

**Subordination Terms for City of Livermore**

Regarding the refinancing of the first mortgage loan, the City of Livermore will consider subordination to a refinanced first loan under the following conditions:

- 1) **Loan Amount:** May not exceed the outstanding balance of the first lenders’ loan plus: (i) reasonable closing costs as approved by the City and (ii) the current balance of existing down payment assistance loans or similar debt as approved by the City which is senior to the City’s loan. NO CASH OUT; and
- 2) **Loan Terms:** Must have a fixed interest rate over the life of the loan and may not contain any provisions for negative amortization, pre-payment or balloon payment, or changes in payments. When the junior loan is a CalHome loan, the first mortgage must mature concurrently with or after the CalHome Loan; and,
- 3) **Mortgage Insurance:** The loan cannot contain provisions requiring borrower to finance mortgage insurance
- 4) **Impound Account:** Impound account for taxes and insurance is required; and,
- 5) **Hazard / Flood Insurance:** ‘City of Livermore, its successors and assigns’ must be named as additional Loss Payee on insurance.

In addition, the following documents must be provided to the City of Livermore or its designee,

- Written request for such consideration, including the proposed closing date and loan payoff amount, signed by the borrower(s) or Form 1003.
- Current title report
- Uniform Underwriting Transmittal and Summary (Fannie Mae Form 1008 or similar)
- Status of client’s Mortgage Credit Certificate program (if applicable)

Upon approval of the subordination request, the Lender or Title Company must provide the City or its designee with the following:

- Subordination Agreement(s) **Note: Please allow 15 business days for the Agreement(s) to be approved by the City and returned.**

Prior to the close of escrow:

- Estimated Settlement Statement
- Copy of refinancing lender’s Deed of Trust (may be ‘sample’)
- Copy of the refinancing lender’s executed Promissory Note which will be senior to the City’s loan documents.
- Copy of Hazard Insurance (and Flood Insurance if applicable) Certificate naming ‘**City of Livermore, its successors and assigns**’ as additional Loss Payee.

Following the Close of Escrow, the Title/Escrow Company must provide the City with the following:

- Copy of Final Combined Settlement Statement
- Conformed copies of Subordination Agreement and Request for Copy of Notice of Default



Subordination Fee: \$650

- Subordination Refinance Fee: Check or Money Order in the amount of \$650, made payable to the City of Livermore

Required documentation should be forwarded to the City for processing, to:

**Mail to: City of Livermore  
c/o Hello Housing  
1242 Market Street, 3<sup>rd</sup> Floor  
San Francisco, CA 94102**

**Email: Livermore@hellohousing.org  
Phone: (415) 863-3036**

If you have any questions concerning this process, please contact Zoe McGeary, Program Manager with Hello Housing at (415) 863-3036.