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DEPT-01 RECORDING \$37.00

670637  
Permanent Index Number:

**UNOFFICIAL COPY**  
96981883

TRAN 6768 01/21/97 13:11:00  
SK \*-97-044509  
COOK COUNTY RECORDER

Prepared by:  
Middleberg Riddle & Gianna  
2323 Bryan Street  
Suite 1600  
Dallas, Texas 75201

**\*\* BEING RE-RECORDED TO  
ATTACH THE RIDER \*\***

DEPT-01 RECORDING \$33.00  
TRAN 5907 12/31/96 08:19:00  
IR \*-96-981883  
COOK COUNTY RECORDER

Return to:  
TRANSAMERICA FINANCIAL SERVICES  
(INC.)  
2501 OAK LAWN AVENUE, 7TH FL  
DALLAS, TEXAS 75219

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[Space Above This Line For Recording Data]

Loan No: 10089  
Borrower: MICHAEL DESTEFANO

Data ID: 691

### MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on the 23rd day of December, 1996.  
The mortgagor is MICHAEL DESTEFANO AND BARBARA DESTEFANO, HIS WIFE

3700

This Security Instrument is given to TRANSAMERICA FINANCIAL SERVICES (INC.), A CORPORATION, which is organized and existing under the laws of the State of CALIFORNIA, and whose address is 7801 SOUTH KOSTNER, SUITE 306, CHICAGO, IL 60852

("Borrower").

("Lender").

Borrower owes Lender the principal sum of FIVE HUNDRED SEVENTY-ONE THOUSAND THREE HUNDRED EIGHTY-FIVE and NO/100—Dollars (U.S. \$ 571,385.00). 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, 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:

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF

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PIN: 23-26-315-009  
23-27-414-015

MAIL TO BOX 352

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**5. Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's 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,

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**16. Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

**17. 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 Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

**18. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees of 15.00% of the sums due under the Note described above or the amount allowable under applicable state law; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

**19. Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

**20. Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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

**21. Acceleration; Remedies.** Following Borrower's breach of any covenant or agreement in this Security Instrument, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees of 15.00% of the sums due under the Note described above or the amount allowable under applicable state law and costs of title evidence.

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## Legal Description

LOT 9 (EXCEPT THE SOUTH 20 FEET THEREOF) IN BLOCK 1 IN MONSON AND COMPANY'S 4TH PALOS PARK SUBDIVISION, BEING A SUBDIVISION OF THE SOUTH EAST QUARTER OF OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 37 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

### PARCEL 1-A:

THE SOUTH 33 FEET OF VACATED 125TH STREET, LYING NORTH OF AND ADJOINING SAID LOT 9 IN BLOCK 1 AFORESAID, IN COOK COUNTY, ILLINOIS.

### PARCEL 1-B:

THAT PART OF THE WEST 33 FEET OF VACATED 88TH AVENUE LYING EAST OF AND ADJOINING THE PREMISES ABOVE DESCRIBED.

### PARCEL 2:

THAT PART OF LOT 23 IN GROVER C. ELMORE AND COMPANY'S ADDITION TO PALOS PARK, BEING A SUBDIVISION IN THE WEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 37 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTH WEST CORNER OF SAID LOT 23; THENCE NORTHEASTERLY ALONG THE SOUTHERLY LINE OF LOT 23, 149.61 FEET; THENCE NORTHWESTERLY RIGHT ANGLES TO THE SOUTHERLY LINE OF LOT 23 TO A POINT ON THE WEST LINE OF LOT 23, WHICH IS 216.03 FEET MORE OR LESS NORTH OF THE SOUTH WEST CORNER OF LOT 23; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 23, 216.03 FEET MORE OR LESS TO A POINT OF BEGINNING; TOGETHER WITH THAT PART OF THE EAST 33 FEET OF VACATED 88TH AVENUE, WHICH LIES SOUTH OF THE CENTER LINE OF 125TH STREET EXTENDED EAST TO THE WEST LINE OF SAID LOT 23 AND NORTH OF A LINE EXTENDED EAST TO THE WEST LINE OF LOT 23 BEING 20 FEET NORTH OF THE SOUTH LINE OF LOT 9 IN BLOCK 1 IN MONSON AND COMPANY'S 4TH PALOS PARK SUBDIVISION, BEING A SUBDIVISION OF THE SOUTH EAST QUARTER OF THE SOUTH EAST QUARTER OF SECTION 27, TOWNSHIP 37 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL IN COOK COUNTY, ILLINOIS.

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Loan No: 10089  
Borrower: MICHAEL DESTEFANO

Data ID: 691

## ADJUSTABLE RATE RIDER (1 Year Treasury Index—Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 23rd day of December, 1996, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to TRANSAMERICA FINANCIAL SERVICES (INC.) (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

12504 SOUTH SOUTHWEST HIGHWAY  
PALOS PARK, ILLINOIS 60464  
[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:

### A. RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of **8.750 %**. The Note provides for changes in the adjustable interest rate and the monthly payments, as follows:

### 4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

#### (A) Change Dates

The adjustable interest rate I will pay may change on the first day of **January, 1998**, and on that day every 12th month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date."

#### (B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

#### (C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding **FOUR** percentage points (**4.00 %**) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

#### (D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than **10.7500 %** or less than **8.750 %**. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than **TWO** percentage point(s) (**2.00 %**) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than **14.7500 %**, which is called the "Maximum Rate" or less than **8.750 %**.

#### (E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

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Property of Cook County Clerk

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

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

\_\_\_\_\_  
(Seal) BARBARA DESTEFANO - Borrower

\_\_\_\_\_  
(Seal) MICHAEL DESTEFANO - Borrower

Rider: By signing below, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate

Lender releases Borrower in writing in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless acceptable to Lender and that obtains the transferee to sign an assumption agreement that is consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's Lender. assumption and the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to

made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan to be submitted or Lender information required by Lender to evaluate the intended transferee as if a new loan were being secured by the Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by

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 the Security Instrument. If all or any part of the Property or any interest

## TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Uniform Covenant 17 of the Security Instrument is amended to read as follows:  
The Note Holder will deliver or mail to me a notice of any changes in my adjustable interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

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