

RESOLUTION NO. 2014-320

A RESOLUTION AUTHORIZING THE SUBORDINATION OF A MORTGAGE LIEN HELD BY THE CITY OF VINELAND WITH RESPECT TO PROPERTY LOCATED AT 216 QUINCE STREET, VINELAND, NEW JERSEY.

WHEREAS, the City of Vineland holds a mortgage lien against certain real estate located at 216 Quince Street, Vineland, New Jersey, in connection with their participation in the HOME Ownership Assistance Program (HOAP) of the City of Vineland, and

WHEREAS, the mortgage held by the City of Vineland is dated March 4, 2005, and is in the amount of \$2,500.00 which is a "0" payment "0" interest lien which does not reduce in principal; and

WHEREAS, the owner of the real estate located at 216 Quince Street, Vineland, New Jersey, has requested that the second priority lien which is held by the City be subordinated to a mortgage to be given to NATIONSTAR MORTGAGE in connection with the refinancing of the first mortgage on the property; and

WHEREAS, it is considered to be in the best interest of the City that said request be accommodated;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Vineland that the Mayor and City Clerk are hereby authorized and directed to execute a Subordination Agreement subordinating the HOME Ownership Assistance Program (HOAP) in the principal amount of \$2,500.00, dated March 4, 2005, to a mortgage given by the owner to NATIONSTAR MORTGAGE with a principal amount of the mortgage not to exceed \$84,100.00; and

BE IT FURTHER RESOLVED, that the owner shall bear any and all costs associated with the preparation of said documents.

Adopted:

President of Council

ATTEST:

City Clerk

Reid Wanda

From: Tonetta Richard
Sent: Thursday, July 31, 2014 4:08 PM
To: Fanucci Anthony R; Calakos Angela; Gonzalez Maritza R; Procopio John A; Spinelli Paul
Cc: Reid Wanda; Curio Alex
Subject: Subordination Request - 216 Quince Street

Dear Council President Fanucci and Members of City Council:

We have reviewed a request to subordinate an existing Home Ownership Assistance Program (HOAP) mortgage in the amount of \$2,500.00 to allow the owner to refinance their existing first mortgage.

Presently, the first mortgage has an interest rate of 7% with principal and interest in the amount of \$600.44 per month. There is a balance of \$79,885.87. The owners wish to refinance with a new loan in the amount of \$84,100.00 with an interest rate of 5.5%. The increase of approximately \$4,300.00 represents closing costs. There would be no money paid to the owners. This will result in a new monthly payment of \$477.52, approximately \$130.00 savings per month.

The value of the land and improvements is \$139,600.00 which reflects a loan to value ratio of 60%, well within Council's parameters.

Based upon the above, I would recommend the subordination, however, I am awaiting a final commitment from the new lender. If this is not received prior to the next meeting, I will respectfully request this Resolution be pulled from the agenda.

Respectfully yours,

RICHARD P. TONETTA, Solicitor