COOK COUNTY RECORDER -

THIS MORTGAGE ("Security Instrument") is given on MAY 16, 1994 IVAN LEON , MARRIED TO POSA E. LEON

. The mortgagor is

("Borrower"). This Security Instrument is given to BANK UNITED OF TEXAS FSB

which is organized and existing under the laws of THE UNITED STATES address is 3200 SOUTHWEST FREEWAY, #2000, HOUSTON, TEXAS 77027

and whose

("Lender'). Borrower owes Lender the principal sum of

ONE HUNDRED SIXTEEN THOUSAND AND 00/100

graphic of the degree for the control of the state of the state of the control of

Dollars (U.S. \$ " **116,000.00). 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 earlier, due and payable on JUNE 01, 2014 . This Security Instrument secures to Lencer: (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 County, Illinois: COOK

LOT 4 AND 5 (EXCEPT THE EAST 8 FEET THEREOF) IN HERGENHAHN'S RESUBDIVISION OF LOT 22 (EXCEPT THE WEST 59 FEET THEREOF) IN FREDERICK H. BARTLETT'S SUBDIVISION OF THE SOUTH 2/3 OF THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 21, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N. 13 21 404 053

[Street, City],

which has the address of 5026 W. NEWPORT AVENUE, CHICAGO Illinois a paring at 60641 unitary of the ("Property Address");

[Zip Code]

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Commence of the second second

TOGETHER WITH all the improvements now or perest experience and additions shall also be povered urtenances, and fixtures now or hereafter a part of the property. All replacement as the Property."

this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to ortgage, grant and convey the Property of the Property against all claims and demands, subject to any ortgage warrants and will defend generally the fittle to the Property against all claims and demands, subject to any cumbrances of record.

mbrances of record.
THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with

mited variations by jurisdiction 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 UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows: ne principal of 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

o Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) vearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly laxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (d) yearly layerly laxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (d) yearly layerly layer and assessments which may attain priority over this Security Instrument as a lien on the Property; (d) yearly layer and assessments which may attain priority over this Security Instrument as a lien on the Property; (d) yearly layer and assessments which may attain priority over this Security Instrument as a lien on the Property; (d) yearly layer and assessments which may attain priority over this Security Instrument as a lien on the Property; (d) yearly layer and assessments which may attain priority over this Security Instrument as a lien on the Property; (d) yearly layer and assessments which may attain priority over this Security Instrument as a lien on the Property; (d) yearly layer and assessments and assessments which may attain priority over this Security Instrument as a lien on the Property; (d) yearly layer and assessments and assessments are the property of the P leasehold payments of ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly leasehold payments of ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly leasehold payments of ground rents on the Property, if any; (c) yearly hazard or property insurance premiums if any; and (f) any enter no and the property insurance premiums if any; and (f) any enter no and the property insurance premiums if any; and (f) any enter no and the property insurance premiums if any; and (f) any enter no and the property insurance premiums if any; and (f) any enter no any en flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Rosenus to I made in any which the necessitions of necessary a limit of the necessary of mortgage incurrence. Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of montgage insurance premiums. These items are called "Feorett Borrow at any time collect and hold Bunde in an amount not to porrower to Lender, in accompance with the provisions of paragraph of in field of the payment of moregage monant not to premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Punds in an amount not to premiums, these nems are called from tions. Length may, at any time, content and note remain an annount not to exceed the maximum amount of territories for a federally related mortgage loan may require for Borrower's escrow account exceed the maximum amount of the federally related mortgage loan may require for Borrower's escrow account exceeds the federal David Edward Decording Act of 1074 on amounted from time to time 12.11.2.0. Senting 26.11. 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, of soq. (RESTA), unless another as that applies to the runos sets a tesser amount, it so, Lenter may, at any time, collect and hold Funds in an amount hely to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and appearance of a reading of Current data. conect and note runus in an amount not in exceed the lesser amount actions may estimate the amount of runus in accordance the basis of current data and reasonable estimates of expenditures of future Escrow Items of otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (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 Portower for holding and applying the Funds, annually analyzing the pay the escitor turns. Letter they not charge contower for nothing and applying the Funds and applicable law eschow account, or verifying the Escrow Rems, units Lender pays Borrower interest on the Funds and applicable law married lander to make each a charge. However, and a married Rossower to see a charge the married lander to make each a charge. with applicable law. permits Lender to make such a charge. However, and a require Borrower to pay a one-time charge for an independent real estate tax reporting service used by I and as in connection with this loss used to pay a one-time charge. pennus Lenger to make nuch a charge, mowever, cannot may require exprover to pay a checume charge for an independent real estate tax reporting service used by Linder in connection with this loan, unless applicable law provides independent real estate tax reporting service used by Linder in connection with this loan, unless applicable law provides independent real estate tax reporting service used by Linder in connection with this loan, unless applicable law provides of the period of the independent real estate as reporting service used by Lander in connection with an loan, usues appreciate law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to not Possesses and I and as many passes in writing however, that interest and Possesses are interest on a session on the Possesses and I and as many passes in writing however, that interest pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest of the Bonds of th pay DUNOWER may interest or carmings on the runus. Dunower and Lenger may agree in writing of the Pinds, showing shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds are aladaed as shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds are aladaed as credits and dehits to the Funds and the purpose for which each white to the Funds was made. The Funds are pledged as additional countries for all setting accounts their countries for all setting accountry for all setting accou

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 Landay at any time is not sufficient to any the Ressour Itams when the Landay may as notify Ressource in writing additional security for all sums secured by this Security Instrument by Lender at any time is not sufficient to pay the Escrow liems when the Lender may so notify Borrower shall make and in such once Romanus shall now to I and at the amount recessory to make up the deficiency. 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 monthly normants at Lander's not disconstitute.

Upon payment in full of all sums secured by this Security Instrument, for sells the December 1 ander refer to the Boards hald by I ander naturable 71. I ander chall acquire of sells the December 1 ander naturable 71. up the deficiency in no more than twelve monthly payments, at Lender's so ediscretion. any Funds held by Lender. If, under paragraph 21, Lender shall acquire of self the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Punds held by Lender at the time of acquisition or sale as a credit

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 Noie, second, to amounts payable under narrarenh 2, third to interest disc. South to animalian disc, and last to animalian disc, and the transfer disc. against the sums secured by this Security Instrument. 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 impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments of ground tents, if any Remarks chall may those children in the manner appointed in narrangement? Or if not paid in that manner Remarks 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 said under this paragraph. If Rossower makes these nauments directly. Rossower shall promptly furnish to Lender all notices of amounts to be said under this paragraph. If Rossower makes these nauments directly. amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnis

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, (b) contests and faith the lien by the defende against enforcement of the lien in legal processings which in the I and a secured by the lien in legal processings which in the I and a secured by the lien in legal processings which in the I and a secured by the lien in legal processings which in the I and a secured by the lien in legal processing which in the lien in legal processing which it is a secured by the li good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion good faith the lien by, or defends against enforcement of the lien on the holder of the lien on antenment enterior of the lien o to Lender receipts evidencing the payments. operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory I and a subcretinating the lien to this Security Instance of the determine that any most of the December, is such as Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien on take one of make of the actions and footh above within 10 dams of the civing of making Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notion

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24. Riders to this Security Instrument. If on this Security Instrument, the covenants and agreem supplement the covenants and agreements of this	cats of each such	rider shall be inc	corporated into and	shall amend and
Graduated Payment Rider Pla Balloon Rider Rat	ondominium Rider anned Unit Development Rider ate Improvement Rider her(s) [specify]		1-4 Family Rider Biweekly Payment Rider Second Home Rider	
et patented e le cella le provinci de la	(speny)	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	eskeya Pesta — ne	
BY SIGNING BELOW, Borrower accepts instrument and in any rider(s) executed by Borrower Witnesses:	and agrees to the rand recorded wi	e terms and cov	venants contained	in this Security
Dor	ĪV	N LEON	Jan.	(Scal) -Borrower
	ROSA	E. LEON. 57	GRING SOLKLY	(Scal)
and the state of t	PURI (Seal)	POSE OF WAIVE	PC HOMESTEAD/I	ARITAL RIGHTS (Seal)
STATE OF ILLINOIS, 1984 Collaboration of the state of the	orrower () of the second of th	County	95;	-Borrower
in the production of the plant of the relief of the control of the	Notary	Public in and fo	or said county and	state do hereby
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name(s) subscribed to the foregoing instrument, app he signed and delivered the said instrument therein set forth. Given under my hand and official seal, this	as HIS	free and volunta	ry act, for the use	I that s and purposes
My Commission Expires: 6-2597	Notary I	elt-Sk	with	
and the state of t	• •			•
This Instrument was prepared by: BETH M. TO	OUSEY Page 5 of 6	"OFFICIA MARIE T. H Notary Public, My Commission E	out of Illinois	Form 3014 9/80 009825928

Borrower shall comptly g varietien notice of any investigation, claim, demand, lawsuit or other action by rene and to maintain the plant of Hazardous Aut stances that are generally recognized to be appropriate to any governmental of cegular y agency or private party involving the Property and any Hazardous Substance or private party involving the Property and any Hazardous Substance or is notified by any consumental or

any governmental of regularcy agency of private pany involving the Property and any mazardous divisions of any mazardous division of any Hayandous Calestanous of Standard of the Deciman Environmental Law of which borrower has actual knowledge. If borrower learns, or is notined by any governmental or necessary Borrower chall the all necessary remediation of any Hazardous Substance affecting the Property is regulatory authority, that any removal or other remediation of any mazaroous substance allecting the property take all necessary remedial actions in accordance with Environmental Law. As used in this paragraph 20 A Mazardous Substances are those substances defined as toxic or hazardous substances.

Find the following an authorory and all the following an authorory and the following and the f As used in this paragraph 20. Payzardous Substances: are those substances defined as toxic of nazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable of toxic petroleum products, products, and radioactiva and radioactiva by Environmental Law and the following sunstances: gasoline, kerosene, other Hammanie or toxic petroleum products, toxic pesticides and herbicides, volatile of verils, materials containing asbestos or formaldehyde, and radioactive petroleum products, and radioactive petroleum products.

materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the NON-UNIFORM COVENANTS, Boltower 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 The noting about manifes, (a) the default, (b) the outlon manifes to Dreacn of any covenant or agreement in this becurity the runnent (but not prior to acceleration under paragraph of the default; (b) the action required to core the default; (c) a date, not less than 30 days from the date the votice is given to Borrower, by which the default on an harmonic in the default in the manuscript in the default on an harmonic in the default on the date in the manuscript in the default on Cure the delaunt (c) a date, not less than 30 days from the date the verice is given to norrower, by which the default on or before the date specified in the notice may result in some analysis in the notice may result in the color of the date of must be cured; and (a) that fautre to cure the delatit on or before the date spectrum in the source may result in Diameter The motion shall from Romann of the minetals of the fudicial proceeding and sale of the state of the minetals of the minetals of the minetals. Acceleration of the sums secured by this Security instrument, foreclosure by Judicial proceeding and saie of the Property. The notice shall further inform Borrower of the right to reinst ite after acceleration and the right to season in the foreclosure necessarily and the right to december of the right to acceleration and the right to Assert in the foreclosure proceeding the non-existence of a default or any other acceleration and the right to acceleration and the non-existence of a default or any other acceleration and the notion of the data and the notion may be a second as a second and the notion may be a second as a second and the notion may be a second as a secon assert in the torectosure proceeding the non-existence of a decision and foreclosure. If the default is not cured on or before the date specified in the notice. Lender, at its option, may accurate to the date of the notice. Lender, at its option, may accurate the date of the notice. require immediate payment in full of all sums secured by this Security Instrument without rurner demand and in surround the payment by judicial proceeding, Lender shall be entitled to enter all expenses to manage the payment of payment

may toreclose this Security Instrument by Judicial proceeding, Lender shall be entitled to collect an expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not I mire; to, reasonable 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.

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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.

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 of erwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums secured hur.

If the Property is abaranted by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim to 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 Walver. Extension of the time for payment or modification of amortization of the sums see are 1 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 Dahllity; 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 Eoriower 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.

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5. Huzard 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 "extended coverage" and any other hazards, including floods 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 make 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 lessened. If the restoration or repair is not economically feasible or Lender's security would be 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 settle a claim, then 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.

Unless Lender and ocrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of he monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 23 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums

secured by this Security Instrument immediately prior to the acquisition.

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 It strainent 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 enteninting 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 each 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. For ower 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 lcan 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 fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees the merger in writing.

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 that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfei ure or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of we 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 attorneys' 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.

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 requesting 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 lapsed or ceased 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,

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