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# HOME SAVINGS PILOT PROGRAM SECOND MORTGAGE

THIS MORTGAGE is made on this 26TH day of JUNE, 1998, between RAUL ROMERO JR and HORTENSIA ROMERO, Husband and Wife (hereinafter "Mortgagor") and Security Federal Bank, a F.S.B. existing under the laws of The United States of America, whose address is 9321 Wicker Avenue, St. John, IN 46373

FOR VALUE RECEIVED, Mortgagor hereby mortgage and warrant to Mortgagee lands and improvements located in the County of LAKE, State of Indiana, described as:

LOT 8, EXCEPT THE NORTH 16 1/2 FEET THEREOF, ALL OF LOT 9 AND LOT 10, EXCEPT THE SOUTH 12 1/2 FEET THEREOF IN BLOCK 2 IN RUSSELL'S FIRST ADDITION TO HAMMOND, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 11 PAGE 31, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

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Property Address: 6324 OHIO AVENUE

City of: HAMMOND Indiana, zip code: 46323

together with all rights, privileges, interests, easements, improvements, hereditaments, and appurtenances now or hereafter belonging thereto and the rents, income, and profits therefrom and all fixtures now or hereafter attached to or used in connection therewith and all plumbing, heating, air conditioning, and ventilation equipment now or hereafter located thereon, which shall be deemed to be fixtures and a part of the realty, all of the foregoing being collectively referred to herein as the "Mortgaged Property".

THIS MORTGAGE is made and given in the amount of ONE THOUSAND THREE HUNDRED and-----no/100 Dollars (\$1,300.00) to secure the performance of obligations of Mortgagor under the terms and conditions of the Home Savings Pilot Program Promissory Note of even date.

The amount of the within Mortgage will decline based on the terms and conditions of the Note Agreement for such time that the Mortgagor performs its obligations under the restrictions in Title 24 of the Code of Federal Regulations, Section 92.254(a)(24CFRs92.254(a))(or a successor equivalent period), as amended, from time to time, your promise to repay the Loan shall expire and Mortgagor shall not have any further obligations under the Note or Mortgage.

### COVENANTS OF MORTGAGOR AND MORTGAGEE:

- Liens, Charges and Executory Contracts for the Purchase of the Property.**  
Mortgagor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Mortgage. Mortgagor shall promptly furnish to Mortgagee receipts evidencing the payments made. Mortgagors shall not permit any lien of mechanics or materialmen to attach to and remain on the Mortgaged Property or any part thereof for more than 30 days after receiving notice thereof from Mortgagee.

NORTHWEST INDIANA TITLE SERVICES, INC.  
162 Washington Street  
Lowell, Indiana 46356  
760-0727 or 896-0100

98049002

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

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2. **Hazard Insurance.** Mortgagor shall keep the improvements now existing or hereafter erected on the "Property" insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Mortgagee requires insurance. This insurance shall be maintained in the amounts and for the periods that Mortgagee requires. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Mortgagee's approval which shall not be unreasonably withheld. All insurance policies shall contain proper clauses making all proceeds of such policies payable to Mortgagee and Mortgagors as their respective interests may appear. Mortgagee shall have the right to hold the policies and renewals.

Unless Mortgagee and Mortgagor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the "Property" damaged, if the restoration or repair is economically feasible and Mortgagee's security is not lessened. If the Security would be lessened, the insurance proceeds shall be applied to the balance secured by this Mortgage with any excess paid to Mortgagor. After a notice from Mortgagee that the insurance carrier has offered to settle a claim, then Mortgagee may collect the insurance proceeds. Mortgagee may use the proceeds to repair or restore the "Property" or to pay sums secured by this Mortgage. The 30-day period will begin when the notice is given.

If the "Property" is acquired by Mortgagee pursuant to foreclosure, Mortgagor's right to any insurance policies and proceeds resulting from damage to the "Property" prior to the acquisition shall pass to Mortgagee to the extent of the sums secured by this Mortgage immediately prior to the acquisition.

- 3. Preservation and Maintenance of Premises.** Mortgagor shall not destroy, damage or substantially change the "Property", allow the "Property" to deteriorate or commit waste.
- 4. Protection of Mortgagee's Rights in the Premises.** If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect Mortgagee's rights in the "Property" (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Mortgagee may do and pay for whatever is necessary to protect the value of the Property and Mortgagee's rights in the "Property". Mortgagee's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the "Property" to make repairs. Although Mortgagee may take action under this paragraph 4, Mortgagee does not have to do so.

Any amounts disbursed by Mortgagee under this paragraph 4 shall become additional debt of Mortgagor secured by this Mortgage, and shall be payable upon the request of Mortgagee.

- 5. Inspection.** Mortgagee or its agent may make reasonable entries upon and inspections of the "Property". Mortgagee shall give Mortgagor notice at the time or prior to an inspection specifying reasonable cause for the inspection.
- 6. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the "Property", or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Mortgagee. Any balance after payment of the sums secured by the within Mortgage shall be paid to Mortgagor.

If the "Property" is abandoned by Mortgagor, or if, after notice by Mortgagee to Mortgagor that the condemnor offers to make an award or settle a claim for damages, Mortgagor fails to respond to

Mortgagee within 30 days after the date the notice is given, Mortgagee is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the "Property" or to the sums secured by this Mortgage, whether or not then due.

7. **Forbearance By Mortgagee Not a Waiver.** Any forbearance by Mortgagee in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.
8. **Successors and Assigns Bound; Joint and Several Liability.** The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Mortgagee and Mortgagor, subject to the provisions of paragraph 11. Mortgagor's covenants and agreements shall be joint and several.
9. **Notices.** Any notice to Mortgagor provided for in this Mortgage shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the address of the "Property" or any other address Mortgagor designates by prior written notice to Mortgagee. Any notice to Mortgagee shall be given by first class mail to Mortgagee's address stated herein or any other address Mortgagee designates by notice to Mortgagor. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given as provided in this paragraph 9.
10. **Governing Law; Severability.** This Mortgage shall be governed by federal law and the law of the jurisdiction in which the "Property" is located. In the event that any provision or clause of this Mortgage conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note Agreement which can be given effect without the conflicting provision. To this end the provisions of the Mortgage and the Note Agreement are declared to be severable.

11. **Transfer of the "Property" or a Beneficial Interest in Borrower.** If Mortgagor sells or transfers Mortgagor's interest in all or any part of the "Property" without Mortgagee's prior written consent, Mortgagee may, at its option, require immediate payment in full of all sums secured by this mortgage.

If Mortgagee exercises this option, Mortgagee shall give Mortgagor notice thereof. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Mortgagor must pay all sums secured by this Mortgage. If Mortgagor fails to pay these sums prior to the expiration of this period, Mortgagee may invoke any remedies provided by this Mortgage without further notice or demand on Mortgagor.

12. **Remedies.** In the event of any breach in the performance by Mortgagor of Mortgagor's obligations under the terms of this Mortgage or the Agreement, Mortgagee shall provide written notice thereof. Said notice shall be mailed to Mortgagor and shall specify [a] the default; [b] the action required to cure the default; [c] a date, not less than thirty days from the date the notice is given to Mortgagor, by which the default must be cured; [d] that the Mortgagor shall have the right to bring a court action to assert the non-existence of a default; and [e] that failure to cure the default within thirty days of the notice may result in sale of the "Property" by Mortgagee. If the default is not cured on or before the date specified in this notice, Mortgagee may require immediate payment of all sums secured under the Agreement and this Mortgage without further demand and may invoke the power of sale, foreclose by court action or by advertisement and seek any other remedies permitted by applicable law. Mortgagee shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 12, including, but not limited to reasonable attorneys' fees and costs of title evidence.

If Mortgagee invokes the power of sale, Mortgagee shall give notice of sale to Mortgagor in the manner provided in paragraph 9. Mortgagee shall publish and post the notice of sale, and the "Property" shall be sold in the manner prescribed by applicable law. Mortgagee or its designee may purchase the "Property" at any sale. The proceeds of the sale shall be applied in the following order; [a] to all

expenses of the sale, including, but not limited to, reasonable attorneys' fees; [b] all sums secured by this Mortgage; and [c] any excess to the person or persons legally entitled to it.

The remedies provided Mortgagee hereunder shall be in addition to, and not exclusive of remedies provided under the Agreement and by applicable law.

- 13. **Subordination.** This Mortgage shall be subordinate only to Mortgagors' purchase money mortgage of even date herewith, the proceeds of which being utilized only to purchase the Mortgage Property.
- 14. **Release.** Upon performance of all of the terms and condition of this Mortgage and the Agreement, or upon payment of the sums secured by this Mortgage, Mortgagee shall prepare and file a discharge of this Mortgage without charge to Mortgagor.

BY SIGNING BELOW, Mortgagor(s) accepts and agrees to the terms and covenants contained in this Security Instrument executed by Mortgagor(s) and recorded.

**Document**  
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the Lake County Recorder!

**STOP**

**RECORDER'S OFFICE**  
**LAKE COUNTY, INDIANA**

Raul Romero Jr  
RAUL ROMERO JR (Mortgagor)  
Social Security Number 313-72-6184

Hortensia Romero  
HORTENSIA ROMERO (Mortgagor)  
Social Security Number 308-06-1274

State of Indiana, Lake County of:

On this 26TH day of JUNE, 1998, before me, the undersigned, a Notary Public in and for said County, personally appeared RAUL ROMERO JR AND HORTENSIA ROMERO, Husband and Wife, and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal.

My Commission expires: 4-30-01  
My Residence County: Lake

Angie Konchar  
Notary Public Angie Konchar

This instrument was prepared by: Security Federal Bank  
9321 Wicker Av.  
St. John, IN 46373  
Edward Kelley  
Assistant Vice President