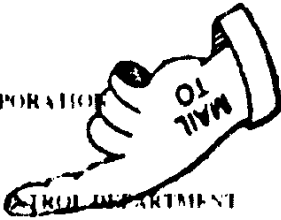


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2577/0269 26 001 Page 1 of 6  
1998-10-27 14:36:30  
Cook County Recorder 31.50

1998-10-27 14:36:30  
Cook County Recorder  
GN MORTGAGE CORPORATION  
ATTN: DOCUMENT CONTROL DEPARTMENT  
P.O. BOX 23929  
MILWAUKEE, WI 53226-0929



2017266  
MERCURY TITLE COMPANY, LLC-N

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State of Illinois

## MORTGAGE

FHA Case No.  
131:9441667-703

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THIS MORTGAGE (Security Instrument) is given on OCTOBER 22, 1998  
by and for JOSE MARQUEZ, AN UNMARRIED MAN, BERNARDO CRUZ, AN UNMARRIED MAN AND JOSE BLAS, MARRIED TO ALBERTO SIMON BLAS  
Borrower(s). This Security Instrument is given to GN MORTGAGE CORPORATION, A WISCONSIN CORPORATION  
which is organized and existing under the laws of the State of Wisconsin  
and whose address is 4000 WEST BROWN DEER ROAD, BROWN DEER, WISCONSIN 53209  
Lender. It represents a loan of the principal sum of One Hundred Seventy One Thousand Five Hundred Ninety Three and 00/100 Dollars (\$ 171,593.00). 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 NOVEMBER 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, grant and convey to Lender, the following described property located in COOK County, Illinois:

THE EAST 10 FEET OF LOT 34 AND ALL OF LOT 35 IN BLOCK 2 IN WILLIAM A. BOND AND COMPANY'S SUBDIVISION OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 (EXCEPT RAILROAD) OF SECTION 22, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P/N #13-22-425-013-0000

which be the address of 4323 WEST HENDERSON CHICAGO

Illinois 60641 Property Address

# UNOFFICIAL COPY

Case No. 2722784

98965362

Page 2 of 6

Together with all the improvements now or hereafter erected on the property, and all easements, appurtenances and all 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, 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.

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

**1. Payment of Principal, Interest and Late Charge.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and late charges due under the Note.

**2. Monthly Payments of Taxes, Insurance and Other Charges.** Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, a sum for (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for insurance required under Paragraph 4. In any year in which the Lender must pay a mortgage insurance premium to the Secretary of Housing and Urban Development ("Secretary"), or in any year in which such premium would have been required if Lender still held the Security Instrument, each monthly payment shall also include either (i) a sum for the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary, in a reasonable amount to be determined by the Secretary. Except for the monthly charge by the Secretary, these items are called "Escrow Items" and the sums paid to the Lender are called "Escrow Funds."

Lender may, at any time, collect and hold amounts for Escrow Items 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. Section 2601 et seq., and implementing regulations, 24 CFR Part 3500, as they may be amended from time to time ("RESPA"), except that the cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Borrower's payments are available in the account may not be based on amounts due for the mortgage insurance premium.

If the amounts held by Lender for Escrow Items exceed the amounts 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 are not sufficient to pay the Escrow Items when due, Lender may notify the Borrower and require Borrower to make up the shortage or deficiency as permitted by RESPA.

The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. If Borrower tenders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance remaining for all installment items (a), (b), and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to the foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b), and (c).

**3. Application of Payments.** All payments under Paragraphs 1 and 2 shall be applied by Lender as follows:

First, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium;

Second, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

Third, to interest due under the Note;

Fourth, to amortization of the principal of the Note;

Fifth, to late charges due under the Note.

**4. 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, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender 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 a fire, Borrower shall, to the Lender on a date certain by mail. Lender may make proof of loss, not made possible by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss to the 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 to the reduction of the indebtedness under the Note and this Security Instrument to the amount of any arrears applied in the order in Paragraph 3, and then to prepayment of principal, or (b) to the reduction of any part 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 the loss of the Security Instrument or other transfer of title to the Property that extinguishes the legal title, all legal title referred to by Borrower in any insurance policies in force shall pass to the purchaser.

**6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.**

Borrower shall occupy, control, use and lease 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 the Lender determines that such requirement will cause an undue hardship to Borrower or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not be liable for such extenuating circumstances. Borrower shall not commit waste or willful damage or willful neglect to the Property or allow the Property to deteriorate, reasonable wear and tear excepted, or allow the Property to become 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 to induce Lender to lend with any material misstatement 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 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 benefit for damage, direct or consequential, in connection with any condemnation of the taking of any part of the Property, or for any award 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 taxes, fees and impositions that are not included in Paragraph 2. Borrower shall pay these obligations on time. In the event the entity which assessed the payment in 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 obligation and agreement contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's interest 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.

Any amount 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.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower, at the time of signing, to the payment of the obligation secured by the lien in a manner acceptable to Lender, (a) contests in good faith the lien's validity or defends against enforcement of the lien in legal proceedings which in the Lender's opinion are necessary to prevent enforcement of the lien, or (b) secures from the holder of the lien an agreement satisfactory to Lender, identifying the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which is an attachment property under this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall, at such time, or take one or more actions set forth above within 10 days of the giving of notice.

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

9. **Grounds for Acceleration of Debt.**

(a) **Default.** Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:

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

(b) **Sale Without Credit Approval.** Lender shall, if permitted by applicable law (including Section 341(d) of the Garn St. German Depository Institutions Act of 1982, 12 U.S.C. 1701j-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) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent), and
- (ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property, but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) **No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

(d) **Regulations of HUD Secretary.** In many circumstances regulations issued by the Secretary will limit Lender's rights in the case of payment defaults to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) **Mortgage Not Insured.** Borrower agrees that should this Security Instrument and the Note secured thereby not be eligible for insurance under the National Housing Act within 60 DAYS from the date hereof, Lender may, at its option and notwithstanding anything in Paragraph 9, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 60 DAYS from the date hereof, or failing to insure this Security Instrument and the Note secured thereby, shall be deemed conclusive proof of such ineligibility. Notwithstanding 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. **Reinstatement.** Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. 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 lien created by this Security Instrument.

11. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time of payment or modification or 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 successor 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 waiver of or preclude the exercise of any right or remedy.

12. **Successors and Assigns Bound; Joint and Several Liability; Co-Signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 9.4. Borrower's covenants 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, 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.

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**13. Notices.** Any notice to be received provided for in the Security Instrument shall be given by delivering (or by first class mail) to the addressee, applicable law requires use of another method. The notice shall be directed to the Property Address shown on the address. Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to the address. Lender designates by notice to Borrower. Any notice provided for in the Security Instrument and is deemed to have been given to Borrower or Lender when given as provided in the foregoing.

**14. Governing Law; Severability.** This Security Instrument shall be governed by Federal law and the law of the state in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note is held to be unenforceable under applicable law, such holding shall not affect other provisions of this Security Instrument or the Note which can be enforced without the conflicting provision. To this end the provisions of this Security Instrument and the Note are deemed to be severable.

**15. Borrower's Copy.** Borrower shall retain in its possession copies of this Security Instrument.

**16. Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of Hazardous Substances on the Property. Borrower shall not 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, storage, or disposal of small quantities of Hazardous Substances that are generally recognized to be appropriate for normal residential use, and the maintenance of the Property.

Borrower shall promptly give to 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 that it has or has a good knowledge. If Borrower learns or is notified by any governmental or regulatory authority that action is being taken or threatened of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all reasonable remedial actions in accordance with Environmental Law.

As used in the paragraph 16 "Hazardous Substances" are those substances defined as toxic or hazardous substance under Environmental Law and the following: asbestos, lead, petroleum products, polychlorinated biphenyls, volatile organic compounds, formaldehyde, and radioactive materials. As used in the paragraph 16 "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

**NOTICE OF UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

**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. However, prior to Lender's notice to Borrower of this assignment, there is no 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.

Lender upon notice of breach by Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender; (b) to be applied to the sums secured by the Security Instrument; (c) Lender shall be entitled to collect the rents received at the time of the Property; and (d) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent or Lender in written demand to the tenant.

If Borrower has not exercised its 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 assignment of rent 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, without further demand, foreclose this Security Instrument by judicial proceeding and invoke any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 17, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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. 751 et seq.) by requesting a foreclosure commissioner designated under the Act to commence 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.

**19. 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 re-ordination costs.

**20. Waiver of Homestead.** Borrower waives all right of homestead exemption in the Property.

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21. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded 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 boxes)

- Rehabilitation Loan Rider
- Tax-Exempt Financing Rider
- Rider for Section 248 Mortgage
- Condominium Rider
- Graduated Payment Rider
- Growing Equity Rider
- Planned Unit Development Rider
- Other (Specify)

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

Witnesses

[Signature] (Seal)  
JOSE MARQUEZ Borrower

[Signature] (Seal)  
JOSE BLAS *Marrero, his attorney in fact* Borrower

[Signature] (Seal)  
BERNARDO CRUZ Borrower

\_\_\_\_ (Seal)  
Borrower

**\*AN UNMARRIED MAN**  
**\*\*MARRIED TO ALBERTO SIMON BLAS, BY JORGE A. MARRERRO HIS ATTORNEY IN FACT**

Loan No.

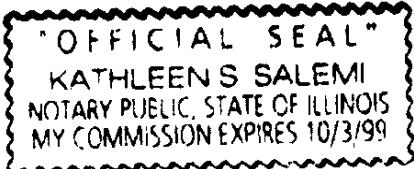
STATE OF ILLINOIS, COOK County ss:

I, the undersigned, a Notary Public in and for said county and state do hereby certify that JOSE MARQUEZ AND JOSE BLAS AND BERNARDO CRUZ 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 ~~they~~ they signed and delivered the said instrument as ~~their~~ their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 22ND day of OCTOBER, 19 1998.

My Commission Expires 10/03/99

[Signature]  
Notary Public



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