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MORTGAGE

This form is used in connection with mortgages insured under the one- to four-family provisions of the National Housing Act.

CHICAGO TITLE INSURANCE COMPANY

MORTGAGE, made the 3rd day of January, A.D. 1985, between James P. Flynn and Kathleen K. Flynn, Husband and Wife of the City of Hammond in the County of Lake, and State of Indiana

(hereinafter with their heirs, executors, administrators, and assigns called the mortgagor), and LAKE MORTGAGE COMPANY, INC.

a corporation organized and existing under the laws of the State of Indiana (hereinafter with its successors and assigns called the mortgagee),

WITNESSETH: That whereas the mortgagor is justly indebted to the mortgagee for money borrowed in the principal sum of TWENTY EIGHT THOUSAND TWENTY SIX AND NO/100 Dollars (\$28,026.00)

STATE OF INDIANA, NO. LAKE COUNTY, IND. FILED JAN 9 10 44 AM '85 RUDOLPH CLAY RECORDER

as evidenced by a certain promissory note of even date herewith, the terms of which are incorporated herein by reference, with interest from date at the rate of ELEVEN AND FIVE HUNDREDTHS per centum (11.05 %), per annum on the unpaid balance until paid, the said principal and interest to be payable at the office of LAKE MORTGAGE COMPANY, INC.

in Gary, Indiana or at such other place as the holder may designate in writing, in monthly installments of TWO HUNDRED SIXTY SEVEN AND 96/100 Dollars (\$ 267.96), commencing on the first day of March, 1985, and on the first day of each month thereafter until the principal and interest are fully paid, except that the final payment of the entire indebtedness evidenced thereby, if not sooner paid, shall be due and payable on the first day of February, 2015

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That the mortgagor, in consideration of the premises, and for the purpose of securing the payment of the money aforesaid and interest thereon according to the tenor and effect of the said promissory note, above mentioned, and also to secure the faithful performance of all the covenants, conditions, stipulations and agreements herein contained, does by these presents, mortgage and warrant unto the mortgagee, all the following described lands and premises, situated and being in the City

of Hammond in the County of Lake and state of Indiana; to wit:

Lot 22, Block 3, Beverly Sixth Addition to the City of Hammond, as shown in Plat Book 29, page 62, in Lake County, Indiana.

PERMIT 45-166A GARY LAKE MORTGAGE CO., INC. The Intangibles tax on this instrument is paid direct to the Intangibles Tax Division in accordance with Ch. 153, A.S., 1957 OFFICIAL FINANCE STAMP Approved by Intangibles Tax Division

including all buildings and improvements thereon (or that may hereafter be erected thereon); together with the hereditaments and appurtenances and all other rights thereunto belonging, or in anywise now or hereafter appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all plumbing, heating and lighting fixtures, and equipment now or hereafter attached to or used in connection with said premises, AND THE MORTGAGOR FURTHER COVENANTS AS FOLLOWS:

1. That he will pay the indebtedness as provided in said note and and this mortgage; and that he is the owner of said premises in fee simple. Privilege is reserved to pay the debt in whole, or in an amount equal to one or more monthly payments on the principal that are next due on the note, on the first day of any month prior to maturity; provided, however, that written notice of an intention to exercise such privilege is given at least thirty (30) days prior to prepayment.
2. That, in order more fully to protect the security of this mortgage, he will pay to the mortgagee, together with, and in addition to, the monthly payments under the terms of the note secured hereby, on the first day of each month until the said note is fully paid, the following sums:
 - (a) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due on the mortgaged property (all as estimated by the mortgagee) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by mortgagee in trust to pay said ground rents, premiums, taxes, and special assessments; and
 - (b) All payments mentioned in the preceding subsection of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid by the mortgagor each month in a single payment to be applied by the mortgagee to the following items in the order set forth:

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- (I) ground rents, taxes, special assessments, fire and other hazard insurance premiums;
- (II) interest on the note secured hereby; and
- (III) amortization of the principal of said note.

Any deficiency in the amount of such aggregate monthly payment shall, unless made good by the mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage deed. In the event that any payment shall become overdue for a period in excess of fifteen (15) days, the mortgagor agrees to pay a "late charge" of four cents (4 ¢) (not to exceed four cents (4¢)) for each dollar (\$1) so overdue, for the purpose of defraying the expense incident to handling the delinquent payment.

3. That if the total of the payments made by the mortgagor under (a) of paragraph 2 preceding shall exceed the amount of payments actually made by the mortgagee for ground rents, taxes or assessments or insurance premiums, as the case may be, such excess, if the loan is current, at the option of the mortgagor, shall be credited on subsequent payments to be made by the mortgagor, or refunded to the mortgagor. If, however, the monthly payments made by the mortgagor under (a) of paragraph 2 preceding shall not be sufficient to pay ground rents, taxes and assessments and insurance premiums, as the case may be, when the same shall become due and payable, then the mortgagor shall pay to the mortgagee any amount necessary to make up the deficiency on or before the date when payment of such ground rents, taxes, assessments or insurance premiums shall be due. If at any time the mortgagor shall tender to the mortgagee, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the mortgagee shall, in computing the amount of such indebtedness, credit to the account of the mortgagor any balance remaining in the funds accumulated under the provisions of (a) or paragraph 2 hereof. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby or if the mortgagee acquires the property otherwise after default, the mortgagee shall apply, at the time of the commencement of such proceedings or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (a) of paragraph 2 preceding as a credit against the amount of principal then remaining unpaid under said note.

4. That he will pay all taxes, assessments, water rates and other governmental or municipal charges, fines or impositions, for which provision has not been made hereinbefore, and in default thereof the mortgagee may pay the same; and that he will promptly deliver the official receipts therefor to the said mortgagee.

5. That he will take reasonable care of the mortgaged premises, and the buildings thereon, and will maintain the same in as good repair and condition as at the original date of this mortgage, ordinary depreciation excepted; and that he will commit or permit no waste, and do no act which would unduly impair or depreciate the value of the property as security.

6. That he will keep the improvements now existing or hereafter erected on the mortgaged property, insured as may be required from time to time by the mortgagee against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by mortgagee, and will pay promptly, when due, any premiums on such insurance for payment of which provision has not been made hereinbefore. All insurance shall be carried in companies approved by mortgagee and the policies and renewals thereof shall be held by mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the mortgagee. In event of loss mortgagor will give immediate notice by mail to mortgagee, and mortgagee may make proof of loss if not made promptly by mortgagor, and each insurance company concerned is hereby authorized and directed to make payments for such loss directly to mortgagee instead of to mortgagor and mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this mortgage or other transfer of title to the mortgaged property in extinguishment of the indebtedness secured hereby, all right, title and interest of the mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

7. That in case proceedings to foreclose this mortgage are instituted, any sums necessarily expended for the continuation of the abstract of title to the above-described real estate, together with interest thereon at the rate set forth in the note secured hereby, shall become a part of the debt secured by this mortgage and shall be collectible as such.

8. That if default be made in the payment of any of the installments provided for in paragraph 2 hereof for taxes, assessments, fire and other hazard insurance, or in the event of the failure of the mortgagor to keep the buildings on said premises and those to be erected on said premises, or improvements thereon, in good repair, said mortgagee may pay such taxes, assessments, and hazard insurance, make such repairs as in its discretion it may deem necessary properly to preserve the property and any sums so paid shall be a further lien on such premises under this mortgage, payable forthwith, with interest at the rate set forth in the note secured hereby until paid.

9. That should the proceeds of the loan made by the mortgagee to the mortgagor, the repayment which is hereby secured, or any part thereof, or any amount paid out or advanced by the mortgagee, be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon said premises above described, or any part thereof, then the mortgagee shall be subrogated to any additional security held by the holder of such lien or encumbrance.

10. That should any default be made in the payment of the installments provided for in paragraph 2 hereof, or in the performance of any other covenant in this mortgage or in the note secured hereby, when the same is payable or the time of performance has arrived, as above provided, then all the remainder of the aforesaid principal sums with all arrearages of interest, and sums payable pursuant to the provisions hereof, shall, at the option of said mortgagee, become immediately payable, and the mortgagee shall have the right to foreclose this mortgage, anything hereinbefore or in said note contained to the contrary notwithstanding, and any failure to exercise said option shall not constitute a waiver of the right to exercise the same at any other time.

11. That should proceedings to foreclose this mortgage be instituted, the mortgagee may apply for the appointment of a receiver (and the mortgagor hereby consents to the appointment of a receiver if there has been any default in the performance of any of the conditions of this mortgage), and such receiver is hereby authorized to take possession of the real estate above described, collect any rental, accrued or to accrue, whether in money or kind, for the use or occupancy of said premises by any person, firm or corporation, or may let or lease said premises or any part thereof, receive the rents, income and profits therefrom, and hold the proceeds subject to the orders of the court, or the judge thereof, for the benefits of the mortgagee, pending the final decree in said proceedings, and during any period allowed by law for the redemption from any sale ordered in said cause, and said receiver may be appointed irrespective of the value of the mortgaged property or its adequacy to secure or discharge the indebtedness due or to become due or the solvency of the mortgagors. In the event of a default in any of the conditions of this mortgage the mortgagee is also expressly given the right to take possession of and hold the mortgaged premises with or without process of law and

collect the rents and profits therefrom, applying the same to the charges and payments due under the conditions of the mortgage so long as a default shall continue, and such taking possession shall in no way waive the right of the mortgagee to foreclose this mortgage because of a default.

12. That if the premises, or any part thereof, be condemned under any power of eminent domain, or acquired for a public use, the damages, proceeds, and the consideration for such acquisition, to the extent of the full amount of indebtedness upon this mortgage, and the note secured hereby remaining unpaid, are hereby assigned by the mortgagor to the mortgagee and shall be paid forthwith to the mortgagee to be applied by it on account of the indebtedness secured hereby, whether due or not.

13. No sale of the premises hereby mortgaged and no forbearance on the part of the mortgagee or its assigns and no extension of the time for the payment of the debt hereby secured given by the mortgagee or its assigns shall operate to release, discharge, modify, change or affect the original liability of the mortgagor herein either in whole or in part.

14. That any person, firm or corporation taking a junior mortgage, or other lien, upon said real estate, shall take the said lien subject to the rights of the mortgagee herein to extend the maturity of the indebtedness hereby secured without obtaining the consent of the holder of said junior lien and without the lien of this mortgage losing its priority over any such junior lien.

15. That in the event the property pledged by this instrument is sold under foreclosure and the proceeds are insufficient to pay the total indebtedness evidenced and secured by this instrument the mortgagee will be entitled to a deficiency judgement.

16. The mortgagor further agrees that should this mortgage and the note secured hereby not be eligible for insurance under the National Housing Act within 4 months from the date hereof (written statement of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to the 4 months time from the date of this mortgage, declining to insure said note and this mortgage, being deemed conclusive proof of such ineligibility), the mortgagee or the holder of the note may, at its option, declare all sums secured hereby immediately due and payable. This option may not be exercised by the mortgagee when the ineligibility for insurance under the National Housing Act is due to the Mortgagee's failure to remit the mortgage insurance premium to the Department of Housing and Urban Development.

It is specifically agreed that time is of the essence of this contract and that the waiver of any options, or obligations secured hereby, shall not at any time thereafter be held to be an abandonment of such rights. Notice of the exercise of any option granted to the mortgagee herein, or in the note secured hereby, is not required to be given. All sums payable herein shall be without relief from valuation and appraisal laws and with reasonable attorney's fees.

The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

IN WITNESS WHEREOF, The said mortgagor has hereunto set their hands and seals

this 3rd day of January, 19 85

James P. Flynn
James P. Flynn
Kathleen K. Flynn
Kathleen K. Flynn

The form of this instrument was prepared by the Office of the General Counsel of the Department of Housing and Urban Development, and the material in the blank spaces in the form was inserted by or under the direction of Peter S. Briggs

STATE OF INDIANA,
COUNTY OF LAKE

} ss:

Before me, the undersigned, Arlyne K. Royal, an official
of Lake County of the State of Indiana, on this 3rd day
of January, 19 85 personally appeared James P. Flynn and Kathleen K. Flynn,
Husband and Wife and
acknowledged the execution of the foregoing mortgage.

Witness my hand and official seal the day and year last above written.

Arlyne K. Royal
Arlyne K. Royal (Official title) NOTARY PUBLIC

My commission expires April 18, 1987.
County of Residence: Lake

Received for record this day of 19 at O'clock M., and recorder in Mortgage
Record at pages of the records of County, Indiana.

Recorder of County, Indiana

This Uniform Mortgage Rider is to be appended to all FHA, VA and FNMA/FHLMC standard form mortgages.

INDIANA HOUSING FINANCE AUTHORITY
UNIFORM MORTGAGE RIDER

The rights and obligations of the parties to the Mortgage to which this Rider is attached and the Note which it secures are expressly made subject to this Rider. In the event of any conflict between the provisions of this Rider and the provisions of the Mortgage or Note, the provisions of this Rider shall control. To the extent they are not modified by this Rider, all the terms, conditions and other provisions of the Mortgage and Note remain in full force and effect.

1. The Borrower agrees that the Lender, the Indiana Housing Finance Authority (the "Authority") or its assignee may, at any time and without prior notice, accelerate all payments due under the Mortgage and Note and exercise any other remedy allowed by law for breach of the Mortgage or Note if:

- a. The Borrower sells, rents, otherwise transfers any interest in the property, permits or attempts to permit this Mortgage to be assumed or fails to occupy the residence as his or her permanent and principal residence; or
- b. The Borrower fails to abide by any agreements made with the Authority, Participating Lender or Approved Servicer, or if the Lender or the Authority finds or believes any statement contained in the Affidavit of Borrower or any other document executed by the Borrower to be untrue, inaccurate or incomplete.
- c. The Borrower fails to promptly supply any information or document which the Lender, Servicer or the Authority may request to verify compliance with the conditions of the Authority's Single Family Mortgage Program under which the Mortgage was provided.

The Borrower understands that the Authority has relied upon statements contained in the Affidavit of the Borrower and all other documents submitted in support of the Loan Application in the processing, financing and granting of this Loan. Any misstatement therein will constitute a default under the terms of the Note and this Mortgage and will result in the Loan becoming immediately due and payable. The Borrower will be responsible for any irreparable damage to the Authority.

2. The Borrower agrees that the Lender or the Authority may impose a late charge in the amount of four percent (4%) of each monthly payment of principal and interest which is more than fifteen (15) days delinquent. Late charges on FHA and VA insured loans shall be those established by the insuring Agency.

3. The Borrower agrees that no future advances will be made under the Mortgage without the consent of the Authority.

4. This Mortgage and the Note secured hereby may not be assumed under any circumstances.

5. Under the provisions of the Mortgage Subsidy Bond Tax Act of 1980, the Authority has elected to credit certain investment earnings from the proceeds of its Bonds to mortgagors under the Single Family Mortgage Program for so long as such credit is required to keep the interest on the Bonds exempt from federal income taxation. As a mortgagor under the Program, the Borrower is entitled to receive a portion of the amount required to be credited. The amount of the Borrower's credit, if any, and the manner in which it shall be made shall be determined by the Authority in its sole discretion consistent with Section 103A of the Internal Revenue Code of 1954, as amended, the Procedures and Regulations Promulgated thereunder. The Borrower acknowledges and agrees that this amount will be treated for all purposes as a principal payment or prepayment on the Note secured by this Mortgage, and will not be paid to the Borrower. In crediting, the Authority assumes no responsibility as to the treatment of this credit for the Borrower's federal income tax purposes and the Borrower accepts full responsibility for same. The Authority will make credits on an annual basis or at more frequent intervals at its discretion or at the time the Mortgage is fully discharged. The Authority is under no obligation to maximize the credit or to earn any credit.

6. (A) If the credit is made on an annual basis, a determination as to the amount of the credit will be made on an annual basis established by the Authority with respect to mortgages outstanding as of the determination date. Credits will not be made with respect to any partial annual period the Mortgage is outstanding following the annual determination date unless it becomes necessary to so do in order to comply with Section 103A of the Internal Revenue Code. The amount of each annual credit will be treated as a payment or prepayment and will be credited by the Authority against the principal balance due on the Note. No reduction will be made in the level monthly payment stated in the Note. The allocation of the amount of the amortization payment will be adjusted as between principal and interest to take into account the prepayment. The Borrower will be advised annually as to the amount of any payment or prepayment which has been so credited, and the outstanding principal balance of the Note following the payment or prepayment. The Borrower must make monthly payments regardless of credits until the payments and credits completely amortize the Borrower's debt.

7. (B) In the event the credit is made at the time the Mortgage is discharged, a determination as to the amount of credit will be made as of the annual determination date established by the Authority which precedes the date of discharge. Credits will not be made with respect to any partial annual period the Mortgage is outstanding following such annual determination date. To the extent necessary, any balance of the credit, remaining after the principal of the Note has been fully paid, will be applied against interest payments due on the Note. Notice will also be given to the Borrower if at any time the amount of the credit due the Borrower equals or exceeds the principal balance of the Note, and final settlement will be made accordingly.

NOTICE TO BORROWER:

THIS DOCUMENT SUBSTANTIALLY MODIFIES THE TERMS OF THIS LOAN. DO NOT SIGN IT UNLESS YOU HAVE READ AND UNDERSTOOD IT.

I hereby consent to the modifications of the terms of the Mortgage and Note which are contained in the Rider.

Dated this 3rd day of January, 1985.

Signature *James P. Flynn*
Printed James P. Flynn

Signature *Kathleen K. Flynn*
Printed Kathleen K. Flynn

STATE OF INDIANA)

SS:

COUNTY OF LAKE)

On this 3rd day of January, 1985 the above signed James P. Flynn and Kathleen K. Flynn personally appeared before me, a Notary Public in and for said County and State, and acknowledged the execution of the foregoing instrument.

My commission expires:

Arlyne K. Royal
Notary Public

April 18, 1987

Resident of Lake County Printed Arlyne K. Royal

This instrument was prepared by: Peter S. Briggs

Address: 570 Washington St., Gary, IN 46402