



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1415-15

File ID: K-1415-15

Type: Contract

Status: Consent Item

Version: 1

Reference: Item No. 19

In Control: City Council

Department: Planning and
Community
Development
Department

Cost:

File Created: 06/27/2014

File Name: K-1415-15 For Subordination of HOME Partnership
Program Rehabilitation loan for 1302 Glen Oaks
Court

Final Action:

Title: CONTRACT NO. K-1415-15: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND BANK OF AMERICA FOR SUBORDINATION OF A HOME PARTNERSHIP PROGRAM REHABILITATION LOAN FOR 1302 GLEN OAKS COURT.

Notes: ACTION NEEDED: Motion to approve or reject Contract No. K-1415-15 with Bank of America; and, if approved, authorize the execution thereof.

ACTION TAKEN: _____

Agenda Date: 07/08/2014

Agenda Number: 19

Attachments: 1302 Glen Oaks Court HOME 7-14

Project Manager: Linda Price, Revitalization Manager

Entered by: linda.price@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File K-1415-15

Body

BACKGROUND: In October 2010 the City of Norman HOME Partnership Program provided a loan to Sharon Cossey for rehabilitation of her home at 1302 Glen Oaks Court. As a condition of funding, a lien was placed on the property and was filed as a subordinate mortgage to the primary mortgage on the property. Any modification of the primary mortgage requires resubordination of the lien. The program does not require repayment of the loan as long as the applicant maintains their home as their primary residence for four years; and at the end of four years the subordinate mortgage is released.

DISCUSSION: Approval of the request for subordination of the lien on 1302 Glen Oaks Court would allow the owner to secure a loan to refinance the primary mortgage that will provide a lower interest rate to reduce the house payment by \$69.13 per month. Documentation from Bank of America, NA including a Certification of Mortgage Loan Refinancing, Good Faith Estimate, and a Truth in Lending Disclosure Statement were provided.

The Subordination Agreement that will be filed with the new primary loan is attached. In accordance with the adopted City of Norman Housing Handbook, these documents prove that all funds will be used for the refinancing of the home, with no funds going toward payment of debt.

Subordination of the lien would assist in making more money available for the upkeep of the property. The City would maintain a second position on the property. Additionally, the request meets the requirements of our policy to subordinate only for the purposes of lowering payments or improving the home, and the terms and conditions of program participation as described in the subordinate mortgage executed in October 2010 will not be modified.

RECOMMENDATION: Approval of Contract No. K-1415-15 for subordination of the lien on 1302 Glen Oaks Court is recommended. Subordination of liens in the Community Development Block Grant Program are allowed by the Department of Housing & Urban Development and are consistent with program goals.