

CLAY COUNTY SHIP/CDBG SUBORDINATION POLICY

1. The policy of Clay County is not to subordinate.
2. Requests for waiver of the policy must be in writing from the lending institution and submitted to:

Barbara L. Taylor, SHIP Coordinator
P.O. Box 1366
Green Cove Springs, FL 32043
Office: (904) 278-4700
Fax: (904) 278-4786

3. Requests for waiver of the policy must be approved by the Board of County Commissioners. Before this is done, the following documents and information must be provided to the SHIP Coordinator:

- ✓ Proof of licensure to do business in the State of Florida.
- ✓ Release of Information form signed by the homeowner (signatures will be verified).
- ✓ Complete terms and conditions of the new loan.

NOTE: Consideration will not be given any request for waiver of the subordination policy without this information. This information will be part of the packet presented to the Board for consideration. Additional information may be required.

4. Guidelines for subordination approval:

- ✓ The new interest rate shall be at least one percent (1%) lower than the interest rate in effect at the time of request.
- ✓ The new rate shall be a fixed rate only.
- ✓ The new monthly payment shall be lower than the previous payment and include principle, interest, taxes, and insurance (PITI).
- ✓ All closing costs, recording fees, etc. incurred with the subordination shall be paid by the lender and/or applicant.
- ✓ Provide a full disclosure of costs charged to the applicant prior to Board approval. This information will be presented to the Board with the subordination agreement.
- ✓ A copy of the Good Faith Estimate.
- ✓ Provide supporting documentation as to the validity for the refinance (new payment/old payment, new interest rate/old interest rate).
- ✓ The loan can include debt consolidation as long as the Loan to Value of all mortgages does not exceed 95%. The maximum loan to value of all mortgages on a mobile home cannot exceed 80%.

5. Requests for waiver of the Board's policy will be reviewed and a decision made on a case-by-case basis based, but are not limited to, on such merits as the following:

- ✓ Emergency needs arising out of natural disasters;
- ✓ Emergency repairs which eliminate a threat to the health or safety of the occupants or that eliminate an immediate or imminent danger to the dwelling itself;
- ✓ Refinancing to a lower interest rate on the first mortgage if the closing costs and/or fees can be recovered within four (4) years.
- ✓ New payment shall be at least \$50.00 per month less than previous payment.

6. The Board will not consider any requests for the following conditions:

- ✓ The new loan is an adjustable rate mortgage (ARM) or
- ✓ The loan results in cash back to the applicant.