

RESOLUTION NO. 2015- 146

RESOLUTION AUTHORIZING THE SUBORDINATION OF
A MORTGAGE LIEN HELD BY THE CITY OF VINELAND
WITH RESPECT TO PROPERTY LOCATED AT 2825
ROSEMARY AVENUE VINELAND, NEW JERSEY

WHEREAS, the City of Vineland holds two mortgage liens against certain real estate located at 2825 Rosemary Ave., Vineland, New Jersey, in connection with their participation in the CDP Residential Rehab Mortgage of the City of Vineland; and

WHEREAS, the mortgages held by the city of Vineland are as follows: HOME 0% interest Mortgage, a non-forgivable loan, dated January 9, 2002 in the amount of \$6,010.00 and Community Development Mortgage, a 0% interest non-forgivable loan dated April 30, 2001 in the amount of \$2,521.00 for a total of \$8,531.00 in mortgage liens on said property; and

WHEREAS, the owner of the real estate located at 2825 Rosemary Ave. has requested that the 2nd and 3rd priority liens which are held by the city of Vineland be subordinated to a mortgage to be given to Advisors of Mortgage Group, LLC, Ocean, New Jersey 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 Council of the City of Vineland that the Mayor and Clerk of the City of Vineland are hereby authorized and directed to execute a Subordination Agreement subordinating the Home Mortgage and Community Development Mortgage in the principal amount of \$6,010.00 and \$2,521.00, respectively to a mortgage given by the owner to Advisors Mortgage Group, LLC, with a principal amount of the mortgage not to exceed \$77,500.00

Adopted:

President of Council

ATTEST:

City Clerk

Reid Wanda

From: Tonetta Richard
Sent: Tuesday, March 17, 2015 3:05 PM
To: Calakos Angela; Fanucci Anthony R; Procopio John A; Gonzalez Maritza R; Spinelli Paul
Cc: Bermudez Ruben; Reid Wanda
Subject: Subordination of Debt 2825 Rosemary Avenue

Dear Council President Fanucci and Members of City Council,

The city has received a request for the subordination of 2 existing mortgages on the above property. The first mortgage held by the city is a HOME 0% interest mortgage, a non-forgivable loan dated January 9, 2002, in the principal amount of \$6010.00. There is a 2nd mortgage, a Community Development Mortgage which is a 0% interest non-forgivable loan dated April 30, 2001 in the amount of \$2521.00 for a total of \$8591.00. There presently exists a balance due of an existing first mortgage in the amount of \$73,859.00 and the owner wishes to refinance this debt with a new first mortgage in the amount of \$77,500.00, the difference being closing costs. The new mortgage will reduce the interest rate and monthly payment for the owner from \$1112.00 per month to \$911.00 per month, a savings of approximately \$200. Their new interest rate will be 4.75%.

The home has a present value of \$152,000 which reflects a loan to value ratio of 54%, well within Council's acceptable rate. As this reflects a savings to the owner and does not place the city in any adverse position, I would recommend adopting the resolution before you subordinating the original debt held by the city of Vineland.

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