Loss #:

After Recording Return To:

Prepared By:

First Home Mortgage Comporation 950 N. Elmhurst Rd., Suite-102 Mount Prospect, 11, 60056 COOK COUNTY
RECORDER
JESSE WHITE
ROLLING MEADOWS

06-05-97 13:18 RECORDING 35.00 MAIL 0.50 N 97397349



MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on May 23, 1997.

The mortgagor is Patrick 10 Mullaney and Gail A. Mullaney, husband and wife ("Borrower"). This Security Instrument is given to

First Home Mortgage Corporation, which is organized and existing under the laws of Illinois, and whose address is

950 N. Elmhurst Rd., Suite 102. Mount Prospect, IL 60056 ("Lender"). Borrower ower lender the principal sum of One Hundred Fifty Six Thousand and no/100 Dollars (U.S. \$156,000.00).

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, and ad payable on June 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 rad convey to Lender the following described property located in Cook County, Illinois:

LOT 4585 IN ELK GROVE VILLAGE SECTION 15, BEING A STAPPIVISION IN SECTION 32, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS ON AUGUST 21, 1967 AS DOCUMENT NUMBER 20236026, IN COOK COUNTY, TILINOIS. P.I.N.:08-32-319-036

which has the address of 1140 Leicester Road, Elk Grove Village, Illinois 60007 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and o'll exements, 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 seised of the estate bereby 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.

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THIS SECURITY INSURABLE combines uniform coverants we have and non-uniform coverants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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

1. Payment of Principal and Interest; Prepayment and Late Charges. Horrower 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 bazard 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 lien 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 I-state 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 liscrow Items or otherwise in accordance with applicable law.

The Funds shall by held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender Iestich an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the listrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Item, 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 ray reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be pild, Lender shall not be required to pay Borrower 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 pive to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the 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 where the 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 make 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, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, 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 prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under 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. Borrower 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. 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 lien 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.

5. Hazard or Property Immrance. 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

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including, but not limited to, representations concerning Bostower's occupancy of the Property, the leasehold, Bostower shall comply with all the provisions of the Principal and the fee little shall not merge unless Lender agree to the lease. If Equires fee liste to the Property, the leasehold, Borrower about comply with all the provisions of the lease liste about metge unless Lender agree the lease. If Jain at L. or there is a legal proceeding that may significantly affect Leader's rights in the property (such A Landau of Landau in the Property. If Burnower fails to perform the cureasure and agreement contained or forfeiture or to enforce laws or regulations), then Lender may. is backrapicy, probate, for condensation or forfeithre or to enforce laws or regulations), the property (such and Leader's rights in the property (such and leader's aligns). The back rapicy. Probate, for condensation or forfeiture or to enforce laws or regulations). Then Lender may said by a lieu which has priority over this Security Instrument, appearing in court, paying. Although Leader may take action under this is seen and entering on the Property to make repairs. Although Leader may take action under this does not have to do so.

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coverage lapsed or ceased to pyment 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, Impection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give florrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu 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 sumsecured by this Security Instrument immediately before the taking, unless Borrower 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 sams secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair caracter 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

If the Property is abandoned by Porrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for dam with 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 agreed in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments reflected to in paragraphs. I and 2 or change the amount of such payments.

11. Borrower Not Released; Forbearance By Lander Not a Walver. 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 ongless Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend lime for payment or Otherwise mudify amortization of the sums secured by this Security Intermediate by reason of any demand made by the original Borrower or Horrower's successors in interest. Any forbearance by Lenger in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successives and Assigns Bound; Joint and Several Liability; Co-tiquets. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender withorrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any corrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not parsonally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Burrower may be to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument of the Note Without that

Borrower's coasent.

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13, Loss Charges. If the loss secured by this Security Instrument is subject to a law which sees maximum from 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. 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.

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 Portower. 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.

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15. Governing Law; Severalists. Die 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. Horrower's Copy. Burrower 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 25 of the date of this Security Instrument.

If Lender exercises this 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 further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Horrower 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) crity of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which ther would be due under this Security Instrument and the Note as if no acceleration 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; 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 s'all rentain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of securition 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 the 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 acyone 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.

Horrower shall promptly give Lender written notice of any investigation, claim, demend, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardow. 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 petricides 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; Remodies. Lender shall give notice to Borrower prior to acceleration following Horrower'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 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 rejustate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other

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delease of Horrower to acceleration 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 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 and costs of title evidence. 22. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without a charge to Borrower. Borrower shall pay any recordation costs. 23. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property. 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 a part of this Security Instrument. [Check applicable box(ex)] IXI Adjustable Rate Rider [] Condominium Rider 1 11-4 Family Rider [] Graduated Payment Rider [] Planned Unit Development Rider 1 | Riweekly Payment Rider [] Rate Improvement Rider [| Balloon Rider [] Second Home Rider [] Other(s) [specify] BY SIGNING PELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any riocitis, executed by Borrower and recorded with it. Witnesses: (Scal) -Borrower SSV: Gail A. Borrower (Scal) -Horrower (Seal) -Borrower SSJ: STATE OF ILLINOIS. Cook County se: I THE UNDERSIGNED

I, THE CIPORCE CATED., a Notary Public in and for said county and state, do hereby certify that Patrick D. Mullaney and Gail A. Mullaney, husband and wife, personally known to me to be the same person(s) whose name(s) AQE subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that THEY BE signed and delivered the said instrument as THEY free and voluntary act, for the uses and purposes therein set forth.

Given upder my band and official scal, this ____ 2300_

day of MAY . 1997

My Commission expires:

OFFICIAL SEAL MARK ALAN SCHWARZBACH NOTARY FUSILIC, STATE OF ILLINOIS MY COMMISSION EXPIRES 5-26-97

Notary Public

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ADJUSTABLE RATE RIDER

(1 Year Treasury Index - Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this twenty third day of May, 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 Home Mortgage Corporation on Minois Corporation,

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

1140 Leicester Road

File Crove Village, IL 60007

[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, Burrower and Lender Surface covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for a faitful interest rate of 6.875%. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTYS.Y PAYMENT CHANGES

(A) Change Dates

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

(B) The Index

Beginning with the first Change Date, my increst rate will be based on an lodex. The "ladex" 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 ladex 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 chaose 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 Three percentage points (3.600%) 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 a my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my mostley payment.

(D) Limits on Interest Rate Changes

The interest rate 1 am required to pay at the first Change Date will not be greater than 8.875% or less than 4.875%. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest 1 have been paying for the preceding 12 months.

(E) Interest Rate Limit

My interest rate will never be greater than 12.875%.

(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 BURROWER

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

Transfer of the Property or a Bundicial Interest in Burrower. 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

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esecured by this Security Instru 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) Horrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferce; and (h) Lender remonably 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, 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 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 Borrower in writing.

If Leader exercises the option to require introdicte payment in full, Leader 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 Porrower must pay all sums secured by this Security Instrument. If Portower 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.

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