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6-# 7648-231 OF

97148672

WHEN RECORDED MAIL TO:
FREEDOM MORTGAGE
2363 SOUTH FOOTHILL DRIVE
SALT LAKE CITY, UTAH 84109
ATTN: PAM HUNT
LOAN #

DEPT-01 RECORDING \$25.00
T#0012 TRAN 4202 03/05/97 12:19:00
#9393 CG *-97-148672
COOK COUNTY RECORDER
DEPT-10 PENALTY \$22.00

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS AGREEMENT, made this 30TH DAY OF JANUARY, 1997, by THOMAS R SCRUGGS, owner of the land hereinafter described and hereinafter referred to as "Owner," and AMERICAN GENERAL FINANCE, INC. represents owner and holder of the MORTGAGE and note first hereinafter described and hereinafter referred to as "Beneficiary"

THAT WHEREAS, THOMAS R. SCRUGGS did execute a MORTGAGE, DATED 10/15/96, in favor of AMERICAN GENERAL FINANCE INC. covering the land described as follows:

Lot 2 in Lynwood Terrace Unit Number 5, being a subdivision of the Northwest 1/2 of Section 7, Township 35 North, Range 15, East of the Third Principal Meridian, in Cook County, Illinois.

to secure a note in the sum of \$8,995.20 in favor of AMERICAN GENERAL FINANCE INC., WHICH MORTGAGE RECORDED 10/21/96 AS DOCUMENT NO. 96798290

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WHEREAS, Owner has executed, or is about to execute, a MORTGAGE AND note in the sum of ONE HUNDRED SIXTY-THOUSAND THREE HUNDRED TWENTY AND NO/100 * * * (\$160,320.00) in favor of FREEDOM MORTGAGE CORPORATION, 2363 S. FOOTHILL DR. SALT LAKE CITY, UT 84109 hereinafter referred to as "Lender," payable with interest and upon the terms and conditions described therein, which MORTGAGE is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said MORTGAGE last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described prior and superior to the lien or charge of the MORTGAGE first above mentioned; and

WHEREAS, lender is willing to make said loan provided the MORTGAGE securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the MORTGAGE first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the MORTGAGE first above mentioned to the lien or charge of the MORTGAGE in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the MORTGAGE securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the MORTGAGE first above mentioned.

*LOAN AMOUNT NOT TO EXCEED (\$ 160,320.00)

PP# 33-87.111-002-0000
P/A 2460 E. 198th St
Lynwood, IL

BOX 333-CTI

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27-00
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NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

(1) That said MORTGAGE securing said note in favor of lender, and any renewals or extension thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the MORTGAGE first above mentioned.

(2) That Lender would not make its loan above described without this subordination agreement.

(3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the MORTGAGE first above mentioned to the lien or charge of the MORTGAGE in favor of lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the MORTGAGES hereinbefore specifically described, any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in the MORTGAGE above mentioned, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

BENEFICIARY DECLARES, AGREES AND ACKNOWLEDGES THAT

(a) He consents to and approves (i) all provisions of the note and deed of trust in favor of Lender above referred to and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's Loan;

(b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purpose other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;

(c) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the MORTGAGE first above mentioned in favor of the lien or charge upon said land of the MORTGAGE in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination of specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and

(d) An endorsement has been placed upon the note secured by the MORTGAGE First above mentioned that said MORTGAGE has by this instrument been subordinated to the lien or charge of the MORTGAGE in favor of Lender above referred to.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY TO OBTAIN A LOAN OR PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

- ** It is recommended that, prior to the execution of this subordination agreement, the parties consult with their attorneys with respect thereto.
- ** Please find signatures and notary acknowledgements.

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AMERICAN GENERAL FINANCE, INC.

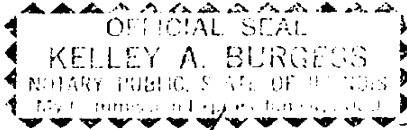
Michael L. McClellan

SIGNED BY: Michael L. McClellan, Vice President

STATE OF ILLINOIS
COUNTY OF KANE

PERSONALLY appeared before me the undersigned witness and made oaths that s/he saw the within named Michael L. McClellan sign, seal and as Vice President act and deliver the within documents and that she with the other witness whose name appears below witnessed the execution thereof.

SWORN to before this
12th day of February
Kelley A. Burgess
Kelley A. Burgess



Notary Public for IL (state)
My Commission expires: 10/14/2000

Vanessa Francisco

Witness Vanessa Francisco, Assistant Secretary

Witness

FREEDOM MORTGAGE

Dianne Beck
DIANNE BECK, VICE PRESIDENT

Thomas R. Scruggs
THOMAS R. SCRUGGS

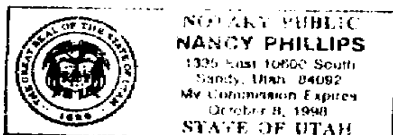
STATE OF UTAH
COUNTY OF SALT LAKE

PERSONALLY appeared before me the undersigned witness and made oath that s/he saw the within named DIANNE BECK sign, seal and as VICE PRESIDENT act and deliver the within documents and that she with the other witness whose name appears below witnessed the execution thereof.

SWORN to before this
19th day of Feb., 1997
Nancy Phillips
Notary Public for UT
My Commission expires: 10/8/98

Witness
Witness

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