

CITY OF VINELAND

RESOLUTION NO. 2017-375

RESOLUTION AUTHORIZING THE EXECUTION OF A
SUBORDINATION OF MORTGAGE FOR PROPERTY
KNOWN AS 69 COLUMBIA AVENUE, VINELAND, NEW
JERSEY

WHEREAS, the City of Vineland holds a mortgage lien against certain real estate located at 69 Columbia Ave., Vineland, New Jersey, in connection with their participation of the HOME residential rehabilitation program; and,

WHEREAS, the HOME Mortgage held by the City of Vineland is dated July 22, 2015 and recorded on September 29, 2015 in Book 4132 , Page 4374 in the office of the Cumberland County Clerk in the amount of \$8,875.00 which is a 0% interest, and is a non-forgivable loan with no monthly payments due; and

WHEREAS, the owner of the real estate located at 69 Columbia Avenue, Vineland, New Jersey, has requested that the 2nd priority lien which is held by the City be subordinated to a new mortgage to be given to M&T Bank, Getzville, New York in the amount of \$37,975.24 in connection with the refinancing of the mortgage on the property; and

WHEREAS, it is considered it 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 are hereby authorized and directed to execute a Subordination Agreement subordinating the HOIME residential rehabilitation program mortgage in the principal amount of \$8,875.00 dated July 22, 2015 and recorded on September 29, 2015 in Book 4132, Page 4374 in the office of the Cumberland County Clerk to a mortgage given by the owner to M&T Bank Getzville, New York in the principal amount of the mortgage not to exceed \$37,975.24.00; 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



DEPARTMENT OF LAW
RICHARD P. TONETTA, ESQUIRE
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August 14, 2017

Re: Request for Subordination of City Mortgage
69 Columbia Avenue, Vineland, N.J. 08360

Dear Council President Spinelli and members of City Council,

The owner of the above address as requested the city consider the subordination of its mortgage on the above property to a new loan being recast by the same lender.

Presently, the city holds a second mortgage in the amount of \$8,875.00 which is a zero pay zero interest loan. The owner has a balance due on a first mortgage in the amount of \$32,736.26 and interest rate of 3.5% and monthly payments of principal and interest in the amount of \$558.12. The owner wishes to recast his first mortgage with costs to be \$37,975.24 and extending the time of payment so that the new monthly loan payment will be \$345.85.

The present value of the home is \$104,032.00 which reflects a loan to value ratio of approximately 45%, well within the range that Council considers acceptable. It is clear that the modification will help save the homeowner over \$200.00 per month and not put the City in any position which would jeopardize the collection of its loan. As such I would recommend approving the subordination resolution.

Richard P. Tonetta, Esq.
Solicitor, City of Vineland



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