HETURN TO: Wheatland Title 39 MIII Street Montgomery, IL 20053 4097 Co 749

> PREPARED BY AND RETURN TO:

First Alliance Credit Corporation 17305 Von Karman Ave. Irvine, CA 92614 Loan Number: 01803142

97280172

DEPT OF RECORDING

T:6666 TRAN 3642 04/23/97 13:23: \$8319 \$ IR #-97-2801

COOK COUNTY RECORDER

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MORTGAGE

THIS MORTGAGE ("See rity Instrument") is given on 03/28/97.

The Mortgagor LOUIS C. GUTIERREZ MARILYN E. GUTTERREZ

HIS MIFE AS JOINT TENANTS

("Borrower").

This Security Instrument is given to First Alliance Cradit Corporation which is organized and existing under the laws of the State of Cullfornia, and whose address is 17305 Von Karman Arc. Irvine, CA 92614 ("Lender").

Borrower owes Lender the principal sum of One Hundred Three Thousand Nine Hundred Ninety and Zero Hundredths Dollars (U.S. \$103,990,00). This debt is evidenced by Borrower's note date 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 June 1st, 2027. This Security Instrument secures to Lender; (a) the repayment of the debt evidenced by the Note, with integer, 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 restrument and the Note. For this purpose, Borrower does hereby mortgage, warrant, grant and convey to Lender the following described property located in COOK County, Illinois:

LOT 5 (EXCEPT THE SOUTH 77 FEET THEREOF) IN FRANK DELUGACH'S HILL TOP WOODS, BEING A SUBDIVISION OF THE EAST 1/2 OF THE WEST 1/2 OF THE SOUTH WEST 1/4 OF SECTION 11, TOWNSHIP 37 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ASSUMABILITY RIDER ATTACHED HERETO AND MADE A PART HUREOFF EXHIBIT "B"

PREIN:

23-11-304-033-0000

Adjustable Rate Rider attached hereto and made a part hereof as Exhibit 'A' which has the address of 10006 S. 86TH AVENUE, PALOS HILLS, Illinois 60465 ("Property Address");

TOGETHER WITH all the improvements now or hereafter crected 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, warrant, grant, and convey the Property and that the Property is uncheumbered, except for encumbrances of record. Borrower

warrants and will defend generally the title to the Property against all claims and demands, subject to any encombrances of record. THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

Illinois - Single Family - PNMA/PHLLMC UNIFORM INSTRUMENT o Page 1 7 7 1

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UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

- 1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.
- 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 assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance 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." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay Escrow Items. Lender may not 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 applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable lay provides otherwise. Unless an agreement is made or applicable law requires interest to be paid. Lender shall not be required to pay 'sor ower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall rable up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument Leader shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 22, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

- 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 amounts payable under paragraph 2; and second as defined in paragraph 3 of the Note.
- 4. Charges: Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. For ower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. In this Security Instrument, the word "person" means any person, organization, governmental authority or other party. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any tien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

Illinois - Single Family - FNMA/FHLLMC UNIFORM INSTRUMENT Page 2 of 7, LOL-3005 (Rev. 02/14/96) Borrower's initials:

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, subject to applicable law. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower falls 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.

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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 votice from the Lender that the insurance carrier has affered 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 due, the 30-day period will begin when notice is given.

Unless Lender and Borrower of grwise 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 22 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.

If Borrower obtains earthquake, flood or any other hazard insurance, or any other insurance on the Property, and such insurance is not specifically required by the Lender, then such insurance shall: (i) name the Lender as loss payee thereunder, and (ii) be subject to all the provisions of this paragraph 5.

- 6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds; Condominiums; Planned Unit Developments. 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 Leader otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenually 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 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determinance, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Secar ty Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave dederially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in compaction 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 Porrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing. If this Security Instrument is on a unit in a condominium or planned unit development. Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulation of the condominium or planned unit development, constituent documents.
- 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 tien 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.

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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 insure 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 for vectors 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 due of or prior to an inspection specifying reasonable cause for the inspection.

10. Condemnation. A taking of property by governmental authority for eminent domain is known as "Condemnation." The proceeds of any award committee along for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for consequence in flew of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, and as Forrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking, divided by (c) the fair market value of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a data for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

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 such payments.

- 11. Borrower Not Released; Forbearance By Lender Not a Waiver Extension of the time for 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 successors 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 waive, of or preclude the exercise of any right or remedy.
- 12. Successors and Assigns Bound; Joint and Several Liability: Co-signers. The toverants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 18. Borrower's convenants 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, warrant, 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. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected 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 charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Leader 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.

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- 14. 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 other 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.
- 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 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.
 - 16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.
- 17. Rehabilitation Loun Agreement. Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower enters into with lender, Lender, at lender's option, may require Borrower to except and deliver to Lender, in a form acceptable to lender, an assignment of any right, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.
- 18. 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. If Lender exercises his option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument, If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without (when notice or denund on Borrower.
- 19. Borrower's Right to Reinstate. If borrow r 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 personant 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 convenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably equire to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the same secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully offective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 18.
- 20. 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 it 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 said 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.
- 21. 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.

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As used in this paragraph 21, "Hazardous Substances" are those substances defined as toxic or bazardous 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 21, "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:

- 22. Acceleration: Remedies. Lender shall give notice to Borrower prior to accleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 18 unless applicable law provides otherwise). The rotice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, by which the 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 sums secured by this Security Instrument, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand a d tray foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in passing the remedies provided in this paragraph 22, including, but not limited to, reasonable attorney's fees and costs of title evidence.
- 23. Assignment of Reuts. Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided the Borrower shall, prior to acceleration under paragraph 22 hereof or abandonment of the property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 22 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver shall be entitled to enter upon, take possession of part manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver snall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

- 24. Release. Upon payment of all sums secured by this Security Instrument, Vender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.
 - 25. Walver of Homestead. Borrower wavies all right of homestead exemption in the Property.
- 26. Statement of Obligation Fee. Lender may collect a fee not to exceed the areximum amount permitted by law for furnishing written loan balance or full prepayment information directly to or on the behalf of the Burrower.
- 27. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the convenants 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 a part of this Security Instrument.

 [Check applicable box(es)]

Adjustable Rate Rider Graduated Payment Rider Balloon Rider Fixed/Step Rate Rider	 □ Condominium Rider □ Planned Unit Development Rider □ Rate Improvement Rider ☒ Assumability Rider 	Prepayment Rider 1-4 Family Rider Biweekly Payment Rider Second Flome Rider Other (s) [Specify]
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Borrower's Initials

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State of Illinois,	
State of Illinois,	
State of Illinois, DUPAGE County ss: I, MITCHELL C. HORWITZ , a Notary Public in and for said county and state, do hereby cetify LOUIS C. GUTIERREZ MARILYN E. GUTIERREZ	EAL)
State of filinois, DUPAGE County ss: I, MITCHELL C. HORWITZ , a Notary Public in and for said county and state, do hereby cetify LOUIS C. GUTTERREZ MARILYN E. GUTTERREZ	
LOUIS C. GUTIERREZ MARILYN E. GUTIERREZ	
	that
personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument, appeared before me this in person, and acknowledged that signed and delivered the said instrument as free and voluntary act, the uses and purposes therein set forth.	s duy , for
Olven under my hand and official seal, this day of April	I
My Commission Expires: 3/27/2000 William Pu	iblic
This instrument was prepared by "OFFICIAL SEAL" MITCHELL C. HORWITZ	
(Name) First Alliance Credit Corporation (Address) Two Mid America Plaza Stell712 So., Oakbrook Terrace, IL 60181 Notary Public, State of Illinois My Commission Expires 3/27/2000	

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EXHIBIT "A"

Loan Number: 01803142

ADJUSTABLE RATE RIDER

(6 Month LIBOR Index - Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 28th day of March 1997, 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

First Alliance Credit Corporation, A California Corporation

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:

10006 S. 86TH AVENUE, PALOS HILLS, IL 60465

[Property Address]

THE NOTE CONTAINS ADVISIONS 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 INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 7 400%. The Note provides for changes in the interest rate and the monthly payments, as follows:

4 INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of Occember . 1997 , and on that day every 6th month thereafter. Each date on which my interest rate could care, go 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 average of interbank offered rates for six month United States dollar deposits in the London market based on quotations of major banks ("LIBOR"), as published in The Wall Street Journal. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding

Seven and Two Hundred Forty Thousandths percenture points (7.240%) 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 1 am regalred to pay at the first Change Date will not be greater than 8,400% or less than 7,400% Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than one percentage point (1.0%) from the rate of interest 1 have been paying for the preceding six months. My interest rate will never be greater than 14,400% or less than 7,400%

(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.

MULTISTATE	ADJUSTABLE RATE RI	DER - Single Family -	LIBOR INDI	SEOBMO	Page 1	of 2
LOL-ARR	ADJUSTABLE RATE RI (Rev. 09/29/95) - Illinois	Borrower's Initials:	1.0	MEA	 	

Lonn Number: 01803142

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my 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.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER Uniform Coverant 18 of the Security Instrument is amended to read as follows:

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 (o) 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. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to enduate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lei der may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferre to sign an assumption agreement that is acceptable to Lender and that obligates the transferre to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument; unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. If Borrower fails to pay these sums prior to the expiration of this period. Lender may invoke any remedies permitted by this Security Instrument without further Notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and coverants contained in this Adjustable Rate Rider.

	C/O/H
Mouis C. Gutierrez HI-17 (Seal) LOUIS C. GUTIERREZ Date	Marilyn E. GUTIERREZ Date MARH.YN E. GUTIERREZ Date
(Seal)	(Seal)

Loan Number: 01803142

ASSUMABILITY RIDER

THIS ASSUMABILITY RIDER	is made this	28th	day of	March		1997	,
and is incorporated into and shall be deer	ned to amend an	d supplement	t the Mortgage,	Deed of Trust or	Security	Deed (the	"Security
Instrument") of the same date given by the	undersigned (the	: "Borrower") to secure Borr	'ower's Note (the '	'Note") to	l	

First Alliance Credit Corporation

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:

10006 S, 86TH AVENUE, PALOS HILLS, IL 60465 [Property Address]

ADDITIONAL COVENANTS. In addition to the covenants and agreement made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER Uniform Covenant 18 of the Secrety Instrument is amended to read as follows:

Transfer of the Property or a Conflicial 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 sams 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. Lender also shall not exercise this option if; (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferce as if a new loan were being made to the transferce; and (b) Lender reasonably determines that Lender's security will not be impaired by the soan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption in agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases B prover in writing.

If Lender exercises the option to require immediate payment in full, Lender shart give Borrower notice of acceleration. If Borrower falls to pay these sums prior to the expiration of this period, Lender may in oke any remedies permitted by this Security Instrument without further Notice or demand on Borrower.

BY SIONING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Assarbability Rider.

	<u></u>	0	
4-11.95) Date	MARILYN E. GUTTERREZ	rig	9-11-9- Date
Dnte			Date
		Date MARILYN E. GUTTERREZ	Date MARILYN E. GUTTERREZ

MULTISTATE ASSUMABILITY RIDER - Single

LOL-RA (Rev. 09/29/95) Illinois