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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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MORRIS W. CARTER
REC'D

VA Form 26-6312 (Home Loan)
Revised October 1983. Use Op-
tional Section 1810, Title 38, U.S.C.
Acceptable to Federal National
Mortgage Association
Amended February, 1988

MORTGAGE #8839982
VA# LII-0577162

INDIANA

**NOTICE: THIS LOAN IS NOT ASSUMABLE
WITHOUT THE APPROVAL OF THE
DEPARTMENT OF VETERANS AFFAIRS
OR ITS AUTHORIZED AGENT.**

The attached RIDER is made a part of this instrument.

This Mortgage, made the **20TH** day of **NOVEMBER**, A.D. 19 **97**,
between

BRIAN F. MUNDY, A Married Man AND PHYLLIS MUNDY, His Wife

of the **CITY** of **MUNSTER** in the county
of **LAKE**, and State of Indiana (hereinafter called Mortgagor),
and **HOMESIDE LENDING, INC.**
9601 McALLISTER FREEWAY, SAN ANTONIO, TEXAS 78216
which is organized and existing under the laws of **THE STATE OF FLORIDA**
(hereinafter called Mortgagee),

WITNESSETH: That whereas the Mortgagor is justly indebted to the Mortgagee for money borrowed in the
principal sum of **ONE HUNDRED NINE THOUSAND FOUR HUNDRED AND NO / 100**

Dollars

(**\$ 109,400.00**), 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 **SEVEN AND 375 / 1000**
per centum (**7.375** %) per annum on the unpaid balance until paid, the said principal and interest to be
payable at the office of **7301 BAYMEADOWS WAY, JACKSONVILLE, FLORIDA 32256**
or at such other place as the holder may designate in writing delivered or mailed to the Mortgagor, in monthly
installments of **SEVEN HUNDRED FIFTY FIVE AND 60 / 100**

Dollars (\$ **755.60**),

commencing on the first day of **JANUARY** 19**98**, and continuing on the first day of each month thereafter
until the principal and interest are fully paid, except that, if not sooner paid, the final payment of the entire indebtedness
evidenced thereby shall be due and payable on the first day of **DECEMBER, 2027**.

NORTHWEST INDIANA TITLE SERVICES, INC.
162 Washington Street
Lowell, Indiana 46358
769-0727 or 696-0100

STL&D# IN4.AGG
Rev. 02-04-97

C097-5801

21⁰⁰
4407

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 of the following-described property, situated in the **CITY** of **MUNSTER** in the county of **LAKE** and State of Indiana, to wit:

LOT 18, BLOCK 2, INDEPENDENCE PARK, TO THE TOWN OF MUNSTER AS SHOWN IN PLAT BOOK 24 PAGE 23 IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

SEE THE VA SECURITY INSTRUMENT RIDER ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES;

together with all buildings or improvements now or hereafter thereon, and the hereditaments and appurtenances and all other rights thereunto belonging, or in anywise appertaining, and the reversions, remainders, and the rents, issues, and profits thereof (provided, however, that the Mortgagor shall be entitled to collect and retain the said rents, issues, and profits until default hereunder); all fixtures now or hereafter attached to or used in connection with the premises; and in addition thereto the following described household appliances, which are, and shall be deemed to be, fixtures and a part of the realty and are a portion of the security for the indebtedness herein mentioned:

THE MORTGAGOR FURTHER COVENANTS that:

1. Mortgagor is the owner of said premises in fee simple or such other estate as is stated herein.

2. Mortgagor will pay the indebtedness as provided in said note and this mortgage. Privilege is reserved to prepay at any time, without premium or fee, the entire indebtedness or any part thereof not less than the amount of one installment, or one hundred dollars (\$100.00), whichever is less. Prepayment in full shall be credited on the date received. Partial prepayment, other than on an installment due date, need not be credited until the next following installment due date or thirty days after such prepayment, whichever is earlier.

3. Mortgagor will pay to the Mortgagee, as trustee, (under the terms of this trust as hereinafter stated) 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:

(a) Subject to applicable law or to a written waiver by the Mortgagee, Mortgagor shall pay to the Mortgagee on the day monthly payments are due under the note, until the note is paid in full, a sum ("Funds") for: (I) taxes and assessments levied or to be levied against the property which may attain priority over this mortgage as a lien on the Premises; (II) leasehold payments or ground rents on the Premises, if any; (III) hazard or property insurance premiums; (IV) flood insurance premiums, if any; and (V) mortgage insurance premiums, if any. These items are called "Escrow Items." The Mortgagee may, at any time, collect and hold Funds in an aggregate amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Mortgagor's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 *et seq.* and implementing regulations, 24 CFR Part 3500, as amended from time to time, ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, the Mortgagee may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. The Mortgagee may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law. The cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Mortgagor's payments are available in the account may not be based on amounts due for the mortgage insurance premium, if any.

(b) The aggregate of the amounts payable pursuant to subparagraph (a) and those payable on the note secured hereby, shall be paid in a single payment each month, to be applied to the following items in the order stated:

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

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. At Mortgagee's option, Mortgagor will pay a "late charge" not exceeding four per centum (4%) of any monthly payment of principal and interest, and Escrow Items if permitted by RESPA or any other governing law, when paid more than fifteen (15) days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured thereby.

4. If the amounts held by the Mortgagee for Escrow Items exceed the amounts permitted to be held by RESPA, the Mortgagee shall deal with the excess funds as required by RESPA. If the amounts of funds held by the Mortgagee at any time are not sufficient to pay the Escrow Items when due, the Mortgagee may notify the Mortgagor and require Mortgagor 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 mortgage. If at any time the Mortgagor shall tender to the Mortgagee, in accordance with the provisions thereof, the full payment of the entire indebtedness represented thereby, the Mortgagee, as trustee, 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) of paragraph 3 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 property is otherwise acquired after default, the Mortgagee, as trustee, shall apply, at the time of the commencement of such proceedings or at the time the property is otherwise acquired, the amount then remaining in the funds accumulated under (a) of paragraph 3 preceding, as a credit on the interest accrued and unpaid and the balance to the principal then remaining unpaid on the note secured hereby.

5. Mortgagor will pay all taxes, assessments, water rates and other governmental or municipal charges, fines or impositions, except when payment for all such items has theretofore been made under (a) of paragraph 3 hereof and in default thereof the Mortgagee may pay the same; and will promptly deliver the official receipts therefor to said Mortgagee.

6. Mortgagor will not commit, permit, or suffer waste, impairment, or deterioration of said property or any part thereof, and in the event of the failure of the Mortgagor to keep the buildings and other improvements now or hereafter on said premises in good repair, the Mortgagee may make such repairs as may reasonably be deemed necessary for the proper preservation thereof and the sum so paid shall bear interest from date at the rate provided for in the principal indebtedness, shall be payable thirty (30) days after demand, and shall be fully secured by this mortgage.

7. Mortgagor will continuously maintain hazard insurance including flood insurance, of such type or types and amounts as Mortgagee may from time to time require, on the improvements now or hereafter on said premises, and except when payment for all such premiums has theretofore been made under (a) of paragraph 3 hereof, he/she will pay promptly when due any premiums therefor. In default thereof, the Mortgagee may pay the same. 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 payment 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.

8. 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 provided for in the principal indebtedness, shall become a part of the debt secured by this mortgage and shall be collectible as such.

9. Upon the request of the Mortgagee, the Mortgagor shall execute and deliver a supplemental note or notes for the sum or sums advanced by the Mortgagee for the alteration, modernization, improvement, maintenance, or repair of said premises, for taxes or assessments against the same and for any other purpose authorized hereunder. Said note or notes shall be secured hereby on a parity with and as fully as if the advance evidenced thereby were included in the note first described above. Said supplemental note or notes shall bear interest at the rate provided for in the principal indebtedness and shall be payable in approximately equal monthly payments for such period as may be agreed upon by the creditor and debtor. Failing to agree on the maturity, the whole of the sum or sums so advanced with interest thereon at the rate provided for in the principal indebtedness shall be due and payable thirty (30) days after demand by the creditor. In no event shall the maturity extend beyond the ultimate maturity of the note first described above.

10. If the proceeds of the loan made by the Mortgagee to the Mortgagor, the repayment of 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.

11. If any default be made in the payment of the installments provided for in paragraph 3 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 in the event of any subsequent default.

12. If 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 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.

13. No sale of the premises hereby mortgaged, 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, nor shall the full force and effect of this instrument be altered thereby.

14. 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. 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.

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 hereunder shall be without relief from valuation and appraisal laws and with reasonable attorney's fees.

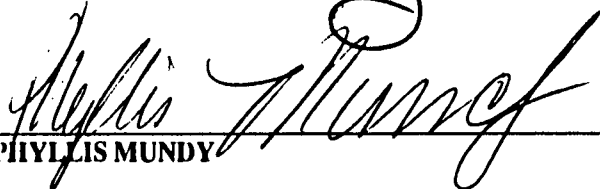
If the indebtedness secured hereby be guaranteed or insured under Title 38 United States Code, such Title and Regulations issued thereunder and in effect on the date hereof shall govern the rights, duties and liabilities of the parties hereto, and any provisions of this or other instruments executed in connection with said indebtedness which are inconsistent with said Title or Regulations are hereby amended to conform thereto.

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, the use of any gender shall include all genders, and the term "Mortgagee" shall include any payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

IN WITNESS WHEREOF, the said Mortgagor has hereunto set **THEIR** hands and seals this
20th day of **NOVEMBER**, 1997.



BRIAN F. MUNDY



PHYLLIS MUNDY

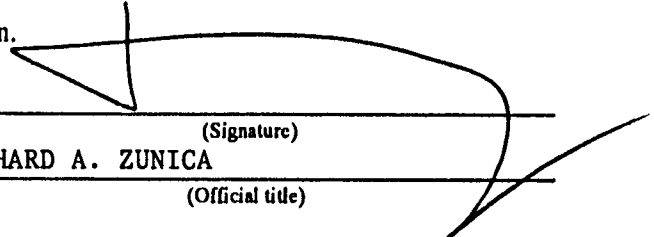
STATE OF INDIANA,
COUNTY OF LAKE

} ss:

Before me the undersigned, Richard A. Zunica, an official
of Lake County of the State of Indiana, on this 20th
day of NOVEMBER, 1997, personally appeared
BRIAN F. MUNDY, A Married Man AND PHYLLIS MUNDY, His Wife

and
acknowledged the execution of the foregoing mortgage.

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



(Signature)
RICHARD A. ZUNICA

(Official title)

My commission expires 9-12-98
County of Residence: Lake

STL&D# IN4-5.AGG
Rev. 02-04-97

RETURN ORIGINAL TO:
HOMESIDE LENDING, INC.
9601 McALLISTER FREEWAY
SAN ANTONIO, TEXAS 78216

THIS INSTRUMENT WAS PREPARED BY:
FIRST AMERICAN NATIONWIDE DOCUMENTS, L.P.
UNDER THE SUPERVISION OF RACHEL CASTILLO
11 GREENWAY PLAZA, 10TH FLOOR
HOUSTON, TEXAS 77046-1102

STATE OF INDIANA

Mortgage

TO

Received for record this _____ day
of _____, 19____,
_____ o'clock M., and recorded in
Mortgage Record _____ at pages _____
of the records of _____ County,
Indiana.

Recorder of _____ County, Indiana.

VA ASSUMPTION RIDER

**THIS LOAN IS NOT
ASSUMABLE WITHOUT THE
APPROVAL OF THE
DEPARTMENT OF VETERANS
AFFAIRS OR ITS AUTHORIZED
AGENT.**

THIS RIDER is made this 20TH day of NOVEMBER, 19 97, 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 Note, Bond or Bond and Warrant ("the loan") to HOMESIDE LENDING, INC.

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:

8948 POTOMAC DR, MUNSTER, INDIANA 46321

(Property Address)

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

A. TRANSFER OF THE PROPERTY: The loan may be declared immediately due and payable upon transfer of the property securing such loan to any transferee, unless the acceptability of the assumption of the loan is established pursuant to Section 3714 of Chapter 37, Title 38, United States Code.

B. FUNDING FEE: A fee equal to one-half of 1 percent of the balance of the loan as of the date of transfer of the property shall be payable at the time of transfer to the loan holder or its authorized agent, as trustee for the Department of Veterans Affairs. If the assumpor fails to pay this fee at the time of the transfer, the fee shall constitute an additional debt to that already secured by this instrument, shall bear interest at the rate herein provided, and, at the option of the payee of the indebtedness hereby secured or any transferee thereof, shall be immediately due and payable. This fee is automatically waived if the assumpor is exempt under the provisions of 38 U.S.C. 3729(c).

C. PROCESSING CHARGE: Upon application for approval to allow assumption of the loan, a processing fee may be charged by the loan holder or its authorized agent for determining the creditworthiness of the assumpor and subsequently revising the holder's ownership records when an approved transfer is completed. The amount of this charge shall not exceed the maximum established by the Department of Veterans Affairs for a loan to which Section 3714 of Chapter 37, Title 38, United States Code applies.

D. INDEMNITY LIABILITY: If this obligation is assumed, then the assumpor hereby agrees to assume all of the obligations of the veteran under the terms of the instruments creating and securing the loan. The assumpor further agrees to indemnify the Department of Veterans Affairs to the extent of any claim payment arising from the guaranty or insurance of the indebtedness created by this instrument.

E. BORROWER'S GUARANTY OR INSURANCE LIABILITY: Borrower agrees to do all acts and make all payments required of Borrower and of the owner of the property to make said loan and the Security Instrument eligible for guaranty or insurance under the provisions of Chapter 37, Title 38, United States Code, and agrees not to do, or cause or suffer to be done, any act which will void such guaranty or insurance during the existence of this Security Instrument.

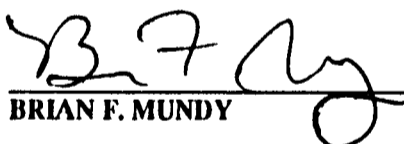
F. ISSUANCE OF GUARANTY OR INSURANCE: Should the Department of Veterans Affairs (the "VA") fail or refuse to issue its guaranty or insurance of the loan secured by the Security Instrument under the provisions of Title 38, United States Code, as amended from time to time, within sixty days from the date the loan would normally become eligible for such guaranty or insurance, the Lender may declare the indebtedness secured by the Security Instrument at once due and payable and may foreclose or may exercise any rights thereunder or take any other proper action as by law provided. Notwithstanding the foregoing, this option may not be exercised by the Lender when the ineligibility for guaranty or insurance is due to the Lender's failure to comply with VA requirements for guaranty or insurance not due to the default or failure of the Borrower.

G. CONFORMITY WITH RESPA: Any provision in the Security Instrument which is inconsistent with RESPA is hereby amended and supplemented to conform thereto.

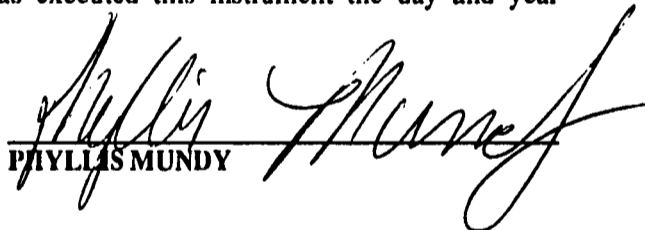
H. SUCCESSORS AND ASSIGNS; TERMINOLOGY: The covenants contained in this Rider shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, and "Lender" shall include any payee of the loan or any transferee thereof whether by operation of law or otherwise, and "Borrower" shall include the undersigned and any owner of the property or any transferee thereof whether by operation of law or otherwise.

All other conditions of the Security Instrument shall remain in full force and effect.

IN WITNESS WHEREOF, the said Borrower has executed this instrument the day and year first aforesaid.



BRIAN F. MUNDY



PHYLLIS MUNDY