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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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MORRIS W. CARTER
RECORDER

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State of Indiana

MORTGAGE

FHA Case No.

151-6956381

THIS MORTGAGE ("Security Instrument") is given on November 15th, 2002
The Mortgagor is OSCAR ANAYA, A MARRIED PERSON

("Borrower"). This Security Instrument is given to Regency Savings Bank, F.S.B.

which is organized and existing under the laws of United States of America, and
whose address is 24 N. Washington Street, Naperville, IL 60540

SEVENTY THOUSAND AND 00/100 ("Lender"). Borrower owes Lender the principal sum of
Dollars (U.S. \$70,000.00).

This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which
provides for monthly payments, with the full debt, if not paid earlier, due and payable on December 1, 2032
. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the
Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums,
with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance

FHA Indiana Mortgage - 4/96

VMP-4R(IN) (9607) 05

VMP MORTGAGE FORMS - (800)521-7291

Page 1 of 8

Initials: C. A.



COMMUNITY TITLE COMPANY
FILE NO 24461

31.00
M.V.
CM

of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to the Lender the following described property located in Lake County, Indiana: THE SOUTH 10 FEET OF LOT 31, ALL OF LOT 30, AND THE NORTH 5 FEET OF LOT 29 IN BLOCK 4 IN WINSLOW'S ADDITION TO THE CITY OF HAMMOND, AS PER PLAT THEREOF, RECORDED MARCH 29, 1887 IN PLAT BOOK 2 PAGE 5, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

which has the address of 4140 HOHMAN AVE, HAMMOND [zip Code] ("Property Address"); [Street, City], Indiana 46327

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

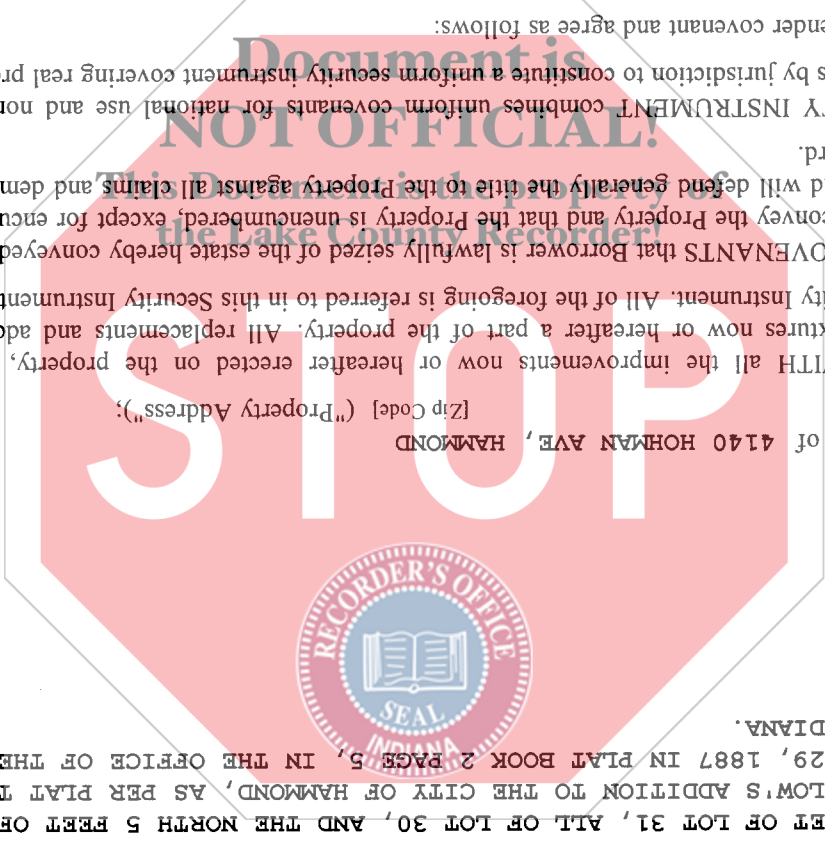
THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. Borrower and Lender covenant and agree as follows:

UNIFORM COVENANTS.

1. **Payment of Principal, Interest and Late Charge.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and late charges due under the Note.

2. **Monthly Payment of Taxes, Insurance and Other Charges.** Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, a sum for (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for insurance required under paragraph 4. In any year in which the Lender must pay a mortgage insurance premium to the Secretary of Housing and Urban Development ("Secretary"), or in any year in which such premium would have been required if Lender still held the Security Instrument, each monthly payment shall also include either: (i) a sum for the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary, in a reasonable amount to be determined by the Secretary. Except for the monthly charge by the Secretary, these items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds."

Lender may, at any time, collect and hold amounts for Escrow Items in an aggregate amount not to exceed the maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. Section 2601 *et seq.* and implementing regulations, 24 CFR Part 3500, as they may be amended from time to time ("RESPA"), except that the cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Borrower's payments are available in the account may not be based on amounts due for the mortgage insurance premium.



5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Applications; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument (or within sixty days of a later sale or transfer of the Property) and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender determines that requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or

or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or

purchase. In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto. change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding principal shall not extend or postpone the due date of the monthly payments which are referred to in paragraph 2, or of principal, or (b) to the restoration or repair of the damaged Property. Any application of the proceeds to the this Security Instrument, first to any delinquent amounts applied in the order in paragraph 3, and then to prepayment proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment in the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not clauses in favor of, and in a form acceptable to, Lender.

approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which

4. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which

Third, to interest due under the Note; **Fourth,** to amortization of the principal of the Note; and **Fifth,** to late charges due under the Note.

Second, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

First, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium;

3. Application of Payments. All payments under paragraphs 1 and 2 shall be applied by Lender as follows:

credited with any balance remaining for all installments for items (a), (b), and (c). Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Borrower remains for all installment items (a), (b), and (c) and any mortgage insurance premium installment that Lender has

Borrower tenders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. If make up the shortage as permitted by RESPA.

shall account to Borrower for the excess funds as required by RESPA. If the amounts of funds held by Lender at any time are not sufficient to pay the Escrow Items when due, Lender may notify the Borrower and require Borrower to If the amounts held by Lender for Escrow Items exceed the amounts permitted to be held by RESPA, Lender

(i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent), and

(ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) **No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

(d) **Regulations of HUD Secretary.** In many circumstances regulations issued by the Secretary will limit Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) **Mortgage Not Insured.** Borrower agrees that if this Security Instrument and the Note are not determined to be eligible for insurance under the National Housing Act within 60 days from the date hereof, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 60 days from the date hereof, declining to insure this Security Instrument and the Note, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

10. **Reinstatement.** Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

11. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time of payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. **Successors and Assigns Bound; Joint and Several Liability; Co-Signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9(b). Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Notices. Any notice to Borrower provided for in this Security Instrument 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 Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

14. Governing Law; Severability. This Security Instrument 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 Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

15. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

16. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substances affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 16, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 16, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

17. Assignment of Rents. Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph 17.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

STATE OF INDIANA, Lake

County ss:

On this 15th day of November, 2002, before me, the undersigned, a Notary Public in and for said County, personally appeared OSCAR ANAYA

, and acknowledged the execution of the foregoing instrument.

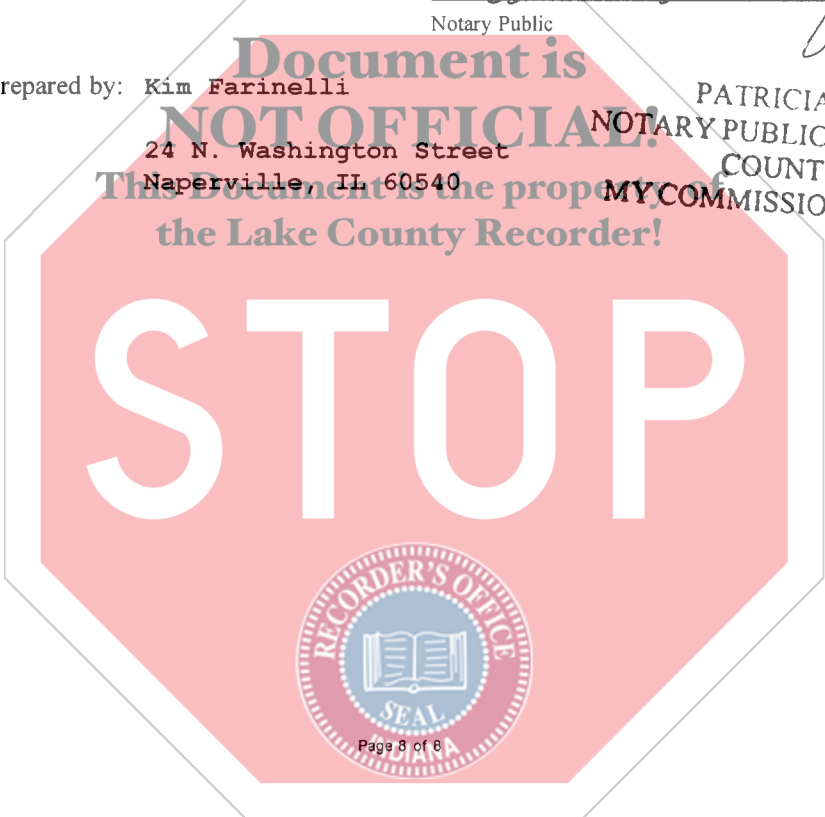
WITNESS my hand and official seal.

My Commission Expires:

Patricia Ludington
Notary Public

This instrument was prepared by: Kim Farinelli
24 N. Washington Street
Naperville, IL 60540

PATRICIA LUDINGTON
NOTARY PUBLIC, STATE OF INDIANA
COUNTY OF LAKE
MY COMMISSION EXPIRES 04-15-08



RIDER

THIS RIDER is made this 15TH day of NOVEMBER, 2002, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note to

REGENCY SAVINGS BANK, FSB

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

4140 HOHMAN AVE, HAMMOND, IN 46327-

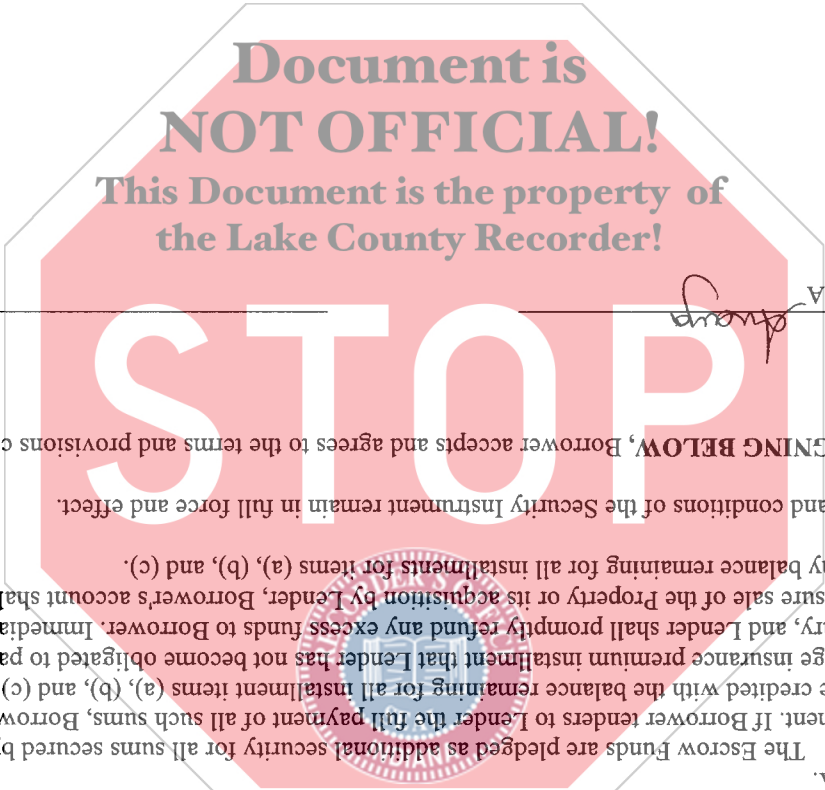
Paragraph 2 of the Security Instrument is deleted in its entirety, and the following Paragraph 2 is substituted therefor:

2. Monthly payment of Taxes, Insurance, and Other Charges. Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, a sum for (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for insurance required under Paragraph 4. In any year in which the Lender must pay a mortgage insurance premium to the Secretary of Housing and Urban Development ("Secretary"), or in any year in which such premium would have been required if Lender still held the Security Instrument, each monthly payment shall also include either (i) a sum for the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary, in a reasonable amount to be determined by the Secretary. Except for the monthly charge by the Secretary, these items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds."

Lender may, at any time, collect and hold amounts for Escrow Items in an aggregate amount not to exceed the maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. Section 2601 et seq. and implementing regulations. 24 CFR Part 3500, as they may be amended from time to time ("Respa"), except that the cushion or reserve permitted by RESPA for unanticipated disbursements

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or disbursements before the Borrower's payments are available in the account may not be based on amounts due for the mortgage insurance premium.

If the amounts held by Lender for Escrow Items exceed the amounts permitted to be held by RESPA, Lender shall deal with the excess funds as required by RESPA. If the amounts of funds held by Lender at any time are not sufficient to pay the Escrow Items when due, Lender may notify the Borrower and require Borrower to make up the shortage of deficiency as permitted by RESPA.

The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. If Borrower tenders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance remaining for all installment items (a), (b), and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b), and (c).

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

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

Oscar Anaya
OSCAR ANAYA

ASSIGNMENT OF LIEN

THE STATE OF INDIANA

Know all men by these presents:

COUNTY OF LAKE

That REGENCY SAVINGS BANK, A FEDERAL SAVINGS BANK, (hereinafter called assignor), acting herein by and through its duly authorized officers, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration to it in hand paid, the receipt of which is hereby acknowledged, does hereby Sell, Transfer, Convey, Set-over and Assign, unto:

PRINCIPAL RESIDENTIAL MORTGAGE, INC., AN IOWA CORPORATION (hereinafter called Assignee) certain Deeds of Trust and promissory notes secured thereby, together with the Deeds of Trust Liens, and all other liens, rights, title and interest in and to the properties covered by said Deeds of Trust, which are recorded in the Records of Mortgages or Deeds of Trust in LAKE County, INDIANA.

Loan Number	Grantors	Date Deed of Trust	Recording #
02-10-002984	OSCAR ANAYA, A MARRIED PERSON	NOVEMBER 15, 2002	

THE SOUTH 10 FEET OF LOT 31, ALL OF LOT 30, AND THE NORTH 5 FEET OF LOT 29 IN BLOCK 4 IN WINSLOW'S ADDITION TO THE CITY OF HAMMOND, AS PER PLAT THEREOF, RECORDED MARCH 29, 1887 IN PLAT BOOK 2 PAGE 5, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

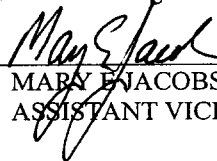
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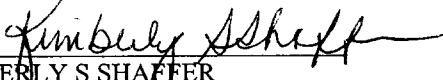
COMMUNITY TITLE COMPANY
FILE NO 2 24461

Commonly known as: 4140 HOHMAN AVE, HAMMOND, IN 46327-

TO HAVE AND TO HOLD these certain Deeds of Trust above described and the promissory notes thereby secured, together with all and singular the contract lien, rights, equities, claims, title, interest, and estate in and to said real estate in said Deeds of Trust described unto the said ASSIGNEE its successors and assigns forever.

This assignment is made without recourse, representation of warranty, expressed or implied, at law or in equity, on the undersigned. Executed this the 15TH Day of NOVEMBER, A.D., 2002

Attest: 
MARY E. JACOBSEN
ASSISTANT VICE PRESIDENT


KIMBERLY S. SHAFER
ASSISTANT VICE PRESIDENT

Nov-02

THE STATE OF ILLINOIS

COUNTY OF KANE

BEFORE ME, the undersigned authority, on this day personally appeared MARY E JACOBSEN AND KIMBERLY S SHAFFER of REGENCY SAVINGS BANK, a corporation known to me to be the persons and officers whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

Given under my hand and seal of office, this the 15TH Day of NOVEMBER, A. D., 2002.

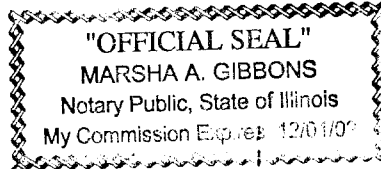
Notary Public for the State of Illinois

Marsha A. Gibbons

Notary: MARSHA A GIBBONS

Prepared by: KIM FARINELLI

Return to: REGENCY SAVINGS BANK
24 N WASHINGTON ST
NAPERVILLE, IL 60566



Nov-02