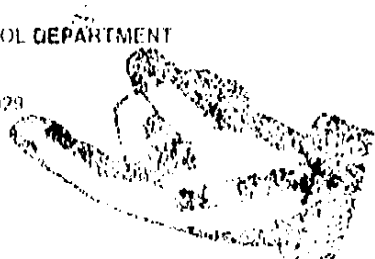


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2545820  
GN MORTGAGE CORPORATION  
GN MORTGAGE  
ATTN: DOCUMENT CONTROL DEPARTMENT  
P.O. BOX 21929  
MILWAUKEE, WI 53221-0929



[Space Above This Line For Recording Data]

State of Illinois

## MORTGAGE

FHA Case No  
131-9152559-729

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This Mortgage Security Instrument is given on **MARCH 31, 1998**

by and for the use of **PHILIP PEREZ MARRIED TO HOLLY PEREZ**

**WHO IS SIGNING SOLELY FOR THE PURPOSE OF WAIVING HOMESTEAD RIGHTS**

(Borrower). This Security Instrument is given to **GN MORTGAGE CORPORATION, A WISCONSIN CORPORATION**

with principal and existing under the laws of **THE STATE OF WI**

and whose address is **21731 VENTURA BLVD, SUITE 200, WOODLAND HILLS, CALIFORNIA 91364**

Lender. Borrower owes Lender the principal sum of **One Hundred Eighteen Thousand Eight Hundred Twenty Nine and 00/100**

Dollars (**U.S. \$ 118,829.00**). 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

**APRIL 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

which may be owed 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:

**LOT 44 (EXCEPT THE SOUTH 30 FEET THEREOF) IN BLOCK 11 IN  
S.E. GROSS' UNTER DEN LINDEN ADDITION TO CHICAGO IN SECTION  
24, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL  
MERIDIAN, IN COOK COUNTY, ILLINOIS.**

PIN # 13-24-322-001-0000

SAAS A DIV OF INTERCOUNTY SYSTEMS

with the address of **3245 N. RICHMOND**

**CHICAGO**

Phone **60621-** ("Property Address"):

GFS Form G000175 (6D22)

FHA Illinois Mortgage - 10-95

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... 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 the 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 mortgage 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 all taxes and special assessments to be paid against the Property, all household payments of ground rents on the Property and all assessments for water and sewerage 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 be payable except if Lender is held the Security Instrument, each monthly payment shall also include either (a) a sum for the mortgage insurance premium to be paid by Lender to the Secretary, or (b) a monthly charge instead of a mortgage insurance premium if the 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 sum paid to the Lender is 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 USC 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 amount held by Lender for Escrow Items exceeds the amounts permitted to be held by RESPA, Lender shall not use the excess funds as required by RESPA. If the amount 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 defaults, Lender may make payment of all such sums, Borrower's amount due be credited with the balance remaining for all subsequent items (a), (b), and (c) and any mortgage insurance premium installment that Lender is 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 from payments 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, household payments of 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 may be obligated. The 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 fire and 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.

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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, less to any delinquent amounts applied in the order in Paragraph 3, and then to prepayment of principal, or (b) to the reduction of the delinquent 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 the Lender determines the 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 actively abandon or voluntarily change the Property or allow the Property to deteriorate, reasonably wear and tear excepted. Lender may enter the Property if the Property is vacant or abandoned or the loan is in default. Lender may take any possible 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 the Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the record 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, less 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 non-governmental charges, fees and impositions that are not included in Paragraph 2. Borrower shall pay these obligations on time and 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 receipt 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, the 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 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 the obligation of Lender shall be immediately due and payable.

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 are likely to prevent the enforcement of the lien; or (c) releases from the burden 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 attach property over this Security Instrument, Lender may give Borrower notice identifying the lien. Borrower shall satisfy the lien or take one or more actions set forth above within 10 days of the giving of notice.

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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 default, require immediate payment in full of all sums secured by the Security Instrument if:

(i) Borrower defaults by failing to pay in full any monthly payment required by the 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 the Security Instrument.

(b) **Sale Without Credit Approval.** Lender shall, if permitted by applicable law (including Section 5410(c) of the Title 24, German Depository Institutions Act of 1982 (32 U.S.C. 1701-3a)(c)) and with the prior approval of the Secretary, require immediate payment in full of all sums secured by the 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 or his or her principal residence, or the purchaser or grantee does not occupy the Property, but 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 foreclosure if not paid. The Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) **Mortgage Not Insured.** Borrower agrees that should the 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 the Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 60 DAYS from the date hereof, declining to insure the 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 send 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 the Security Instrument, foreclosure costs and reasonable and customary attorney fees and expenses properly incurred with the foreclosure proceeding. Upon reinstatement by Borrower, the 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 (a) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding; (b) reinstatement will preclude foreclosure or other action on different grounds in the future; or (c) the reinstatement will adversely affect the priority of the lien created by the Security Instrument.

11. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time of payment or modification or acceleration 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 any terms of the sums secured by the 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(b). Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs the 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 the 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 first Borrower's consent.

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**13. Notices.** Any notice to Borrower provided for in the Security Instrument shall be given by delivering it or by mail to the following address, 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 address Lender designates by notice to Borrower. Any notice provided for in the Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in the paragraph.

**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 the Note conflicts with applicable law, such conflict 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 the Security Instrument and the Note are intended to be severable.

**15. Borrower's Copy.** Borrower shall be given one conformed copy of this Security Instrument.

**16. Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or disposal on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to the normal maintenance and operation of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substances or Environmental Law. Even if Borrower has actual knowledge, if Borrower learns or is notified by any governmental or regulatory authority that any removal or other remedial action of any Hazardous Substances affecting the Property is necessary, Borrower shall promptly take all necessary remedial action, in accordance with Environmental Law.

As used in this paragraph 16, "Hazardous Substances" are those substances defined as toxic or hazardous substances under Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, dry cleaners, and non-petroleum volatile solvents, including but not limited to acetone, formaldehyde, and radioactive material. As used in this paragraph 16, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to the health, safety or environmental protection.

**NON-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 agent. However, prior to Lender's notice to Borrower of a 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. The assignment of rents constitutes an absolute assignment and not an assignment for attachment security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for the 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 execute 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 rents shall not cure or waive any default or invalidate any other right or remedy of Lender. The 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 recordation 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 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 riders were a part of this Security Instrument. (Check applicable boxes):

- Adjustable Loan Rate
- Constant Rate
- Fixed Unit Development Rate
- Other Specialty
- Tax-Exempt Financing Rider
- Graduated Payment Rate
- Rider for Section 248 Mortgage
- Growing Equity Rider

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

\_\_\_\_\_  
 PHILIP PEREZ (Seal) Borrower

\_\_\_\_\_  
 TIXOLLY PEREZ WHO IS SIGNING SOLELY FOR THE PURPOSE OF WAIVING HOMESTEAD RIGHTS (Seal) Borrower

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

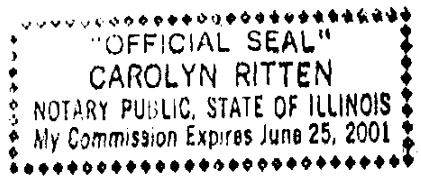
\_\_\_\_\_  
 (Seal) Borrower

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STATE OF ILLINOIS, COOK County ss:  
 I, M. S. RITTEN, a Notary Public in and for said county and state,  
 do hereby certify that PHILIP PEREZ AND TIXOLLY PEREZ, HIS WIFE  
 personally known to me to be the same persons whose names subscribed to the foregoing instrument, appeared before me this \_\_\_\_\_ day of \_\_\_\_\_, and acknowledged that they 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 31ST day of MARCH, 1998.

My Commission Expires \_\_\_\_\_  
 \_\_\_\_\_  
 (Seal)



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