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Cook County Recorder 33.50

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State of Illinois

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FHA Case No.

1319294299/703

MORTGAGE

THIS MORTGAGE ("Security Instrument") is made on JULY 21ST, 1998 . The Mortgagor is ANA L ARROYO, MARRIED TO JOVEL HERNANDEZ* AND ANTONIO HERNANDEZ, MARRIED TO LUZ HERNANDEZ whose address is 2536 S HAMLIN, CHICAGO, IL 60623 * (signing solely for the purpose of waiving homestead rights) ("Borrower"). This Security Instrument is given to MID AMERICA BANK, FSB , which is organized and existing under the laws of THE UNITED STATES OF AMERICA , and whose address is 1823 CENTRE POINT CIRCLE, P O BOX 3142, NAPERVILLE, IL 60566-7142 ("Lender"). Borrower owes Lender the principal sum of ONE HUNDRED THIRTY SEVEN THOUSAND EIGHT HUNDRED SIXTEEN AND NO/100 Dollars (U.S. \$ 137,816.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on AUGUST 1, 2028 . 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, warrant, grant and convey to Lender, with power of sale the following described property located in COOK County, Illinois:

LOT 57 AND THE NORTH 17 FEET OF LOT 56 IN BLOCK 9 IN BURWYN, IN THE NORTHWEST 1/4 OF SECTION 31, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PROFESSIONAL NATIONAL
TITLE NETWORK, INC.

P.I.N. 16311260090000
which has the address of 3307 S KENILWORTH, BURWYN

[Street, City],

Illinois 60402 [Zip Code] ("Property Address");

FHA ILLINOIS MORTGAGE

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which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for a. Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether

either to late charges due under the Note.

Fifth, to amortization of the principal of the Note; and

Third, to interest due under the Note;

Second, hazard premiums, as required;

Secretary instead of the monthly mortgage premium;

Eleventh, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the

follows:

3. Application of Payments. All payments under paragraphs 1 and 2 shall be applied by Lender as

credited with any balance remaining for all installments from items (a), (b), and (c).

Itemmed below to a forcible sale of the Property or its acquisition by Lender, Borrower's account shall be

not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower,

remaining for all installment items (a), (b), and (c) and any mortgage insurance premium. It is admitted that Lender has

Borrower renders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance

The Escrow Funds are pledged as additional security for all sums secured by this Secretary instrument. If

shortage as permitted by RESPA.

sufficient to pay the Escrow items when due, Lender may notify the Borrower and require Borrower to make up the amount held by Lender for Escrow items permitted to be held by RESPA. Lender

shall deal with the excess funds as required by RESPA. If the amounts of funds held by Lender at any time is not

amounts held by Lender for Escrow items exceeded the amount permitted to be held by RESPA.

Lender may, at any time, collect and hold amounts in an aggregate amount not to exceed the maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures

Act of 1974, 12 U.S.C. 2601 et seq. and implementing regulations, 24 CFR Part 3500, as they may be amended

from time to time ("RESPA"), except that the cushion established by RESPA for unanticipated disbursements or distributions before the Borrower's payment is available in the account may not be based on

or (ii) a monthly charge instead of a monthly insurance premium if this Secretary instrument is held by the Secretary,

shall also include either: (i) a sum for use annual monthly insurance premium to be paid by Lender to the Secretary, which such premium would have been paid if Lender still held the Secretary instrument, each monthly payment

monthly insurance premium to the Secretary of Housing and Urban Development ("Secretary"), or in any year a property, and (c) premiums for insurance required under paragraph 4, in any year in which the Lender must pay a

and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the

payment, together with the principal and interest as set forth in the Note and any late charges, a sum for (a) taxes

2. Monthly Taxes, Insurance and Other Charges. Borrower shall include in each monthly

interest on, the due evidence by the Note and late charges due under the Note.

1. Payment of Principal, Interest and Late Charge. Borrower shall pay when due the principal of, and

UNIFORM COVENANTS.

Borrower and Lender covenant agree as follows:

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.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to record, Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances or records.

mortgagee, grant and convey the Property and that the Property is unencumbered, except for encumbrances of

TOGETHER WITH all the improvements now or hereafter erected 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".

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requires. 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 directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in Paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged Property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in Paragraph 2, or change the amount of such payments. Any excess insurance 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.

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.

5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument (or within sixty days of a later sale or transfer of the Property) and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender determines that requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned Property. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

6. 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, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in Paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in Paragraph 2, or change the amount of such payments. 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.

7. 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 obligations 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 request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments 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 bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

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Instrument of Foreclosure proceedings within two years immediately preceding the commencement of a current full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment expenses, property associated with the foreclosure proceeding. Upon reinstatement by Borrower, these expenses and the sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, reasonable costs and customary attorney fees and legal expenses of all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall render in a lump sum all amounts required to pay an amount due under the Note or this Security Instrument. The right applies because of Borrower's failure to pay an amount due under the Note or this Security Instrument.

10. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary. Notwithstanding the foregoing, this option may not be exercised by Lender when the availability of insurance to insure this Security Instrument and the Note shall be deemed conclusive proof of such negligibility, stemming from any authorized agent of the Secretary dated subsequently to 60 days from the date hereof, at its option require immediate payment in full of all sums secured by this Security Instrument. A written notice to Lender for insurance under the National Housing Act within 60 days from the date hereof, Lender may, to be eligible for insurance under the National Housing Act within 60 days from the date hereof, Lender may, (e) Mortgage. Not insured. Borrower agrees that if this Security Instrument and the Note are not determined by Secretary,

This Security Instrument does not authorize acceleration of foreclosure immediate payment in full if not paid. Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclose if not paid. (d) Regulations of HUD Secretary. In many circumstances regulations regarding loans issued by the Secretary will limit Lender does not require such payments, Lender does not waive his rights with respect to subsequent events.

(c) No Waiver. If circumstances occur that would permit Lender to require immediate payment in full, but according to the requirements of the Secretary, and purchaser or grantee of the property is

(iii) The Property is not occupied by the owner or grantee as his or her principal residence, or the purchaser or grantee does so occupy the property, but this or her credit has not been approved in full or otherwise transferred (other than by delivery of descent), and (ii) All or part of the Property, or a general interest in trust in a trust owning all or part of the Property, is sold or otherwise transferred to the requirements of the Secretary;

(b) Sale Without Credit Approval. Lender shall, if permitted by applicable law (including Section 341(d) of the Gram-Si Gemanl Depository Institutions Act of 1982, 12 U.S.C. 1701-3(d)) and with the prior approval of the Secretary, require immediate payment in full of all sums secured by this Security Instrument if:

(i) Borrower defaults by failing, for a period of thirty days, to perform any other obligation contained in this Security Instrument.

(ii) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or (iii) Default, except as limited by regulations issued by the Secretary in the case of payment defaults, i.e., a immediate payment in full of all sums secured by this Security Instrument if:

8. Covenants for Acceleration of Debt.

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

Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice to a lien which may attach priorly over this Security Instrument, Lender may give Borrower a notice identifying the lien Lender subordinating the lien to this Security Instrument, if Lender determines that any part of the Property is subject to operation to prevent the enforcement of the lien, or (c) secures from the holder of the lien an agreement, satisfactory to in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) complies with the payment of the obligation secured by the lien in, legal proceedings which in the Lender's opinion satisfies Borrower shall prominently display over this Security Instruments unless Borrower: (a)

Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement at the Note rate, and at the option of Lender shall be immediately due and payable.

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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 rents to Lender or Lender's agents. However, prior to Lender's notice to 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.

17. 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 rents to Lender or Lender's agents to collect the rents and revenues and hereby directs Lender to assign all the rents and revenues to Lender under further covenants and agree as follows:

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

and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection. Borrower shall provide the following substances: gasoline, kerosene, otherflammable or toxic substances by Environmental Law and the following substances: gasoline, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in the Paragraph 16, "Environmental Law," means federal laws pertaining products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 16, "Environmental Law" means the following substances by Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any government or regulatory authority that any removal or other remediation of any Hazardous Substances is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any government or regulatory authority that any removal or other remediation of any Hazardous Substances is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

16. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or

15. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security instrument.

Note which can be given effect without the conflicting provision. To this end the provisions of this Security instrument and the Note are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

14. 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 any class of contracts with applicable law, such conflict shall not affect other provisions of this Security instrument or give effect to the provisions of this Security instrument and the Note are severable.

13. 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 a applicable law requires use of another method. The notice shall be directed to the property address of any other debtor as 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 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.

12. Successors and Assigns Bound; Joint and Several Liability; Co-Signers. The covariant and agreements of this Security instrument shall bind and benefit by Lender and Borrower, subject to the provisions of Paragraph 9 (b). Borrower's covariants 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, i.e. mortgagé, grant and convey that Borrower's interest in the Property under the terms of this instrument to another, and (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, forgive or make any accommodations with respect to the terms of this Security instrument or the Note without the Borrower's consent.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time of payment or modification of amortization of the sum secured by this Security instrument granted by Lender to any successor in interest of Borrower shall not be construed to release the liability of the original Borrower's successor in interest, Lender not having made by the original Borrower's successor any demand for payment or otherwise than by reason of any default or otherwise materially amounting to the sum secured by this Security instrument by reason of any default made by the original Borrower or Borrower's successor in interest. 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.

10. Satisfaction of Mortgagage. (iii) satisfaction will adversely affect the priority of the lien created by this Security instrument.

(iv) acceleration will preclude foreclosure on different grounds in the future, or (v)

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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 the 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 17.

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 judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

18. Foreclosure Procedure. If Lender requires immediate payment in full under Paragraph 9, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Paragraph 18, including, but not limited to, reasonable attorney's fee and costs of title evidence.

If Lender invokes the power of sale, Lender shall give notice of sale to Borrower in the manner provided in Paragraph 13. Lender shall publish and post the notice of sale, and the Property shall be sold in the manner prescribed by applicable law. Lender or its designee may purchase the Property at any sale. The proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorney's fee; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

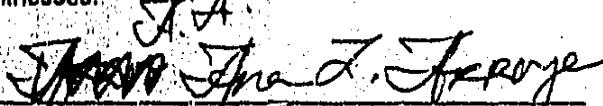
If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under Paragraph 9, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 U.S.C. 3751 et seq.) by requesting a foreclosure and to sell the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this Paragraph 18 or applicable law.

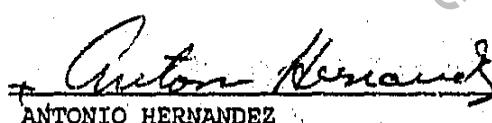
Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

- Condominium Rider Graduated Payment Rider Other [Specify]
 Planned Unit Development Rider Growing Equity Rider

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

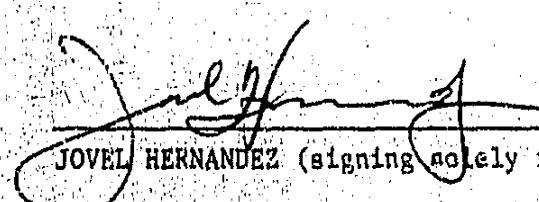
Witnesses:


ANA L. ARROYO


ANTONIO HERNANDEZ

(Seal)
Borrower

(Seal)
Borrower


JOVEL HERNANDEZ (signing solely for the purpose of waiving homestead rights)

(Seal)
Borrower

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STATE OF ILLINOIS,

COOK

County ss:

I, THE UNDERSIGNED, a Notary Public in and for said county and state do hereby certify that
ANDREW ARROYO, ANTONIO MEXIANO AND JOSE MEXIANO

, personally known to me to be the same person(s) whose name(s) subscribed to
the foregoing instrument, appeared before me this day in person, and acknowledged that *he / she*
signed and delivered the said instrument as *their* free and voluntary act, for the uses and purposes
therein set forth.

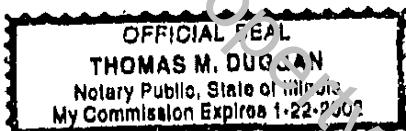
Given under my hand and official seal, this

21st day of

JULY

, 1998

My Commission expires:



Notary Public

THOMAS M. DUGAN

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THIS INSTRUMENT WAS PREPARED BY:
KENNETH KORANDA
1823 CENTRE POINT CIRCLE
P. O. BOX 3142
NAPERVILLE, IL 60566-3142

WHEN RECORDED RETURN TO:
MID AMERICA BANK, FSB.
1823 CENTRE POINT CIRCLE
P. O. BOX 3142
NAPERVILLE, IL 60566-3142

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