



CITY OF MIRAMAR SUBORDINATION POLICY AND PROCEDURE

This is the policy and procedure regarding the possibility of subordinating a mortgage held by the City of Miramar in reference to refinancing/modifying a loan mortgage for a housing unit that has been assisted by the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), State Housing Initiative Partnership (SHIP), Neighborhood Stabilization Program (NSP) or any other local, state or federal funding provided by the City of Miramar. The following conditions must be met in order for the subordination request to be considered by the City:

- No cash out to homeowner (does not include debt consolidation as required by a lender)
- New loan cannot be an Adjustable Rate Mortgage (ARM)
- Homeowner must retain at least 10% equity including City liens, *unless* the owner demonstrates participation in a hardship loan modification or refinance program or in instances wherein the City Manager or designee determines in his or her sole discretion that a waiver of the 10% equity requirement is appropriate.
- The City of Miramar's mortgage must be in second position after subordination

If the above criteria have been met, documentation identifying the following must be submitted.

- A copy of the new loan commitment (with no conditions), or loan commitment letter on financial institution letterhead. New commitment must reflect proposed loan interest rate, terms and monthly payment. Lender must be an institutional lender.
- Copy of current appraisal, completed within the last 60 days, or an alternative method to obtain the home value, which shall be deemed to be acceptable to the City, in the City's sole discretion.
- Copy of new title insurance policy.
- Good Faith Estimate for proposed loan.
- Current lender and principal balance of mortgage
- Current interest rate
- Current terms (15, 20, 30 yr. – fixed or adjustable)
- Current monthly principal & interest

The new loan must be a fixed rate loan that increases the affordability of the homeowner's monthly payment and/or financial position.

Subordination requests (including requested documentation) can be faxed, mailed, e-mailed or hand delivered to the City of Miramar, Community Development Department, 2200 Civic Center Place, Miramar, Florida 33025. The e-mail address is subordination@miramarfl.gov. Only copies of the above information should be submitted. The City will not make copies.

The City may, in its sole discretion, decline any subordination request for any reason whatsoever. The homeowner will be notified once a determination is made as to whether the City will grant or decline the subordination request. The homeowner will be responsible for recording any documents in conjunction with this request (including any costs associated therewith), as may be required by the proposed lender.



ACKNOWLEDGEMENT OF CITY OF MIRAMAR SUBORDINATION POLICY AND PROCEDURE

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I, being the Applicant (and Co-Applicant, if applicable), hereby acknowledge and agree to this Subordination Policy and Procedure.

Applicant's Signature

Date

Co-Applicant's Signature

Date