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

FHA #151:3246468 703 CMC #103489-1

MORTGAGE

Michael file	J. Gurnak	and Caryl E.	. Gurnak, h Hammond				ite of Indiana
		nade the 29t		day of	July	•	88, between

(hereinafter with their heirs, executors, administrators, and assigns called the mortgagor), and Crown Mortgage Co.

a corporation organized and existing under the laws of the State of Illinois (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 principals Forty Thousand and No/100ths-----Dollars (\$ 40,000.00----),

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 Ten and One Half----per centum (10.50---- %)\$ per annum on the unpaid balance until paid, the said principal and interest to be payable at the office of Crown Mortgages Co., 6131 W. 95th Street Oak Lawn, Illinois

or at such other place as the holder may designate in writing, in monthly installments of Three Hundred Sixty Five and 90/100ths-----Dollars (\$ 365.90-----), commencing on the first day of September 1 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 August 1, 2018

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 in the County of and State of Indiana, to wit: Hammond

The North 40 feet of the South 45 feet of Lot 32, Block 2, Wisteria, in the City of Hammond, as shown in Plat Book 29, Page 4, in Lake County, Indiana.

7536 Howard Street, Hammond, Indiana (Key No. 36-485-32) (Tax Unit No. 26)

PRIVILEGE IS RESERVED TO PAY THE DEBT, IN WHOLE OR IN PART, ON ANY INSTALLMENT DUB DE including all buildings and improvements thereon (or that may hereafter be erected thereon); together with the loweditained 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 fixtual and equipment now of 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 this mortgage; and that he is the owner of said premises; 16. in fee simple. Distriction in the contraction in the contraction of th ANACIONADA POR PORTO DE PORTO

- 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) An amount sufficient to provide the holder hereof with funds to pay the next mortgage insurance premium if this: instrument and the note secured hereby are insured, or a monthly charge (in lieu of a mortgage insurance premium) if they are held by the Secretary of Housing and Urban Development, as follows:
 - (I); If and so long as said note of even date and this instrument are insured or are reinsured under the provisions: of the National Housing Act, an amount sufficient to accumulate in the hands of the holder one (1) months prior to its due date the annual mortgage insurance premium, in order to provide such holder with funds to pay such premium to the Secretary of Housing and Urban Developments pursuant to the National Housing Act, as amended; and applicable Regulations thereimder; or
 - (II) If and so long as said note of even date and this instrument are held by the Secretary of Höusing and Urban Development, a monthly charge (in lieu of a mortgage insurance premium) which shall be in an amount equal to one-twelfth (1712) of one-half (2) per centum of the average outstanding baldifee due on the note computed without taking into account delinquencies or prepayments:
 - (b) A sum equals to the ground rents, if any, next due, plus the premiums that will next become due and payable on apolicies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next dire on the mortgaged property (all as estimated by the mortgagee) less all sums already paid therefor divided by the number of months to clapse before one month prior to the date when such groundirents, 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

(c) All payments mentioned in the two preceding subsections 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 mortgager each month in a single payment to be applied by the mortgagee to the following items in the order set forth:

(1) premium charges under the contract of insurance with the Secretary of Housing and Urban Development, or monthly charge (in lieu of mortgage insurance premium), as the case may be;

(II) ground rents, taxes, special assessments, fire and other hazard insurance premiums;

(III) interest on the note secured hereby; and

(IV) 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 lifteen (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 (b) 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 (b) 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 mortgager 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 all payments made under the provisions of (a) of paragraph 2 hereof which the mortgagee has not become obligated to pay to the Secretary of Housing and Urban Development, and any balance remaining in the funds accumulated under the provisions of (b) 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 (b) of paragraph 2 preceding as a credit against the amount of principal then remaining unpaid under said note, and shall properly adjust any payments which shall have been made under (a) of said paragraph.

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, and mortgage 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, mortgage 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 mortgager, 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 afrearanges 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 hereinhefore 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 benefit 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 ade-

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quacy 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 notway waive the right of the mortgagee to forcelose this mortgagee 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 mortgager 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 lein, 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 judgment.

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 NINETY DAYS 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 NINETY DAYS 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.

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 appraisement 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.

The singular, and the use of any gender shall include all genders.

IN WITNESS WHEREOF, The said mortgagor has hereunto set their hand and seal this 29th day of July ,1988

Michael J. Surnak

Caryl E. Gurnak, his wife

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

	STATE OF INDIANA,		· }		
	COUNTY OF LAKE		ss:		
		Christine County of the State of		29th	, an official day
	Michael J. Gur acknowledged the execution of the fore Witness my hand and official seal t	rnak and Cary	•		and
	My commission expires		Christin	(Official title) e E. Vestal,	Notary Public
CROW	June 29, 1992 County of Residence: I Received for record this cord at pages of the DOC WAS PREPARED BY: DEBBIE N MORTGAGE CO	Lake day of the records of MASCHKE	19 at O'cl County, Indi		ded in Mortgage Re-
	W. 95th St Lawn, Il 60453		Recorder of	Сош	nty, Indiana

HO: 438154

		as mortgagor	7.
mortgagee and	Michael J. Gurna	k and Caryl E. Gurnak, his wife	
July 29th	19 <u>88</u> , bets	ween Crown Mortgage Co.,	
Attached to and	d made a part of	the FHA Mortgage dated	

The mortgagee shall, with the prior approval of the Federal Housing Commissioner, or his designee, declare all sums secured by this mortgage to be immediately due and payable if all or a part of the property is sold or otherwise transferred (other than by devise, descent or operation of law) by the mortgagor, pursuant to a contract of sale executed not later than 12 months after the date on which the mortgage is endorsed for insurance, to a purchaser whose credit has not been approved in accordance with the requirements of the Commissioner. (If the property is not the principal or secondary residence of the mortgagor, "24 months" must be substituted for "12 months.")

Michael J. Gurnaki Caryl E. Gurnak, his wife