



Loan Subordination Information

Please provide the following informational items:

- A written request from the lender or title company outlining the proposal including the terms, who and how much will be paid in escrow, if applicable. Additionally, the request should contain the new lender's name, contact information and instructions for the executed Subordination Agreement.
- Copy of Appraisal or other method of real estate valuation
- Current preliminary title report
- Good Faith Estimate - signed by the applicant (If the Good Faith Estimate form does not list all accounts to be paid through closing, the proposed loan amount, rate and term, and monthly payment amount.)
- Copy of the 1003 application, or similar application, signed by the applicant (Please be sure information is current.)
- Statement from client allowing the City of Salem to give out information and process the proposed subordination. This form is enclosed. The City will need an original signature on this form. Faxes will be accepted with originals to follow.
- *A \$100.00 per loan fee is required for subordination review and should accompany above information. This fee is non-refundable.*

Information about the Process:

Once the City has all supporting documentation, a minimum of 7 business days will be required for processing. The City will process all requests as quickly as possible. Please do not ask for an exception to the time requirements.

Each request is reviewed on a case by case basis to assure there is no deterioration to the City's security. City policy is to consider requests with:

- Rate and term refinance with no cash out and/or additional debt added into first mortgage loan, regardless of LTV
- Total loan to value at 80% or below
- New loans cannot exceed a 30 year term
- Interest rate must be fixed

If you are requesting an exception to this policy, please include a statement of explanation. Lenders may want to discuss the request with their clients prior to submitting documentation.

The City will complete a Subordination Agreement on our own form. Original recorded agreements are to be returned to the City of Salem.

Send all subordination requests to:

City of Salem, Housing Authority
Tgc'Rgem
360 Church St SE
Salem, OR 97301
Phone 503-588-6178-x7748 or email trgem@cityofsalem.net
FAX 503-588-6465



Statement of Authority

I / we _____ being the Borrower of loan number _____, a deferred payment loan, and the City of Salem being the Lender do hereby give permission to Lender to forward and discuss all information related to and contained in said loan with _____, Petitioner, for the sole purpose of a subordination request made to the City. Furthermore, I/ we wish to also request the Lender to approve said subordination. I/ we understand Lender has a minimum of seven business days in which to review said request and must have all supporting documentation requested. I/we also understand each request is reviewed on a case by case basis to assure there is no deterioration in the City's security.

Borrower

Date

Borrower

Date