

UNOFFICIAL COPY

3474916

Mortgage 3 4 7 4 9 1 6

LYONS SAVINGS AND LOAN ASSOCIATION

(Individual Form)

Loan No. 2001701-9

THE UNDERSIGNED,

George L. Pawlak and Eileen P. Pawlak, his wife

of Lyons, County of Cook, State of Illinois

hereinafter referred to as the Mortgagor, does hereby mortgage and warrant to:

LYONS SAVINGS AND LOAN ASSOCIATION

a corporation organized and existing under the laws of the State of Illinois hereinafter referred to as the Mortgagee, the following real estate in the County of Cook in the State of Illinois, to-wit:

Lot 83 (except the South 21.47 feet thereof) in Meyer's Second Addition to River Highlands, being a Subdivision of the South half of the North half of the South West quarter of Section 1, Town 38 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

18-01-308-057

4409 S Joliet Lyons, IL 60534

Together with all buildings, improvements, fixtures or appurtenances now or hereafter erected thereon or placed thereon, including all apparatus, equipment, fixtures or articles, whether in single units or centrally controlled, used to supply heat, gas, air conditioning, water, light, power, refrigeration, ventilation or other services, and any other thing now or hereafter therein or thereon, the furnishing of which by lessors to lessees is customary or appropriate, including screens, window shades, storm doors and windows, floor coverings, screen doors, in-a-door beds, awnings, stoves and water heaters (all of which are intended to be any and all hereby declared to be a part of said real estate whether physically attached thereto or not); and also together with all easements and the rents, issues and profits of said premises which are hereby pledged, assigned, transferred and set over unto the Mortgagee, whether now due or hereafter to become due as provided herein. The Mortgagee is hereby subrogated to the rights of all mortgagees, lienholders and owners paid off by the proceeds of the loan hereby secured.

TO HAVE AND TO HOLD the said property, with said buildings, improvements, fixtures, appurtenances, apparatus and equipment, and with all the rights and privileges thereunto belonging, unto said Mortgagee forever, for the uses herein set forth, free from all rights or benefits under the homestead, exemption and valuation laws of any State, which said rights and benefits said Mortgagor does hereby release and waive.

TO SECURE

(1) the payment of a Note executed by the Mortgagor to the order of the Mortgagee bearing even date herewith in the principal sum of

Thirty Six Thousand Four Hundred and NO/100ths Dollars

(\$ 36,400.00), which, together with interest thereon as therein provided, is payable in monthly installments of

Three Hundred Sixteen and 08/100ths Dollars

(\$ 316.08), commencing the first day of December, 19 85

which payments are to be applied, first, to interest, and the balance to principal, until said indebtedness is paid in full.

(2) Any advances made by the Mortgagee to the Mortgagor, or his successor in title, for any purpose, at any time before the release and cancellation of this Mortgage, but at no time shall this Mortgage secure advances on account of said original Note together with such additional advances, in a sum in excess of zero Dollars (\$ 0), provided that, nothing herein contained shall be considered as limiting the amounts that shall be secured hereby when advanced to protect the security or in accordance with covenants contained in the Mortgage.

(3) The performance of all of the covenants and obligations of the Mortgagor to the Mortgagee, as contained hereon and in said Note.

interest rate & payment
subject to change per requirements of said note.

THE MORTGAGOR COVENANTS:

A (1) To pay said indebtedness and the interest thereon as herein and in said note provided, or according to any agreement extending the time of payment thereof; (2) To pay when due and before any penalty attaches thereto all taxes, special assessments, water charges, and sewer service charges against said property (including those heretofore due), and to furnish Mortgagee, upon request, duplicate receipts therefor, and all such items extended against said property shall be conclusively deemed valid for the purpose of this requirement; (3) To keep the improvements now or hereafter upon said premises insured against damage by fire, and such other hazards as the Mortgagee may require to be insured against; and to provide public liability insurance and such other insurance as the Mortgagee may require, until said indebtedness is fully paid, or in case of foreclosure, until expiration of the period of redemption, for the full insurable value thereof, in such companies, through such agents or brokers, and in such form as shall be satisfactory to the Mortgagee; such insurance policies shall remain with the Mortgagee during said period or periods, and contain the usual clause satisfactory to the Mortgagee making them payable to the Mortgagee, and in case of foreclosure sale payable to the owner of the certificate of sale, owner of any deficiency, any receiver or redemptioner, or any grantee in a deed pursuant to foreclosure, and in case of loss under such policies, the Mortgagee is authorized to adjust, collect and compromise, in its discretion, all claims thereunder and to execute and deliver on behalf of the Mortgagor all necessary proofs of loss, receipts, vouchers, releases and all quittances required to be signed by the insurance companies, and the Mortgagor agrees to sign, upon demand, all receipts, vouchers, and releases required of him to be signed by the Mortgagee for such purpose; and the Mortgagee is authorized to apply the proceeds of any insurance claim to the restoration of the property or upon the indebtedness hereby secured in its discretion, but monthly payments shall continue until said indebtedness is paid in full; (4) Immediately after destruction or damage, to commence and promptly complete the rebuilding or restoration of buildings and improvements now or hereafter on said premises, unless Mortgagee elects to apply on the indebtedness secured hereby the proceeds of any insurance covering such destruction or damage; (5) To keep said premises in good condition and repair, without waste, and free from any mechanic's or other lien or claim of lien not expressly subordinated to the lien hereof; (6) Not to make, suffer or permit any unlawful use of or any nuisance to exist on said property nor to diminish nor impair its value by any act or omission to act; (7) To comply with all requirements of law with respect to mortgaged premises and the use hereof; (8) Not to make, suffer or permit without the written permission of the Mortgagee being first had and obtained, (a) any use of the property for any purpose other than that for which it is now used, (b) any alterations of the improvements, apparatus, appurtenances, fixtures or equipment now or hereafter upon said property, (c) any purchase on conditional sale, lease or agreement under which title is reserved in the vendor, of any apparatus, fixtures or equipment to be placed in or upon any buildings or improvements on said property.

B In order to provide for the payment of taxes, assessments, insurance premiums, and other annual charges upon the property securing this indebtedness, and other insurance required or accepted, I promise to pay to the Mortgagee, a pro rata portion of the current year's taxes upon the disbursement of the loan and to pay monthly to the Mortgagee, in addition to the above payments, a sum estimated to be equivalent to one-twelfth of such items, which payments may, at the option of the Mortgagee, (a) be held by it and commingled with other such funds or its own funds for the payment of such items; (b) be carried in a savings account and withdrawn by it to pay such items; or (c) be credited to the unpaid balance of said indebtedness as received, provided that the Mortgagee advances upon this obligation sums sufficient to pay said items as the same accrue and become payable. If the amount estimated to be sufficient to pay said items is not sufficient, I promise to pay the difference upon demand. If such sums are held or carried in a savings account, or escrow account, the same are hereby pledged to further secure this indebtedness. The Mortgagee is authorized to pay said items as charged or billed without further inquiry.

C This mortgage contract provides for additional advances which may be made at the option of the Mortgagee and secured by this mortgage, and it is agreed that in the event of such advances the amount thereof may be added to the mortgage debt and shall increase the unpaid balance of the note hereby secured by the amount of such advance and shall be a part of said note indebtedness under all of the terms of said note and this contract as fully as if a new such note and contract were executed and delivered. An Additional Advance Agreement may be given and accepted for such advance and provision may be made for different monthly payments and a different interest rate and other express modifications of the contract, but in all other respects this contract shall remain in full force and effect as to said indebtedness, including all advances.

D That in case of failure to perform any of the covenants herein, Mortgagee may do on Mortgagor's behalf everything so covenanted; that said Mortgagee may also do any act it may deem necessary to protect the lien hereof; that Mortgagor will repay upon demand any moneys paid or disbursed by Mortgagee for any of the above purposes and such moneys together with interest thereon at the highest rate for which it is then lawful to contract shall become so much additional indebtedness secured by this mortgage with the same priority as the original indebtedness and may be included in any decree foreclosing this mortgage and be paid out of the rents or proceeds of sale of said premises if not otherwise paid; that it shall not be obligatory upon the Mortgagee to inquire into the validity of any lien, encumbrance or claim in advancing moneys as above authorized, but nothing herein contained shall be construed as requiring the Mortgagee to advance any moneys for any purpose nor to do any act hereunder; and the Mortgagee shall not incur any personal liability because of anything it may do or omit to do hereunder.

E That it is the intent hereof to secure payment of said note and obligation whether the entire amount shall have been advanced to the Mortgagor at the date hereof, or at a later date, and to secure any other amount or amounts that may be added to the mortgage indebtedness under the terms of this mortgage contract.

NOTE IDENTIFIED
571 85-5263

3474916

UNOFFICIAL COPY

ADJUSTABLE RATE RIDER

(1 Year Index—Payment Cap, Interest Rate Limits and Fixed Rate Conversion Option)

THIS ADJUSTABLE RATE RIDER is made this... 31st... day of... October... 1985... and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to... Lyons Savings And Loan Association... (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

4409 Joliet Avenue, Lyons, Illinois 60534
(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE BORROWER MAY LIMIT MONTHLY PAYMENT INCREASES EACH YEAR IF THE PROVISIONS OF THE NOTE PERMIT IT. THE ANNUAL INTEREST RATE CHANGES MAY BE LIMITED. THE INTEREST RATE MAY ALSO BE LIMITED. THE NOTE ALSO MAY PERMIT THE BORROWER TO CONVERT THE ADJUSTABLE RATE LOAN INTO A FIXED RATE LEVEL PAYMENT, FULLY AMORTIZING LOAN.

Additional Covenants. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 9.875%. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES; BORROWER'S RIGHT TO LIMIT PAYMENT

(A) Change Dates

The interest rate I will pay may change on the first day of... November... 1986... and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is 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... The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding 2.75... percentage points (... 2.75... %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation is called the "Full Payment." It will be the new amount of my monthly payment unless I choose the amount permitted by Section 4(G) below.

(D) Limit on Interest Rate Changes

Beginning with the... first... Change Date and every Change Date thereafter, the rate of interest I am required to pay shall never be increased or decreased on any single change date by more than... % from the rate of interest I have been paying for the preceding twelve months. My interest rate also shall never be greater than... 5% over initial rate...

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

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

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may revoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

George D. Pawlak (Seal)
George D. Pawlak -Borrower

Eileen P. Pawlak (Seal)
Eileen P. Pawlak -Borrower

Mail To:
Lyons Savings And Loan
440 East Ogden Avenue
Hinsdale, IL 60521

3474916

PROPERTY OF COOK COUNTY CLERK'S OFFICE

UNOFFICIAL COPY

If I do not, at least 30 days before the last possible Conversion Date specified in Section 5A I above, give the Lender notice that I choose to convert my adjustable rate interest payments to fixed rate interest payments and do the other things that I must do under Section 5A above, within the applicable times specified in such Section, I will no longer have the right to choose such a conversion of interest payments.

(E) Failure to Choose Conversion
person who will answer any question I may have regarding the notice.
The notice will include all information required by law to be given me and also the title and telephone number of a give the Lender a document making the changes to the Note that are necessary to provide the new fixed interest rate. Payment; and a date (not later than 15 days from the date the Lender gives me the notice) by which I must sign and deliver to me: a notice of my new interest rate as of the Effective Conversion Date; the amount of my New Monthly Before the date of my first monthly payment after the Effective Conversion Date, the Lender will mail or

(D) Notice by Lender
change from the fixed rate established as of the Effective Conversion Date. I will, if I have chosen the Beginning with my first monthly payment after the Effective Conversion Date, and the interest rate I pay will not (C) Payment of New Payment Amount; Continuation of Fixed Rate Amount.

equal payments. The result of this calculation will be the new amount of my monthly payment (the "New Payment amount") specified to give on the Effective Conversion Date in full on the maturity date at my new interest rate in substantially the amount of a monthly payment that would be sufficient to repay the unpaid principal balance of my loan I am ex- If I choose to convert to a fixed rate of interest as provided in Section 5A above, the Lender will then determine (B) Determination of New Payment Amount

amount sufficient to reduce the unpaid principal balance to that amount.
tion to convert my adjustable rate interest payments described in Section 5A I above unless I pay the Lender an appraisal report. If the unpaid principal balance of my loan on the Effective Conversion Date will be an amount greater than 25% of the value of the property securing my loan, as established by an appraisal report, I will not have the op- prepare an appraisal report on the value of the secured property. I will pay the Lender a reasonable fee for this ap- principal amount of my loan, the Lender may require that a qualified real estate appraiser, chosen by the Lender, 2. If the unpaid principal balance of my loan on the Effective Conversion Date will be greater than the original is not available, Lender will determine my new, fixed interest rate by using a comparable figure.

percent (.1250%), rounded to the nearest one-eighth of one percentage point (0.125%), if such required Net Yield delivery commitments that was in effect as of the date 45 days before the Effective Conversion Date, plus .1250% Mortgage Corporation's published required Net Yield for 30-year, fixed rate mortgages covered by 60-day mandatory Conversion Date, if such conversion has been chosen, my interest rate will be equal to the Federal Home Loan Mort- may require, changing the terms of the Note as necessary to give effect to the Conversion. Beginning with the Effective before the Effective Conversion Date, I also must sign and give to the Lender a document, in any form that the Lender If I choose to make this conversion, I must give the Lender written notice that I am doing so at least 45 days

the last possible conversion date is November 1, 2014.
calendar years. Each date of which I can choose to convert my interest payments is called a "Conver- of December 1, 1985 or at any time during the following
1. Except as provided in Section 5A 2 below and notwithstanding anything to the contrary in the Note or the Rider, I may choose to convert my adjustable rate interest payments to fixed rate interest payments, as of the first day (A) Option to Convert to Fixed Rate

5. FIXED RATE CONVERSION OPTION IS APPLICABLE IS NOT APPLICABLE

Beginning with the first monthly payment after the final Change Date, I will pay the Full Payment as my mon- thly payment.

(J) Required Full Payment
rate in substantially equal payments.
amount which would be sufficient to repay my then unpaid principal in full on the maturity date at my current interest instead of paying a new monthly payment until the next Change Date. The new monthly payment will be in an Limited Payment. If so, on the date that my paying my Limited Payment would cause me to exceed that limit, I will the principal amount I originally borrowed. My unpaid principal could exceed that maximum amount if I pay a My unpaid principal can never exceed a maximum amount equal to one hundred twenty-five percent (125%) of (I) Limit on My Unpaid Principal; Increased Monthly Payment

tion 4(C) above.
to my unpaid principal each month. The interest rate on the interest added to principal will be the rate required by Sec- will add the difference to my unpaid principal. The Note Holder will also add interest on the amount of this difference in full on the maturity date in substantially equal payments. If so, each month that the Limited Payment is less than the interest portion, the Note Holder will subtract the Limited Payment from the amount of the interest portion and If I choose to pay the Limited Payment, my monthly payment could be less than the amount of the interest por- (H) Additions to My Unpaid Principal

days before my first new monthly payment is due.
Limited Payment as my monthly payment, I must give the Note Holder written notice that I am doing so at least 15 (although the interest rate charged will be different). This amount is called the "Limited Payment." If I choose a monthly payment following a Change Date to N/A

Unless Sections 4 (I) and 4 (J) below will not permit me to do so, I may choose to limit the amount of my new (G) Borrower's Right to Limit Monthly Payment IS APPLICABLE IS NOT APPLICABLE

3474916