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RECORD AND RETURN TO:
PREFERRED MORTGAGE ASSOCIATES, LTD.
3030 FINLEY ROAD, SUITE 104
DOWNERS GROVE, ILLINOIS 60515

97566851

PREPARED BY:
H.A. DAVIS
DOWNERS GROVE, IL 60515

- DEPT-01 RECORDING \$31.00
- T#0012 TRAN 6197 08/05/97 09:50:00
- #9586 # ER *-97-566851
COOK COUNTY RECORDER

[Space Above This Line For Recording Data]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on **JULY 31**
The mortgagor is **DANIEL R. GREENSTONE AND HEIDI LYNCH GREENSTONE,**
HUSBAND & WIFE

5/00
1997

("Borrower").

This Security Instrument is given to
PREFERRED MORTGAGE ASSOCIATES, LTD.

THE STATE OF ILLINOIS

, and whose

which is organized and existing under the laws of

3030 FINLEY ROAD, SUITE 104, DOWNERS GROVE, ILLINOIS 60515

("Lender").

Borrower owes Lender the principal sum of **TWO HUNDRED FIFTY-TWO THOUSAND AND 00/100**

Dollars

(U.S. \$ **252,000.00**). 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 **AUGUST 1, 2027**. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 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:

LOT 42 IN BLOCK 17 IN HOLSTEIN A SUBDIVISION OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

14-31-132-030

which has the address of

2332 W. MCLEAN

(Street)

CHICAGO

(City)

Illinois

60622

("Property Address");

(State)

(Zip Code)

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and 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.

ILLINOIS - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
Form 3014 9/90 Amended 6/91

FNMA3014.1 - T6 /96

Page 1 of 6

Initials: *ON/CHS*

BOX 333-CTI

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This Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one of more of the actions set forth above within 10 days of the giving of notice.

of, or otherwise giving, any information to the other party, to gain, directly or indirectly, an unfair advantage over his/her competitor.

Rotower shall promptly discharge any debt which has priority over this security instrument unless otherwise provided in the Note.

If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on the date directly to

Third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied first to any prepayment charges due under the Note; second to amounts payable under paragraph 2;

held by Lesnder, shall apply any Funds held by Lesnder at the time of acquisition or sale, as a credit against the sum secured by the Property, if, under Paragraph 21, Lesnder shall acquire or sell the Property, Lesnder, prior to the acquisition or sale of

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds received by Lender in sole discretion.

If the Funds held by Leander exceed the amounts certified to be held by applicable law, Leander shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Leander exceeds the amount necessary to pay the Escrow items when due, Leander may so notify Borrower in writing, and, in such case Borrower shall pay to Leander the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than

applicable law, requires interest to be paid. Lender shall not be required to pay Borrower any interest or penalties on the Funds, unless otherwise provided in this loan, unless specifically provided otherwise in the Funds' documents or otherwise agreed with the Funds.

Lender, if Lender is sued in any jurisdiction) or in any general Home Loan Bank. Lender shall apply the Funds to pay the Escrow items, Lender may no charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applies the same to make up such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate reporting service, which this loan will be handled by, or other services which this loan will require other than Lender's services.

Items of other value in accordance with applicable law.

lesser amount. If so, Leader may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Leader may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Expenses.

related mortgagor's loan may require for Borrower's account under the General Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. 2601 et seq. ("RESPA"), unless another law shall apply to the Funds as a result of any change in law.

assessments which may affect our priority over other instruments as a lien on the property; (d) jointly interests in property over units selected by instrument as a lien on the property; (e) yearly property taxes on the property; (f) yearly hazard or property insurance premiums; (g) yearly rents on the property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums; (e) yearly mortgage premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items".

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principle and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

ARTICLES OF JURISDICTION TO CONSTITUTE A MUNICIPAL SECURITY INSTITUTION COVERING REAL PROPERTY.

THIS SECURITY INSTRUMENT combines uniform coordinates for national use and non-uniform coordinates with limited

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option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. 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 Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. 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 all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the 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, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this 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.

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

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Form 3014 Rev. 8/93
FMM3014.4 = TS 1/86

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If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than thirty days to pay all sums due.

17. If transfer of the Property or a Beneficial Interest in Borrower, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this instrument.

16. **Borrower's Covenants** The Borrower shall not, without the prior written consent of the Noteholders, make any provision or clause of this Security Instrument and the Note which conflict with applicable law, such conflicts shall not affect other provisions of this Security Instrument or the Note.

15. 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 of this instrument is held invalid or unenforceable, such provision shall be severed from the instrument and the remainder of the instrument shall remain in full force and effect.

(4) Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it by 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 mailing it to the address stated above or by delivery to Lender. Any notice to Lender shall be given by mailing it to the address of the Person in Possession of the Premises.

13. **Loan Charges.** If the loan secured by this Security Instrument or the Note without the Borrower's consent,
that law is finally interpreted so that the interest or other loan charges collectible or to be collected in connection with the loan
exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the loan
permitted limits; and (b) any sum already collected from Borrower which exceeded the charge to be reduced to the
permitted limits, then: (c) any sum already collected by the Borrower which was necessary to reduce the charge to be reduced to the
permitted limits, the Borrower shall be reduced by the amount necessary to reduce the charge to the permitted limits.
Borrower, Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct
payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any
prepayment charge under the Note.

Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the regularly payable interest referred to in paragraphs 1 and 2 or change the amount of such payments.

11. Borrower Not Responsible: Forbearance by Lender Not a Waiver. Extension of the time for payment of principal does not constitute an acknowledgment by Lender that the amounts referred to in paragraphs 1 and 2 or change the amount of such payments.

12. Successors and Assigns: Lender's rights and remedies under this Agreement shall be cumulative and not exclusive of or preclude the exercise of any right or remedy.

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21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration of following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which time default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sum secured by this Security Instrument, foreclose by judicial proceeding and sale of the sum so foreclosed.

22. 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 recodification costs.

23. Waiver of Homestead. Borrower waives all right of homestead exception in the Property.

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

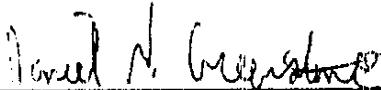
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24. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the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

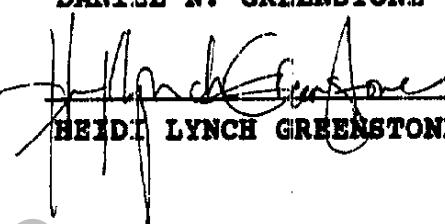
- | | | |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> Graduated Payment Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Rate Improvement Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> V. A. Rider | <input type="checkbox"/> Other(s) [specify] | |

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

Witnesses:



DANIEL N. GREENSTONE _____
(Seal)
-Borrower



HEIDI LYNCH GREENSTONE _____
(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

[Space Below This Line For Acknowledgment] _____

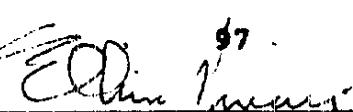
STATE OF ILLINOIS, COOK

County ss:

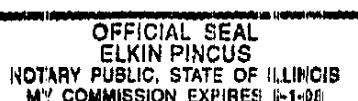
I, THE UNDERSIGNED
do hereby certify that DANIEL N. GREENSTONE AND HEIDI LYNCH GREENSTONE,
HUSBAND & WIFE
, personally known to me to be the same person(s) whose name(s)
subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that THEY
signed and delivered the said instrument as ARE free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 31ST day of JULY 97

My Commission expires: 1/1/98



Notary Public



ILLINOIS -Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
Form 3014 9/90