

UNOFFICIAL COPY

AFTER RECORDING MAIL TO:

GN MORTGAGE CORPORATION
4000 WEST BROWN DEER ROAD
BROWN DEER, WISCONSIN 53209

GN LOAN NO. 1988542

(A)

95223182

[Space Above This Line For Recording Data]

State of Illinois

MORTGAGE

FHA Case No.

131:7651239

THIS MORTGAGE ("Security Instrument") is given on **March 31st, 1995**

The mortgagor is

BETTY GAMMON, A SINGLE PERSON

("Borrower"). This Security Instrument is given to **GN MORTGAGE CORPORATION, A WISCONSIN CORPORATION** which is organized and existing under the laws of **THE STATE OF WISCONSIN** and whose address is **8700 FALLBROOK AVENUE, SUITE 293 WEST HILLS, CALIFORNIA 91307**

("Lender"). Borrower owes Lender the principal sum of **Twenty Two Thousand and 00/100**

Dollars (U.S. \$ **92,000.00**). 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 **April 1st, 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:

UNIT 805 IN THE 230 EAST ONTARIO CONDOMINIUM AS DELINEATED AND DEFINED IN THE DECLARATION RECORDED JANUARY 28, 1993 AN DOCUMENT NUMBER 93074712, AND AMENDED BY AMENDMENTS RECORDED AS DOCUMENTS 93303079, OF THE FOLLOWING DESCRIBED REAL ESTATE:

THE EAST 15 FEET OF LOT 16 AND ALL OF LOTS 17, 18, AND 19 IN THE SUBDIVISION OF THE WEST 394 FEET OF BLOCK 32, (EXCEPT THE EAST 14 FEET OF THE NORTH 80 FEET THEREOF) IN KNIZIE'S ADDITION TO CHICAGO IN SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PHIL #178-203-016
#178-203-016

17-10-203-028-1024



which has the address of **230 EAST ONTARIO #608** (Street)

CHICAGO (City)

(City)

Illinois **60611-** (Zip Code)

("Property Address"):

95223182

4350
[Signature]

2062
1941745

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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.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

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 Payments.** 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.

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4. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. The 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; Leasehold. 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 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.

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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 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 rights in the case of payment defaults 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 eligible for insurance 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 subsequent to **60 DAYS** from the date hereof, declining to insure this Security Instrument and the Note secured thereby, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this 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. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account 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 proceeding. Upon reinstatement 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 foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time of payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor 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.

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12. Successors and Assigns Bound; Joint and Several Liability; Co-Signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9 b. 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. 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 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.

14. 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.

15. Borrower's Copy. Borrower shall be given one conformed copy of this Security Instrument.

16. Assignment of Rents. Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph 16.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

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

17. Foreclosure Procedure. If Lender requires immediate payment in full under paragraph 9, Lender may, without further demand, foreclose this Security Instrument by judicial proceeding and invoke any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 17, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

18. 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.

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

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20. 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))

- Rehabilitation Loan Rider
- Condominium Rider
- Planned Unit Development Rider
- Other (Specify) Adjustable Rate Rider
- Tax-Exempt Financing Rider
- Graduated Payment Rider
- Rider for Section 240 Mortgage
- Growing Equity Rider

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

Witnesses:

Betty Gammon (Seal)
BETTY GAMMON - Borrower

- Borrower

- Borrower

- Borrower

STATE OF ILLINOIS, County ss:

I, MICHAEL BENCH, Notary Public in and for said county and state, do hereby certify that BETTY GAMMON, personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she/they signed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 31ST day of MARCH, 19 95.

My Commission Expires: MARCH 28, 1997

Michael Bench
Notary Public



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Loan No. 1988542

FHA Case No.

131:7851239

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 31st day of March, 1995 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note to **GFI MORTGAGE CORPORATION, A WISCONSIN CORPORATION** ("Lender") of the same date and covering the Property described in the Security Instrument and located at: **230 EAST ONTARIO # 605, CHICAGO, ILLINOIS 60611-**

(Property Address)

The Property Address includes a unit in, together with an undivided interest in the common elements of, a condominium project known as: **230 East Ontario Condominium**

(Name of Condominium Project)

("Condominium Project"). If the owners association or other entity which acts for the Condominium Project ("Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association, and the uses, proceeds and benefits of Borrower's interest.

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

- A. So long as the Owner, Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring all property subject to the condominium documents, including all improvements now existing or hereafter erected on the Property, and such policy is satisfactory to Lender and provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and other hazards included within the term "extended coverage," and loss by flood, to the extent required by the Secretary, then: (i) Lender waives the provision in Paragraph 2 of this Security Instrument for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property, and (ii) Borrower's obligation under Paragraph 4 of this Security Instrument to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy. Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage and of any loss occurring from a hazard. In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the condominium unit or to the common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by this Security Instrument, with any excess paid to the entity legally entitled thereto.
- B. Borrower promises to pay Borrower's allocated share of the common expenses or assessments and charges imposed by the Owners Association, as provided in the condominium documents.

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C. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph C shall become additional debt of Borrower secured by the 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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Condominium

Rider

Betty Gammon _____ (Seal) _____ (Seal)
BETTY GAMMON Borrower Borrower

_____ (Seal) _____ (Seal)
Borrower Borrower

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Loan No. 1988542

FHA Case No.

131:7851239

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 31st day of March, 1995 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to **GN MORTGAGE CORPORATION, A WISCONSIN CORPORATION**
6700 FALLBROOK AVENUE SUITE 293 WEST HILLS, CALIFORNIA 91307
(the "Lender") of the same date and covering the property described in the Security Instrument and located at **230 EAST ONTARIO # 505, CHICAGO, ILLINOIS 60611.**
(Property Address)

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.

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

INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Date

The interest rate may change on the first day of July, 1996, and on that day of each succeeding year. "Change Date" means each date on which the interest rate could change.

(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 United States Treasury Securities 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. If the 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.

(C) Calculation of Interest Rate Changes

Before each Change Date, Lender will calculate a new interest rate by adding a margin of Two and Three Quarters percentage point(s) (2.750 %) 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.

(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.

(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 which would be necessary to repay the unpaid principal balance in full at the maturity date at the new 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 this calculation will be the amount of the new monthly payment of principal and interest.

(F) Notice of Changes

Lender will give notice to Borrower of any change in the interest rate and monthly payment amount. The notice must be given at least 25 days before the new monthly payment amount is due, and must set forth (i) the date of the notice, (ii) the Change Date, (iii) the old interest rate, (iv) the new interest rate, (v) the new monthly payment amount, (vi) the Current Index and the date it was published, (vii) the method of calculating the change in monthly payment amount, and (viii) any other information which may be required by law from time to time.

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(G) Effective Date of Changes

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 changes 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 amounts 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 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 this Adjustable Rate Rider.

Betty Gammon
BETTY GAMMON

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower

(Space Below This Line Reserved for Acknowledgment)

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Loan No. 1000542

BORROWER'S DECLARATION TO LENDER RIDER TO SECURITY INSTRUMENT

This BORROWER'S DECLARATION TO LENDER, RIDER TO SECURITY INSTRUMENT (this "Rider") is made this 5th day of March, 1995 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (collectively, the "Borrower") to secure Borrower's Note (the "Note") to GN MORTGAGE CORPORATION (the "Lender") of the same date and covering the Premises (as defined herein), as described in the Security Instrument, with reference to the following facts:

Lender has agreed to make and fund a loan (the "Loan") in the amount of \$ 92,000.00 to Borrower for the purpose of acquiring or refinancing that certain real estate improved with a CONDO residential dwelling more particularly described as: 270 EAST ONTARIO #605, CHICAGO, ILLINOIS 60611- (the "Premises"). Payment of the Note will be secured by the Security Instrument in favor of Lender and encumbering the Premises. In addition thereto, and as a condition to making and funding the Loan, Lender has required certain assurances from Borrower with respect to the truth and accuracy of certain factual matters and with respect to the purpose for which the Premises are to be acquired or refinanced.

Borrower acknowledges and understands that Lender will make and fund the Loan to Borrower in contemplation of the sale of the Loan to an investor (the "Investor"), and that as a condition precedent to any such sale of the Loan, Lender will typically be required to represent and warrant to the Investor the truth and accuracy of the following matters, or to represent and warrant to the Investor other matters that depend in turn upon the truth and accuracy of the following matters:

1. That at the date Lender sells the Loan to an investor (which will typically occur within thirty days after the closing of the Loan) Borrower shall maintain the Premises as Borrower's personal and principal residence continuously beginning thirty days after the closing of the Loan and for a period of not less than six months thereafter.
2. If Borrower has presented to Lender documents that purport to be copies of all or pertinent parts of Borrower's federal or state income tax returns for one or more years, that Borrower's income, and all other pertinent figures set forth in such documents, were for the years shown in fact as set forth in such documents for such years, that such documents are in fact true and correct copies of the tax returns of which they purport to be copies and that such tax returns were the returns Borrower actually filed with Internal Revenue Service or the appropriate state taxing authority, respectively.
3. If Borrower has presented to Lender any verifications of deposit or any verifications of employment, that all of the information set forth in each of such verifications is true and accurate in every respect, that each such verification was in fact prepared, executed and delivered directly to Lender by an authorized officer, principal or agent of the person purported to have made such verification, and that Borrower did not in any manner collude with such officer, principal or agent in connection with such verification.
4. If Borrower has represented to Lender that Borrower has, or at the closing of the Loan will have, invested Borrower's cash in a minimum amount as a down payment for or other cash equity in the Premises, that Borrower actually shall have, at the date of closing of the Loan, invested Borrower's cash in an amount not less than such minimum amount as down payment for or other cash equity in the Premises, that Borrower shall not, prior to the closing of the Loan, have made or entered into any understanding or agreement for the financing or refinancing of all or any part of Borrower's cash investment in the Premises through debt secured by the premises and that Borrower shall not, until one year after the closing of the Loan, finance or refinance all or any part of Borrower's cash investment in the Premises through debt secured by the Premises.
5. If Borrower has presented to Lender a "gift letter" from any person, in which such person represents that such person has made a gift of funds or any other things to Borrower, that Borrower has in fact received such gift from the signatory of the gift letter in the amount and on the date set forth in the gift letter, and that Borrower is not subject to any obligation whatsoever, whether legally enforceable or not, and whether express or implied, to repay all or any part of the gift or to pay to any other person all or any part of the gift or to do any other thing whatsoever in full or partial consideration for receipt of the gift.
6. That every fact or representation set forth in Borrower's application to Lender or in any other document, instruments or materials provided by Borrower to Lender in connection with or in support of such application was at the date delivered to Lender and at the closing of the Loan true, correct and complete in every respect and not misleading to Lender in any material respect.

With reference to the foregoing facts, and as a material consideration and inducement to Lender to make and fund the Loan, Borrower hereby represents, warrants and covenants as follows:

- A. That Borrower shall, on or before thirty days after the closing of the Loan, own and occupy the Premises as Borrower's personal and principal residence, and shall so own and occupy the Premises as Borrower's personal and principal residence continuously for the six month period beginning thirty days after the closing of the Loan.
- B. That each of the matters set forth in each of paragraphs 2, 3, 4, 5 and 6 above is and shall be and remain true, correct and complete.

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Borrower acknowledges and understands that Lender will make and fund the Loan to Borrower only in reliance upon and in consideration of Borrower's representations, covenants and warranties herein set forth. Borrower further acknowledges and understands that Lender intends to make and undertake specific obligations to the Investor in reliance on the representations, covenants and warranties of Borrower herein above set forth. Borrower further acknowledges and understands that Lender would not make and fund the Loan to Borrower and that the obligations to be made and undertaken by Lender to the Investor would not be made or undertaken but for Lender's reliance upon such representations, covenants and warranties of Borrower. Borrower further acknowledges and understands that in the event that any of Borrower's representations, covenants and warranties herein set forth shall prove false in any respect whatsoever, such event will materially adversely affect the marketability of the Loan to the Investor, and that Lender in making and funding the Loan is acting in reliance on the marketability of the Loan to the Investor to the extent established by the representations, warranties and covenants of Borrower herein set forth.

In reference to the foregoing, and as a material consideration and inducement to Lender to make and fund the Loan to Borrower, Borrower hereby covenants and agrees that in the event that any of Borrower's representations, warranties and covenants herein set forth shall be false in any respect whatsoever, Lender may, at its option, do either or both of the following: (a) recover from Borrower any loss or other damages it sustains by reason of loss of marketability of the Loan; or (b) without the necessity of notice to Borrower, elect to accelerate and declare immediately due and payable the entire principal balance of and all accrued and unpaid interest on the Loan and the Note. Borrower hereby acknowledges and understands that in the event of any such acceleration, and provided Borrower fails then to promptly fully pay and discharge the entire principal balance and all accrued and unpaid interest on the Loan and the Note, Lender may, in addition to such other remedies as may then be available to Lender, proceed to foreclose upon the Premises by judicial foreclosure proceedings or private trustee's sale, or as may otherwise be provided by the Security Instrument or applicable law.

Borrower acknowledges, understands and agrees that Lender will rely upon Borrower's representations, warranties and covenants herein set forth specifically with regard to the marketability of the Loan for sale to the Investor; and that Lender will be damaged by the falsehood of any of Borrower's representations, warranties and covenants if such falsehood impairs the marketability of the Loan for sale to the Investor, without regard to whether the Loan is at any time or from time to time in default, and without regard to and separate and apart from any foreclosure or private trustee's sale of the Premises or whether Lender suffers any deficiency therefrom.

In the event that any part of this amount shall be held by any court to be unenforceable for any reason whatsoever, the part or parts so held to be unenforceable, to such extent as each is enforceable, and every other part not so held to be unenforceable, shall continue in full force and effect.


BORROWER BETTY GAMMON

DATE

BORROWER

DATE

BORROWER

DATE

BORROWER

DATE

230 EAST ONTARIO #605
PROPERTY ADDRESS

CHICAGO CITY ILLINOIS STATE 00811- ZIP

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