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COOK COUNTY



BOX 2515

TOT# 812688

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

96281618

AP# RICHTE-96F-5892
LN# 3462926

DEPT-11 TORRENS \$43.00
1996 APR 15 15:41:00
96033 4 PM 4-96-281618
COOK COUNTY RECORDER

[Space Above This Line For Recording Data]

STATE OF ILLINOIS

FHA MORTGAGE

FHA CASE NO.
131:8261975-734

This Mortgage ("Security Instrument") is given on April 12, 1996. The Mortgagor is David R. Richter, Married to Diane M. Richter, Robert D. Richter and Lois E. Richter, His Wife

whose address is 22423 York Court, 2B, Richton Park, IL 60471
("Borrower"). This Security Instrument is given to Indy One Mortgage, Div. of Berkshire Mortgage Corporation, a Corporation which is organized and existing under the laws of Illinois and whose address is 600 Holiday Plaza Drive Matteson, IL 60443 ("Lender").

Borrower owes Lender the principal sum of Forty Six Thousand One Hundred Fifty Dollars and no/100 (U.S. \$ 46,150.00). 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 May 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 ***

96281618

which has the address of 22423 York Court, 2B Richton Park
[Street] [City]
Illinois 60471 ("Property Address");
[Zip Code]

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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 Secretary, and Lender shall promptly refund any excess funds to Borrower, immediately prior to a (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the 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 Borrower's account shall be credited with the full payment of all sums secured by this Security Instrument, if Borrower lenders to Lender the full payment of all sums secured by this Security Instrument, balance due on the Note.

monthly charge shall be in an amount equal to one-twelfth of one-half percent of the outstanding principal insurance premium is due to the Secretary, or if this Security Instrument is held by the Secretary, each annual mortgage insurance premium with Lender one month prior to the date the full annual mortgage installment of the mortgage insurance premium shall be in an amount sufficient to accumulate the full of a mortgage insurance premium if this 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 Secretary (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 still 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.

insufficient to pay the item when due, then Borrower shall pay to Lender any amount necessary to make up Borrower, at the option of Borrower, if the total of the payments made by Borrower for item (a), (b), or (c) is 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 monthly payments for such items payable to Lender prior to the due dates of such items, exceeds by more than one-sixth of the estimated amount of payments required to pay such items 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 to pay 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 amounts. 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 4.

leasehold payments or ground rents on the Property, and (c) premiums for insurance required by monthly payment, together with the principal and interest as set forth in the Note and any late charges, an 2. Monthly Payments of Taxes, Insurance and Other Charges. Borrower shall include in each

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.

claims and demands, subject to any encumbrances of record.
encumbrances of record. Borrower warrants and will defend generally the title to the Property against all right to mortgage, grant and convey the Property and that the Property is unencumbered, except for BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."
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 TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements,

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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. **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

a mortgage insurance premium to the Secretary. be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit 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

Paragraph 9, require immediate payment in full of all sums secured by the 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 notwithstanding anything in 60 DAYS secured thereby not be eligible for insurance under the National Housing Act within

(e) **Mortgage Not Insured.** Borrower agrees that should this Security Instrument and the note permitted by regulations of the Secretary. foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not

(d) **Regulations of HUD Secretary.** In many circumstances and regulations issued by the Secretary will limit Lender's rights, in the case of payment default, to require immediate payment in full and subsequent events. full, but Lender does not require such payments, Lender does not waive its rights with respect to

(c) **No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, approved in accordance with the requirements of the Secretary. the purchaser or grantee does so occupy the Property but his or her credit has not been

(b) **Sale Without Credit Approval.** Lender shall, if permitted by applicable law and with the prior approval of the Secretary, require immediate payment in full of all the sums secured by this Security Instrument if: (i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent) by the Borrower, and

(ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary. (iii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations instrument prior to or on the due date of the next monthly payment, or

(i) Borrower defaults by failing to pay in full any monthly payment required by this Security instrument if: (a) **Default.** 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 if:

8. **Fees.** Lender may collect fees and charges authorized by the Secretary. 9. **Grounds for Acceleration of Debt.** 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 if:

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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Witnesses:

 David R. Richter
 (Seal) - Borrower

 Robert D. Richter
 (Seal) - Borrower

 Lois E. Richter
 (Seal) - Borrower

 Diane M. Richter, for the sole purpose
 of waiving homestead rights.
 (Seal) - Borrower

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
 Other (Specify) X FHA Escrow Payments rider
 Condominium Rider
 Graduated Payment Rider
 Growing Equity Rider

Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the 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 box(es)).

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.

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 rights of homestead exemption in the Property.

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

Cook

County ss:

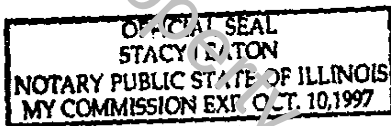
I, the undersigned, a Notary Public in and for said county and state, do hereby certify that David R. Richter, Married to Diane M. Richter, Robert D. Richter and Lois E. Richter, His Wife and Diane M. Richter, married to David R. Richter personally known to me to be the same person(s) whose name(s) are 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 12th day of April, 1996.

My commission expires:

Stacy J. Eaton

Notary Public



This instrument was prepared by: Kristine E. McCann
Address: 901 NORTH ELM
HINSDALE, IL 60521

Cook County Clerk's Office

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Property of Cook County Clerk's Office

P.I.N.#3135-100-047-1100

UNIT 2B BUILDING 3 AS DESCRIBED IN SURVEY DELINEATED ON AND ATTACHED TO AND A PART OF A DECLARATION OF CONDOMINIUM OWNERSHIP REGISTERED ON THE 11TH DAY OF AUGUST, 1983 AS DOCUMENT NUMBER 3323281. TOGETHER WITH A PERCENTAGE OF THE COMMON ELEMENTS APPURTENANT TO SAID UNIT AS SET FORTH IN SAID DECLARATION, AND AS AMENDED FROM TIME TO TIME. IN AND TO THE FOLLOWING DESCRIBED PREMISES: THE EAST 405.00 FEET OF THE NORTH 417.00 FEET OF THE SOUTH 1726.50 FEET OF THE WEST 1/2 OF THE NORTH WEST 1/4 OF SECTION 35, TOWNSHIP 35 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN EXCEPTING THEREFROM THE WEST 310.00 FEET OF THE SOUTH 156.20 FEET AND ALSO EXCEPTING THE WEST 232.00 FEET THEREOF IN COOK COUNTY, ILLINOIS.

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AP# RICHTE-96F-5892

LN# 3462936

FHA CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 12th day of April, 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 Indy One Mortgage, Div. of Berkshire Mortgage Corporation

("Lender") of the same date and covering the property described in the Security Instrument and located at:
22423 York Court, 2B, Richton Park, IL 60471
[Property Address]

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

WINDWOOD

[Name of Condominium Project]

("Condominium Project"). If the owner's 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 Owners 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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Property of Cook County Clerk's Office

(Seal) -Borrower

(Seal) -Borrower
Luis E. Richter

(Seal) -Borrower
Robert D. Richter

(Seal) -Borrower
David R. Richter

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

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.

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FHA ESCROW PAYMENTS RIDER

THIS ESCROW PAYMENTS RIDER is made this 12th day of April, 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 Indy One Mortgage, Div. of Berkshire Mortgage Corporation ("Lender") of the same date and covering the property described in the Security Instrument and located at:

22423 York Court, 2B, Richton Park, IL 60471
[Property Address]

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree to amend Paragraph 2 of the Security Instrument, entitled "Monthly Payments of Taxes, Insurance and Other Charges," by substituting the text of the entire paragraph with the following:

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) leasehold payments or ground rents on the Property, and (c) premiums for insurance required under Paragraph 4. In any year in which the Lender must pay a mortgage insurance premium to the Secretary of Housing and Urban Development ("Secretary"), or in any year in which such premium would have been required if Lender still held 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."

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 ("RESPA"), except that the cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Borrower's payments are available in the account may not be based on amounts due for the mortgage insurance premium.

If the amounts held by Lender for Escrow Items exceed the amount permitted to be held by RESPA, Lender shall deal with the excess funds as required by RESPA. 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 RESPA.

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 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).

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MULTISTATE FHA ESCROW PAYMENTS RIDER
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Property of Cook County Clerk's Office

David R. Richter
Borrower (Seal)

Robert D. Richter
Borrower (Seal)

Lois E. Richter
Borrower (Seal)

_____ Borrower (Seal)

3462936

AP# RICHTE-96F-5892 LN# 3462936
BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in pages 1 and 2 of this Escrow Payments Rider.