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AFTER RECORDING MAIL TO:

WESTAMERICA MORTGAGE COMPANY

1 S. 660 MIDWEST ROAD
OAKBROOK TERRACE, IL. 60181

AP# 00098027 #97
LN# 00098027 #97

DEPT-01 RECORDING \$35.00
740014 TRAN 1088 01/11/96 12:19:00
4214 RC *-96-027912
COOK COUNTY RECORDER

Box 288

(Space Above This Line For Recording Data)

STATE OF ILLINOIS

FHA MORTGAGE

FHA CASE NO.

131:8075001-703

This Mortgage ("Security Instrument") is given on December 26, 1995. The Mortgagor is MICHAEL J. HAMMOND and LOTIS C. HAMMOND, HUSBAND AND WIFE

35 RP

whose address is 4125 NORTH PRAIRIE AVENUE, SCHILLER PARK, IL 60176

("Borrower"). This Security Instrument is given to WESTAMERICA MORTGAGE

COMPANY, A COLORADO CORPORATION

which is organized and existing under the laws of

THE STATE OF COLORADO

and whose address is 5655 S. YOSEMITE STREET, ENGLEWOOD, CO.

80111

("Lender").

Borrower owes Lender the principal sum of One Hundred Eighteen Thousand Forty Seven Dollars and no/100

Dollars

(U.S. \$118,047.00). 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 January 1, 2026. 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 6 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:

*** SEE ATTACHED LEGAL DESCRIPTION ***

TAX ID #12-16-411-010-0000

ATTORNEYS' TITLE OFFICE

which has the address of

4125 NORTH PRAIRIE AVENUE

SCHILLER PARK

(STREET)

(CITY)

Illinois

60176

("Property Address");

(ZIP CODE)

FHA ILLINOIS MORTGAGE FORM

ISC/FMDTEL/0595(0595)-L

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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, household payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. If Borrower tenders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance remaining for all installment items (a), (b), and (c) 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).

If the amounts held by Lender for Escrow items exceed the amounts permitted to be held by RBSFA, Lender shall deal with the excess funds as required by RBSFA. If the amounts of funds held by Lender at any time are not sufficient to pay the Escrow items when due, Lender may notify the Borrower and require Borrower to make up the shortage or deficiency as permitted by RBSFA.

Lender may, at any time, collect and hold amounts for Escrow items in an aggregate amount not to exceed the maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. § 2601 et seq., and implementing regulations, 24 CFR Part 3500, as they may be amended from time to time ("RBSFA"), except that the cushion or reserve permitted by RBSFA for unanticipated disbursements or disbursements before the Borrower's payments are available in the account may not be based on amounts due for any mortgage insurance premium.

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, a sum for (a) taxes and special assessments levied or to be levied against the Property, (b) household payments or ground rents on the Property, and (c) premiums for insurance required under Paragraph 4. Lender shall hold the Security Instrument, each monthly payment shall also include either: (i) a sum for 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, in a reasonable amount to be determined by the Secretary. Except for the monthly charge by the Secretary, these items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds."

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.

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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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 any 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 Lenders 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.

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10. **Redemption.** Borrower has a right to be redeemed 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 initiated. 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

a mortgage insurance premium to the Secretary. be exercised by Lender when the availability of insurance is solely due to Lender's failure to reinstate the Security Instrument. If Lender declines to reinstate the Security Instrument, the Secretary shall be deemed conclusive proof of such insolvency. Notwithstanding the foregoing, this section shall not apply to the Secretary, shall

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, Lender may, at its option and without prejudice, in

(a) 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 without prejudice, in

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

(e) **No Waiver.** If circumstances occur that would prevent 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.

(f) **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**

(g) **Approval of the Secretary.** 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) 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) Lender may, except as limited by regulations issued by the Secretary in the case of payment default, require immediate payment in full of all sums secured by this Security Instrument

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

9. **Acceleration of Debt.**

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 shall be paid to the entity legally entitled thereto.

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.

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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.

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.

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S/S

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MIA ILLINOIS MORTGAGE FORM

(SEAL) BORROWER

(SEAL) BORROWER

(SEAL) BORROWER

(SEAL) BORROWER

Michael J. Hammond
MICHAEL J. HAMMOND
Lois C. Hammond
LOIS C. HAMMOND

Witnesses:

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in pages 1 through 7 of this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

- Planned Unit Development Rider
- Condominium Rider
- Graduated Payment Rider
- Growing Equity Rider
- Adjustable Rate Rider (Arm) Other [Specify]

Riders to this Security Instrument, the covenants 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 boxes).

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

17. Foreclosure Procedure. If Lender requires immediate payment in full under Paragraph 9, Lender may foreclose this Security Instrument by judicial proceeding, and 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.

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

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STATE OF ILLINOIS

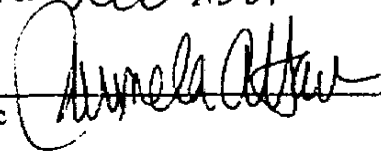
County ss:

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that
MICHAEL J. HAMMOND and LOIS C. HAMMOND, HUSBAND AND WIFE

personally known to me to be the same person(s) whose name(s) are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 26 day of DECEMBER 1995

My commission expires: 5/15/99



“OFFICIAL SEAL”
Pamela A. Harb
Notary Public, State of Illinois
My Commission Expires 05/15/99

Notary Public

This instrument was prepared by: WESTAMERICA MORTGAGE COMPANY
Address: 1 S. 660 MIDWEST ROAD
OAKBROOK TERRACE, IL. 60181

Cook County Clerk's Office

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Property of Cook County Clerk's Office

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LOT 20 IN BLOCK 2 IN SCHILLER PARK, A SUBDIVISION OF THAT PART OF THE EAST 1/2 OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 16, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF IRVING PARK BOULEVARD, WEST OF WISCONSIN CENTRAL RAILROAD AND THAT PART OF SECTION 15, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN LYING WEST OF WISCONSIN CENTRAL RAILROAD, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER: 12-16-411-010-0000

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