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PT TO DESECTION INC.

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State of Illinois

FIIA Care No. 131-9021842-952/255

9021842

CIT

ADJUSTABLE RATE HOME EQUITY CONVERSION MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on FEBRUARY 05, 1998 PENSACOLA TAYLOR. VIVIUNUS NOT SINCE REMARRIED. DIVORCEO

. The mortgagor is

whose address is 4211 SOUTH WELLS, CHICAGO, ILLINOIS 60609 This Security Instrument is given to NORWEST MORTGAGE, INC., A CALIFORNIA CORPORATION

("Borrower").

, which is

organized and existing under the laws of THE STATE OF CALIFORNIA 1595 SPRUCE STREET, RIVERSIDE, CALIFORNIA 92507

, and whose address is

("Lender"). Bo cover has agreed to repay to Lender amounts which Lender is obligated to advance, including future advances, and the terms of a Home Equity Conversion Loan Agreement dated the same date as this Security Instrument ("Lone Agreement"). The agreement to repay is evidenced by Borrower's Note dated the same date as this Security Installuent ("Note"). This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with the est at a rate subject to adjustment, and all renewals, extensions and modifications of the Note, up to a maximum principal amount of EIGHTY SEVEN THOUSAND AND 00/100-----

); (b) the payment of all other sums, with interest, advanced under Pamgraph 5 to (U.S. \$ 87,000,00 protect the security of this Security Instrument or otherwise due under the terms of this Security Instrument, and (c) the performance of Borrower's coverants and agreements under this Security Instrument and the Note. The full debt, including amounts described in (a), (b), and (c) above, if not paid earlier, is due and payable on 2067 For this purpose, Borrower does hereby morninge, grant and convey to Lender the following described property located in COOK County, Illinois:

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LOT 57 IN BLOCK 2 IN SUPERIOR COURT SUBDIVISION OF LOT 2 IN SUPERIOR COURT PARTITION OF THE SOUTH 3/8 OF THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN#20-14-223-01-80000

which has the address of 2211 SOUTH WELLS

(Street)

CHICAGO

ILLINOIS

60609

("Property Address");

[CIIY]

(State)

[Zip Codn]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all casements, rights, appurtenances, and fixtures now or hereafter repart 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. Borrower warrants and will defend generally the title to the Property against all claims and defends, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform coverages for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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

- t. Payment of Principal and Interest. Borrower shall pay wher are the principal of, and interest on, the debt evidenced by the Note.
- 2. Payment of Property Charges. Borrower shall pay all property charges consisting of taxes, ground rents, flood and hazard insurance premiums, and special assessments in a timely manner and shall provide evidence of payment to Lender, unless Lender pays property charges by withholding funds from 1 iont dy payments due to the Borrower or by charging such payments to a line of credit as provided for in the Loan Agreement.
- 3. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire. This insurance shall be maintained in the amounts, to the extent and for the periods required by Lender or the Secretary of Housing and Urban Development ("Secretary"). Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss to Lender instead of to Borrower and to Lender jointly. Insurance proceeds shall be applied to restoration or repair of the damaged Property, 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

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lessened, the insurance proceeds shall be applied first to the reduction of any indebtedness under a Second Note and Second Security Instrument held by the Secretary on the Property and then to the reduction of the indebtedness under the Note and this Security Instrument. Any excess insurance proceeds over an amount required to pay all ourstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan 4. Applientice: Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence along the execution of this Security Instrument, and Borrower (or at least one Borrower, if initially more than one person are Borrowers) shall continue to occupy the Property as Borrower's principal residence for the term of the Secarity Instrument. "Frincipal residence" shall have the same meaning as in the Loan Agreement.

Borrower shall havenumit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable year and tour excepted. Borrower shall also be in default if Borrower, during the loan application process, gave materially fulse 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 funtament is on a lease old, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the tersehold and fee title shall not be merged unless Lender agrees to the merger in writing.

5. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in Paragraph 2. Borrower shall pay these oblig mons on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's regrest Borrower shall promptly furnish to Lender receipts evidencing these payments. Borrower shall promptly elsolarge any ben which has priority over this Security Instrument in the minner provided in Paragraph 12(c).

If Borrower fails to make these payments or the property charges required by Paragraph 2, or fails to perform any other 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 bankraptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is processary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, bazard insurance and other items mentioned in Paragraph 2.

To protect Lender's security in the Property, Lender shall advance and charge to Borrowet all amounts due to the Secretary for the Mortgage Insurance Premium as defined in the Loan Agreement as well as all sums due to the loan servicer for servicing activities as defined in the Loan Agreement. Any amount disbursed by Lender under this Paragraph shall become an additional dobt of Borrower as provided for in the Logi. Agreement and shall be secured by this Security Instrument.

- 6. Inspection. Lender or its agent may enter on, inspect or make appraisals of the Property in a reasonable manner and at reasonable times provided that Lender shall give the Bostower notice prior to any inspection or approasal specifying a purpose for the inspection or appraisal which must be related to Leuder's interest in the Property. If the property is vacant or abandoned or the 'oan is in default, Lender may take reasonable action to protect and preserve such vacant or abandoned Property without notice to the Borrower.
- 7. 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 place of condemnation shall be paid to Lender. The proceeds shall be applied first to the reduction of any indebtedness under a Second Note and Second Security Instrument held by the Secretary on the Property, and then to the reduction of the indebtedness under the Note and this Security Instrument. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

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8. Fees. Lender may collect fees and charges authorized by the Secretary.

- 9. Grounds for Acceleration of Debt.
- (a) Due and Payable. Lender may require immediate payment in full of all sums secured by this Security Instrument if:
  - (i) A Borrower dies and the Property is not the principal residence of at least one surviving Borrower, or
  - (ii) All of a Borrower's title in the Property (or his or her beneficial interest in a trust owning all or part of the Property) is sold or otherwise transferred and no other Borrower retains title to the Property in fee simple or retains a leasehold under a lease for less than 99 years which is renewable or a lease having a remitting period of not less than 50 years beyond the date of the 100th birtiday of the youngest Borrower or retains a life estate (or retaining a beneficial interest in a trust with such an interest in the Property).
- (b) Dise and Payable with Secretary Approval. Lender may require immediate payment in full of all sums secured by this Security Instrument, upon approval of the Secretary, if:
- (i) The Property ceases to be the principal residence of a Borrower for reasons other than death and the Property is not the principal residence of at least one other Borrower, or
- (ii) For a period of longer than twelve (12) consecutive months, a Borrower fails to occupy the Property because of physical or mental illness and the Property is not the principal residence of at least one other Borrower, or
- (iii) An obligation of the Borrower under this Security Instrument is not performed.
- (c) Notice to Lender. Betrower shall notify Lender whenever any of the events listed in this Paragraph (a) (ii) or (b) occur.
- (d) Notice to Secretary and Borrower. Lender shall notify the Secretary and Borrower whenever the loan becomes due and payable under Pamgraph 9 (a) (ii) or (b). Lender shall not have the right to commence foreclosure until Borrower has had thirty (30) days after notice to either:
  - (i) Correct the matter which resulted in the Security Instrument coming due and payable; or
  - (ii) Pay the balance in full; or
  - (iii) Sell the Property for the lesser of the balance of 35% of the appraised value and apply the net proceeds of the sale toward the balance; or
  - (iv) Provide the Lender with a deed in lieu of foreclosure:
- (e) Trusts. Conveyance of a Borrower's interest in the Property to a trust which meets the requirements of the Secretary, or conveyance of a trust's interests in the Property to a Borrower, shall not be considered a conveyance for purposes of this Paragnith 9. A trust shall not be considered as lawing a principal residence for purposes of this Paragniph 9.
- (f) Martgage Not Insured. Borrower agrees that should this Security Instrument and the Note not be eligible for insurance under the National Housing Act within SIXTY DAYS from the date hereof, if permitted by applicable law Lender may, at its option, require inamediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to SIXTY DAYS from the date hereof, declining to assure this Security Instrument and the Note, shall be desired conclusive proof of such ineligibility. Not vicinating the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.
- 10. No Deficiency Judgments. Borrower shall have no personal liability for payment of the debt secured by this Security Instrument. Lendor may enforce the debt only through sale of the Property. Lender shall not be permitted to obtain a deficiency judgment against Borrower if the Security Instrument is foreclosed. If this Security Instrument is assigned to the Secretary upon demand by the Secretary. Borrower shall not be liable for any difference between the mortgage Insurance benefits paid to Lender and the outstanding indebtedness, including received interest, owed by Borrower at the time of the assignment.
- 11. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full. This right applies even after foreclosure proceedings are instituted. To reinstate this Security Instrument, Borrower shall correct the condition which resulted in the requirement for immediate payment in full. Foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding shall

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be added to the principal balance. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the Security Instrument.

#### 12. Lien Status.

- (a) Modification. Borrower agrees to extend this Security Instrument in accordance with this Paragraph 12(a) if Lender determines that the original lien status of the Security Instrument is jeopardized under state law (including but not limited to situations where the amount secured by the Security Instrument equals or excee is the maximum principal amount stated or the maximum period under which loan advances retain the same tien priority initially granted to loan advances has expired) and state law permits the original lien status to be maintained for future loan advances through the execution and recordation of one or more documents, then I ender shall couch title evidence at Borrower's expense. If the title evidence indicates that the Property is not encumbered by any liens (except this Security Instrument, the Second Security Instrument described in Paragraph 13(a) and any subordinate liens that the Londer determines will also be subordinate to any future foun a lyances), Lender shall equest the Borrower to execute any documents necessary to protect the lien status of future loan advances. Porrower agrees to execute such decuments. If state law does not permit the original lien status to be extended to future loan advances, Borrower will be deemed to have failed to have performed an obligation under this Legacity Instrument.
- (b) Tax Deferral Programs. Borrower foul not participate in a real estate tax deferral program, if any liens created by the tax deferral are not subording to to this Security Instrument.
- (e) Prior Liens. 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 forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to all amounts secured by this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain proprity 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.

#### 13. Relationship to Second Security Instrument.

- (a) Second Security Instrument. In order to secure payments which the Secretary may make to or on behalf of Borrower pursuant to Section 255(i)(1)(A) of the National Housing Act and the Loan Agreement, the Secretary has required Borrower to execute a Second Note and a Second Security instrument on the Property.
- (b) Relationship of First and Second Security Instruments. Payments made by the Secretary shall not be included in the debt under the Note unless:
  - (i) This Security Instrument is assigned to the Secretary; or
- (ii) The Secretary accepts reimbursement by the Lender for all payments made by the Secretary. If the circumstances described in (i) or (ii) occur, then all payments by the Secretary, including interest on the payments, but excluding late charges paid by the Secretary, shall be included in the debt under the Note.
- (e) Effect on Borrower. Where there is no assignment or reimbursement as described in (b)(i) or (ii) and the Secretary makes payments to Borrower, then Borrower shall not:
- (i) Be required to pay amounts owed under the Note, or pay any rents and revenues of the Property under Panigraph 19 to Lender or a receiver of the Property, until the Secretary has required payment in full of all outstanding principal and accused interest under the Second Note; or
- (ii) Be obligated to pay interest or shared appreciation under the Note at any time, whether accrued before or after the payments by the Secretary, and whether or not accused interest has been included in the principal balance under the Note.

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14. Forbearance by Lender Not a Walver. Any forbearance by Lender in exercising any right or remedy

shall not be a waiver of or preclude the exercise of any right or remedy.

15. Successors and Assigns Bound; Joint and Several Liability. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender. Borrower may not assign any rights or obligations under this Security Instrument or under the Note, except to a trust that meets the requirements of the Secretary. Borrower's coverants and agreements shall be joint and several.

- 16. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it of first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address all Borrowers jointly designate. Any notice to Lender shall be given by first class mail (a) ender's address stated herein or any 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 Faragraph 16.
- 17. 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.
  - 18. Borrower's Copy. Borrower shall be given one conformed copy of the Note and this Security Instrument. NON-UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:
- 19. Assignment of Rents. Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rent's to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by this Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this Paragraph 13.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a jud cially appointed receiver may do so at any arise there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or rentedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by this Security Instantient is paid in full.

20. Foreclosure Procedure. If Lender requires immediate payment in full under Paragraph 9, Lender 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 20, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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21. Lien Priority. The full amount secured by this Security Instrument shall have the same priority over any other liens on the Property as if the full amount had been disbursed on the date the initial disbursement was made, regardless of the actual date of any disbursement. The amount secured by this Security Instrument shall include all direct payments by Lender to Borrower and all other loan advances permitted by this Security Instrument for any purpose. This lien priority shall apply notwithst inding any State constitution, law or regulation, except that this lien priority shall not affect the priory of any liens for unpaid State or local governmental unit special assessments of taxes.

22. Adjustable Rate Feature. Under the Note, the initial stated interest rate of 6.4800. % which accuses on the unpaid principal balance ("Initial Interest Rate") is subject to change, as described below. When the interest rate changes, the new adjusted interest rate will be applied to the total outstanding principal balance. Each adjustment to the interest rate will be based upon the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board in Statistical Release H.15 (519) ("Index") plus a margin. If the Index is no longer available, Lender will use as a new Index any index prescribed by the Security. Lender will give Borrower notice of the new Index.

Lender will perform the calculations described below to determine the new adjusted interest rate. The interest rate may change on the first day of MAY, 1998 and on [ ] that day of each succeeding year X ] the first day of each succeeding month ("Change Date") until the loan is repaid in full.

The value of the Index will be determined, using the most recent Index figure available thirty (30) days before the Change Date ("Current Index"). Before each Change Date, the new interest rate will be calculated by adding a margin to the Current Index. The sum of the margin plus the Current Index will be called the "Calculated Interest Rate" for each Change Date. The Calculated Interest Rate will be compared to the interest rate in effect inunediately prior to the current Change Date (die "Existing Interest Rate").

[] (Atomatly Adjusting Variable Rate Feature) The Calculated Interest Rate cannot be more than 2.0% higher or lower than the Existing Interest Rate, not can it be more than 5.0% higher or lower than the Initial Interest Rate

N (Monthly Adjusting Variable Rate Feature) The Calculated Interest Rate will never increase above SIXTEEN AND 480/1000 percent ( 16.48000 %).

The Calculated Interest Rate will be adjusted if necessary to comply with these rate limitation(s) and will be in effect until the next Change Date. At any Change Date, if the Calculated interest Rate equals the Existing Interest Rate, the interest rate will not change.

- 23. Release. Upon payment of all sums secured by this Security Instrument Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.
  - 24. Whiver of Homestead. Horrower waives all right of homestead exemption in the Property.

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together with this Security Instrum	nent, the coverarts of each such ridered agreements of this Security Instru	s are executed by Borrower and recorded rshall be incorporated into and shall amend ament as if the rider(s) were a part of this			
Condominium Rider Other (Specify)	[]] Shuted Appreciation Rider	Appreciation Rider Planned Unit Development Rider			
BY SIGNING BEI OW, Borrower any rider(s) e recuted by Borrower		contained in this Security Instrument and in			
Witnesses	to which was a second tay	(Sonl)			
20	PENSACOLA TAY	LOR -Borrower			
	Space Below This Lin/ Fg? Acknowledge	(Seal) -Borrower			
STATE OF A CLUCK		( t & COUNTY SS:			
PENSACOLA TAYLOR	met Neucest De 1 taux	, n Notary Public, certify that			
	rson, and acknowledged that SIE or the uses and purposes therein set f				
Dated FEBRUARY 05, 1998	Name (5) ) 111 C	Scal)			
RECORD AND RETURN TO: NORWEST MORTGAGE, INC. 2091 WEST FLORIDA AVENU HEMET, CALIFORNIA 92545 (Recorder's Box #  This Document Prepared By: Name: NORWEST MORTGA Address: 1895 SPRUCE STREE RIVERSIDE, CALIFO	E, SUITE 120 NOTAL MY AGE, INC.	OFFICIAL SEAL  YASMIN ESCOBAR RY PUBLIC STATE OF ILLINOIS Comm Expres Feb. 27, 2001			

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