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- DEPT-01 RECORDING \$31.00
- T#0009 TRAN 9645 11/07/95 16:08:00
- #2627 # RH *-95-767770
- COOK COUNTY RECORDER

LOAN NO. 206890990

[Space Above This Line For Recording Date]

STATE OF ILLINOIS

FHA MORTGAGE

FHA CASE NO.

1318068761729

This Mortgage ("Security Instrument") is given on October 27, 1995. The Mortgagors
ROBERT E KING; and KATHLEEN P KING, HUSBAND & WIFE

whose address is 5243 N RUTHERFORD STREET, CHICAGO, IL 60656
("Borrower"). This Security Instrument is given to MORTGAGE BANCORP SVCS

Box 260

which is organized and existing under the laws of THE STATE OF ILLINOIS
and whose address is 800 E. NW HWY, PALATINE, IL 60067
("Lender"). Borrower over Lender the principal sum of One Hundred Fifty One Thousand Three
Hundred Thirty Dollars and no/100

Dollars (U.S. \$ 151,330.00). 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 November 1, 2025. This Security Instrument secures to Lender: (a) the repayment of the debt
evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums,
with interest, advanced under Paragraph 8 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

-ATTORNEYS' TITLE GUARANTEE FUND, INC.

LOT 31 IN BLOCK 6 IN WALTER G. MC INTOSH FIRST ADDITION TO
NORWOOD HEIGHTS, IN SECTION 7, TOWNSHIP 40 NORTH, RANGE 13,
EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PERMANENT INDEX NUMBER: 13-07-228-000

which has the address of 5243 N RUTHERFORD STREET CHICAGO
(Street) (City)
60656
ILLINOIS (Zip Code) ("Property Address");

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

BORROWER 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.

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LOAN NO. 206890990

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

2. **Monthly payments of Taxes, Insurance and Other Charges.** Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, an installment of any (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for insurance required by Paragraph 4.

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

If at any time the total of the payments held by Lender for items (a), (b) and (c), together with the future monthly payments for such items payable to Lender prior to the due dates of such items, exceeds by more than one-sixth the estimated amount of payments required to pay such items when due, and if payments on the Note are current, then Lender shall either refund the excess over one-sixth of the estimated payments or credit the excess over one-sixth of the estimated payments to subsequent payments by Borrower, at the option of Borrower. If the total of the payments made by Borrower for item (a), (b), or (c) is insufficient to pay the item when due, then Borrower shall pay to Lender any amount necessary to make up the deficiency on or before the date the item becomes due.

As used in this Security Instrument, "Secretary" means the Secretary of Housing and Urban Development or his or her designee. In any year in which the Lender must pay a mortgage insurance premium to the Secretary, each monthly payment shall also include either: (i) an installment of the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary. Each monthly installment of the mortgage insurance premium shall be in an amount sufficient to accumulate the full annual mortgage insurance premium with Lender one month prior to the date the full annual mortgage insurance premium is due to the Secretary; or if this Security Instrument is held by the Secretary, each monthly charge shall be in an amount equal to one-twelfth of one-half percent of the outstanding principal balance due on the Note.

If Borrower tenders to Lender the full payment of all sums secured by this Security Instrument, Borrower's account shall be credited with the balance remaining for all installments for items (a), (b) and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b) and (c).

3. **Application of Payment.** All payments under Paragraphs 1 and 2 shall be applied by Lender as follows:

- FIRST**, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium;
- SECOND**, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;
- THIRD**, to interest due under the Note;
- FOURTH**, to amortization of the principal of the Note;
- FIFTH**, to late charges due under the Note.

4. **Fire, Flood and Other Hazard Insurance.** Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against all hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in Paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in Paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

5. **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 the Secretary determines this requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned Property. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

6. **Charges to Borrower and Protection of Lender's Rights in the Property.** Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in Paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by Paragraph 2, or fails to perform any other 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, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of Lender, shall be immediately due and payable.

7. **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 place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in Paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due

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date of the monthly payments, which are referred to in Paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

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

9. Grounds for Acceleration of Debt.

(a) Default. Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:

(i) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or

(ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

(b) Sale Without Credit Approval. Lender shall, if permitted by applicable law and with the prior approval of the Secretary, require immediate payment in full of all the sums secured by this Security Instrument if:

(i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent) by the Borrower, and

(ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) No Waiver. If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

(d) Regulations of HUD Secretary. In many circumstances regulations issued by the Secretary will limit Lender's right, in the case of payment default, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) Mortgage Not Insured. Borrower agrees that should this Security Instrument and the note secured thereby not be insured or reinsured under the National Housing Act within 60 DAYS

from the date hereof, Lender may, at its option and notwithstanding anything in Paragraph 9, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated

noted hereof shall be deemed conclusive proof of such insurability. Notwithstanding the foregoing, the option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

10. Right of Redemption. Borrower has a right to be reimbursed if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or the Security Instrument. The right applies even after foreclosure proceedings are initiated. To reimburse the Secretary, Borrower shall tender in a lump sum all amounts required to bring current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceedings. Upon reimbursement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if:

(i) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

(ii) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

(iii) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

(iv) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

(v) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

(vi) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

(vii) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

(viii) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

(ix) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

(x) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

(xi) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

(xii) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

(xiii) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

(xiv) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

(xv) Lender has accepted reinstatement after the commencement of a current foreclosure proceeding, or

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FHA MULTISTATE MORTGAGE FORM

OFFICIAL SEAL
NOREEN E MACDONALD
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES MAY 14, 1998

This instrument was prepared by KAREN STEPHAN

Notary Public

County, Illinois

My Commission expires:

By Kathleen P. King, Notary Public, for wife
The foregoing instrument was acknowledged before me this 19th day of October, 1997, at Cook County, Illinois, by Robert E. King and Kathleen P. King, his wife (person acknowledged)

STATE OF ILLINOIS

Cook

County ss:

(Seal) Borrower

(Seal) Borrower

(Seal) Kathleen P. King

(Seal) Robert E. King

Witnesses:

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in pages 1 through 4 of this Security Instrument and any rider(s) executed by Borrower and recorded with it.

- Condominium Rider
- Planned Unit Development Rider
- Graduated Payment Rider
- Other [Specify]
- Growing Equity Rider

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

17. Foreclosure Procedure. If Lender requires immediate payment in full under Paragraph 8, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in the Paragraph 17, including, but not limited to, reasonable attorneys' fees and costs of this evidence.

If Lender invokes the power of sale, Lender shall give notice of sale to Borrower in the manner provided in Paragraph 13. Lender shall publish and post the notice of sale, and the Property shall be sold in the manner prescribed by applicable law. Lender or its designee may purchase the Property at any sale. The proceeds, of the sale shall be applied in the following order: (a) to all expenses of the sale, including but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

18. Release. Upon payment of all sums secured by this Security Instrument, Lender shall prepare and file a discharge of this Security Instrument without charge to Borrower.

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A new interest rate calculated in accordance with Paragraphs (C) and (D) of this Rider will become effective on the Change Date. Borrower shall make a payment in the new monthly amount beginning on the first payment date which occurs at least 25 days after Lender has given Borrower the notice of change required by Paragraph (F) of this Rider. Borrower shall have no obligation to pay any increase in the monthly payment amount calculated in accordance with Paragraph (E) of this Rider for any payment date occurring less than 25 days after Lender has given the required notice. If the monthly payment amount calculated in accordance with Paragraph (E) of this Rider decreased, but Lender failed to give timely notice of the decrease and Borrower made any monthly payment amount exceeding the payment amount which should have been stated in a timely notice, then Borrower has the option to either (i) demand the return to Borrower of any excess payment, with interest thereon at the Note rate (a rate equal to the interest rate which should have been stated in a timely notice), or (ii) request that any excess payment, with interest thereon at the Note rate, be applied as payment of principal. Lender's obligation to return any excess

(G) Effective Date of Changes
Borrower will give notice to Borrower of any change in the interest rate and monthly payment amount (F) Notice of Changes
Lender will give notice at least 25 days before the new monthly payment amount and monthly payment calculation will be the amount of the new monthly payment of principal and interest. The result of the use the unpaid principal balance which would be owed on the Change Date if there had been no default in principal and interest which would be necessary to repay the unpaid principal balance in full at the maturity of the interest rate changes on a Change Date. Lender will calculate the amount of monthly payment of principal and interest rate through substantially equal payments. In making such calculation, Lender will use the unpaid principal balance which would be owed on the Change Date if there had been no default in payment on the Note, reduced by the amount of any prepayments to principal. The result of the calculation will be the amount of the new monthly payment of principal and interest.

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

(D) Limits on Interest Rate Changes
The interest rate will never increase or decrease by more than one percentage point (1.0%) on any single Change Date. The interest rate will never be more than five percentage points (5.0%) higher or lower than the initial interest rate.

(C) Calculation of Interest Rate Change
Before each Change Date, Lender will calculate a new interest rate by adding a margin of three percentage points (3.000%) to the current index and rounding the sum to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Paragraph (D) of this Rider, the rounded amount will be the new interest rate until the next Change Date.

(B) The Index
Beginning with the first Change Date, the interest rate will be based on an index. "Index" means the weekly average yield on a 10-year Treasury Security adjusted to a constant maturity of one year, as made available by the Federal Reserve Board. "Current index" means the most recent index figure available 30 days before the Change Date. "New index" (as defined above) is no longer available. Lender will use as a new index any index prescribed by the Secretary. As used in this Rider, "Secretary" means the Secretary of Housing and Urban Development or his or her designee. Lender will give Borrower notice of the new index.

(A) Change Date
The interest rate may change on the first day of January, 1997, and that day of each succeeding year. "Change Date" means each date on which the interest rate could change.

INTEREST RATE AND MONTHLY PAYMENT CHANGES

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

(PROPERTY ADDRESS)

5243 N RUTHERFORD STREET, CHICAGO, IL 60656

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

Note (Note) to MORTGAGE BANCORP SVCS
THIS ADJUSTABLE RATE RIDER is made the 27th day of October, 1995 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Instrument of the same date given by the undersigned (Borrower) to secure Borrower's

FHA ADJUSTABLE RATE RIDER

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(REAL) BORROWER

(REAL) BORROWER

Kathleen P King

(REAL) BORROWER

Robert E King

(REAL) BORROWER

Christ E King, Esq. Attorney in Law

payment with interest on demand is not assignable even if the Note is otherwise assigned before the demand for return is made.
BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in pages 1 and 2 of the Adjustable Rate Rider.

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