



Homebuyer & Home Rehabilitation Programs Subordination Policy & Request Form

Subordination of all liens originated through an CPAH homebuyer or home rehabilitation program will be permitted in cases involving refinancing of a homeowner's first mortgage only when the following conditions are met. The attached form includes complete directions for requesting a subordination.

- 1) The borrower takes out no cash.*
- 2) The refinancing is for a lower interest rate than the existing first mortgage.
- 3) The borrower's new monthly mortgage payment (including principal and interest) will be less than the current monthly payment. At staff's discretion, exceptions may be considered for homeowners refinancing out of an adjustable-rate mortgage or into a lower term mortgage.
- 4) The borrower's new loan amount will be less than the current loan amount.
- 5) The new mortgage must be for a fixed interest loan. The County will not subordinate to an adjustable-rate mortgage (ARM).
- 6) Special consideration will be given to those receiving a loan modification on the first mortgage.
- 7) A quit claim deed must be issued if a borrower is no longer on the mortgage.

*Owners of CPAH Community Land Trust properties may take cash out as part of a refinance. The loan limit may not exceed the maximum resale price at the time of the refinance.

CPAH requires up to 14 business days to process subordinations. As we are unable to guarantee turnaround in less time, plan your loan closing accordingly. Processing will not begin until a complete subordination request packet is received (see attached).

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Subordination Request Form

Your request will not be considered until ALL information have been provided.

Date Submitted to CPAH: _____ Anticipated Date of Closing: _____

Borrowers(s): _____

Property Purchase Address: _____

	Current Loan	New Loan	Dollar +/- Difference	Percent +/- Difference
P&I Payment				
Interest Rate				
Loan Amount				
Loan Closing Cost Fees**				
Title Fees				
Cash Back at Closing				
**State actual fees. Do not deduct MIP Refund or other items.				

Does the subordination request meet CPAH's guidelines? Yes No

If not, state your reasons here for seeking an exception:

Submit the following documents through U.S.P.S. mail or an overnight service. **DO NOT FAX.**

- (01) Letter of request from party requesting subordination and contact information
- (02) Payoff letter from current first mortgagee
- (03) Mortgage application
- (04) Credit Report
- (05) Mortgage loan commitment from new lender (signed by lender & borrower(s))
- (06) Loan estimate
- (07) Appraisal report (if applicable)
- (08) Current Mortgage statement showing existing monthly payment and interest rate
- (09) Name and address of title company handling the closing on the refinancing
- (10) Copy of Title (Schedule B)
- (11) Copy of IHDA Note (if applicable)
- (12) Copy of IHDA Recapture Agreement (if applicable)
- (13) Copy of Junior Mortgage (if applicable)