

City of Ogdensburg
Department of Planning & Development

Housing Rehabilitation Office
Ogdensburg City Hall
330 Ford Street - Room 11
Ogdensburg, New York 13669
<http://www.ogdensburg.org>



DPD Director:
J. Justin Woods
Planning: (315) 393-7150

Housing: (315) 393-7401

HOMEOWNER LOAN SUBORDINATION POLICY

Policy:

1. The City of Ogdensburg will consider a loan subordination request from an individual borrower who has a loan with The City under the following circumstances:
 - a. If the homeowner is refinancing the original mortgage in order to obtain a lower interest rate and/or overall mortgage cost. To be eligible for subordination, a refinancing cannot result in any cash out to the homeowner.
 - b. If the homeowner is borrowing money to make additional improvements to the property. Documentation must be provided to identify the type and cost of the improvements to be made.
 - c. If the homeowner is securing a loan that includes funds for home improvements and for reasons other than home improvement (ex. debt consolidation, medical expenses, etc.), the City will consider subordination if the city assessor's valuation of the property shows that the equity in the home is sufficient to cover the value of all mortgages against the property, and if the homeowner has been in the home for at least three years.
2. Cash out financing requests will not be considered.
3. Other guidelines include:
 - a. A non-refundable fee of \$100.00 will be submitted with the subordination request (check payable to City of Ogdensburg).
 - b. The new first mortgage loan cannot exceed the current mortgage balance secured ahead of the City loan (excluding reasonable lenders fees).
 - c. Lender fees, such as closing costs, may be rolled into the new loan.
 - d. The new total loan-to-value ratio cannot exceed 95%.
 - e. The City loan will be in no less than second position, or will not result in a change in position.
 - f. An escrow for taxes and insurance must be included in the loan.
 - g. Any land use restrictions must remain in place until the period of affordability is completed.
 - h. The City will agree to subordination for a simple refinance no more than once in any 12-month period.
 - i. The City will require a minimum of 10 working days to review the documents and an additional 5 working days to make a determination.
 - j. The City of Ogdensburg Director of Planning & Development or the City Manager is authorized to sign subordination agreements on behalf of the City.



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LOAN SUBORDINATION PROCEDURES

Forms Needed :
 Subordination Request

Responsibility	Action
Borrower or Lender	1. Makes a request for subordination of a loan to the Program Administrator.
Program Administrator	2. Provides information to the Lender and/or Borrower regarding the Subordination Policy and Procedures.
Borrower	3. Submits a completed Subordination Request Form. Which will require information from the Lender regarding the amount of the loan, type of loan, interest rate and terms.
Borrower	4. Submits a non-refundable fee of \$100.00 with the subordination request form. (Check is payable to City of Ogdensburg).
Program Administrator	5. Reviews the file and all submitted materials, confirms the exact legal names, and determines compliance with the subordination policy.
Program Administrator	6. Makes a determination to recommend approval/disapproval of the loan subordination request.
City Director of Planning & Development / City Manager	7. Reviews the materials and discusses the determination with the Program Administrator.
Program Administrator	8. If disapproved, notifies borrower and lender of the disapproval and rationale.
Program Administrator	9. If approved, notifies borrower and lender and faxes a draft to the Lender.
City Counsel	10. Reviews the prepared agreement and file checking names, parcel numbers, legal description, recording information, loan amounts, and that the new lender's name reflected in the subordination agreement is a legal entity.
Program Administrator	11. Gathers the required signatures.
City Director of Planning & Development / City Manager	12. Signs the agreement on behalf of the City.
Program Administrator	14. Notifies the borrower and lender that the subordination loan agreement has been signed.
Lender	15. Picks up the subordination agreement to be filed with the St. Lawrence County Clerk upon closing on the new first position mortgage.

Items to be retained in Property File maintained by the City :

- Recorded Original Mortgage for the City
- Original, signed Deferred Note
- Completed and Signed subordination request form
- Recorded Subordinated Mortgage Agreement

