

# UNOFFICIAL COPY

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75-99-129-W

AFTER RECORDING MAIL TO:  
BERKSHIRE MORTGAGE CORPORATION  
901 N. ELM STREET  
HINSDALE, ILLINOIS 60521

DEPT-01 RECORDING 639.00  
T60012 TRAN 9330 03/08/96 12:25:00  
49934 ER \*-96-178935  
COOK COUNTY RECORDER

AP# CRAIGM-96F-6363  
LN# 3431237

[Space Above This Line For Recording Data]

STATE OF ILLINOIS

## FHA MORTGAGE

FHA CASE NO.  
131:8173228-729

This Mortgage ("Security Instrument") is given on March 5, 1996. The Mortgagor is  
Monroe Craig, Married to Cynthia D. Craig

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whose address is 216 S. 28th Avenue, Bellwood, IL 60104  
("Borrower"). This Security Instrument is given to Berkshire Mortgage  
Corporation, A corporation  
which is organized and existing under the laws of Illinois  
and whose address is 901 North Elm, Hinsdale, IL 60521-3622

("Lender").

Borrower owes Lender the principal sum of Seventy Six thousand Eight Hundred Fifty Dollars and no/100 Dollars (U.S. \$ 76,850.00). 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 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 \*\*\*

which has the address of 216 S. 28th Avenue Bellwood  
[Street] [City]  
Illinois 60104 ("Property Address");  
[Zip Code]

FHA ILLINOIS MORTGAGE FORM  
ISC/FMDTIL/0185(0892)-L

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BOX 333-CTI

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ILLINOIS MORTGAGE FORM  
15C/FMDTIL/0186(0692)-L

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**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;

3. Application of Payments. All payments under Paragraphs 1 and 2 shall be applied by Lender as follows:  
balance remaining for all installments for items (a), (b) and (c).

foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any (d) 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 Borrower's account shall be credited with the balance remaining for all installments for items (a), (b) and (c) and the full payment of all sums secured by the Security Instrument.

If Borrower tenders to Lender the full payment of all sums secured by the Security Instrument, balance due on the Note.  
monthly change shall be in an amount equal to one-twelfth of one-half percent of the outstanding principal 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 the Security Instrument is held by the Secretary, each installment of the mortgage insurance premium shall be in an amount sufficient to accumulate the full of a mortgage insurance premium if the Security Instrument is held by the Secretary. Each monthly annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead held the Security Instrument, each monthly payment shall also include either: (i) an installment of the premium to the Secretary, (or any year in which such premium would have been required if the Lender all Development or his or her designee, in any year in which the Lender must pay a mortgage insurance As used in this Security Instrument, "Secretary" means the Secretary of Housing and Urban the deficiency on or before the date the item becomes due.

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

if at any time the total of the payments held by Lender for items (a), (b) and (c), together with the future amounts collected in trust for items (a), (b) and (c) before they become delinquent.  
Lender within a period ending one month before an item would become delinquent, Lender shall hold the reasonably estimated by Lender, plus an amount sufficient to maintain an additional balance of not more than one-sixth of the estimated amount. The full annual amount for each item shall be accumulated by

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

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.

RIGHT TO MORTGAGE. Borrower warrants and will defend generally the title to the Property against all encumbrances of record, except for 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 claims and demands, subject to any encumbrances of record.  
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".

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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 2, 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.

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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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\_\_\_\_\_  
(Seal) Borrower

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(Seal) Borrower

\_\_\_\_\_  
(Seal) Borrower  
Cynthia D. Craig, for The Sole Purpose  
Of Maturing Homeowner's Rights

\_\_\_\_\_  
(Seal) Borrower  
Monroe Craig

Witnesses:

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

- Planned Unit Development Rider  Other [Specify] X ARM 6 FHA ESCROW PAYMENT RIDER
- Condominium Rider  Graduated Payment Rider  Growing Equity Rider

19. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of this Security Instrument as if the rider(s) were in part of this Security Instrument. [Check applicable box(es)].

17. Foreclosure Procedure. If Lender requires immediate payment in full under Paragraph 8, 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.

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.

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

County ss: *Cook*

*John Widenyski*, a Notary Public in and for said county and state, do hereby certify that Monroe Craig, Married to Cynthia D. Craig,

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

Given under my hand and official seal, this 5th day of March, 1996.

My commission expires:

*John Widenyski*  
Notary Public

*4/13/96*  
This instrument was prepared by: Kelly Boyer  
Address: 901 North Elm St.  
Chicago, IL 60621



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Property of Cook County Clerk's Office

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LOTS 9 AND 10 IN BLOCK 2 IN JACOB GLOS' ADDITION TO MELROSE, BEING A  
SUBDIVISION OF PART OF THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 9,  
TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING  
TO THE PLAT THEREOF RECORDED OF SAID SUBDIVISION RECORDED DECEMBER 15, 1892  
IN BOOK 59 OF PLATS PAGE 2 AS DOCUMENT NO. 1786193 IN COOK COUNTY, ILLINOIS.

P.I.N.# 15-09-206-022-0000



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AP# CRAIGM-96F-6363

LN# 3431737

## FHA ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 5th day of March, 1996 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 Berkshire Mortgage Corporation, A corporation (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

216 S. 28th Avenue, Bellwood, IL 60104  
[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, 1997, and 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 points (2.7500 %) 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, this 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

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(Seal) -Borrower

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(Seal) -Borrower

\_\_\_\_\_  
(Seal) -Borrower

\_\_\_\_\_  
(Seal) -Borrower

*Monroe Craig*

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in pages 1 and 2 of this Adjustable Rate Rider.

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 exceeds 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.

### (C) Effective Date 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 with 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.

### (F) Notice of Changes

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.

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