



## 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 non-recurring closing costs (not to exceed two points) 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,

- 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 with the following:

- Subordination Agreement(s)  
**Note: Please allow one week 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

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: joey@hellohousing.org**  
**Phone: (415) 967-7581**

If you have any questions concerning this process, please contact Sarah Duval, Program Manager with Hello Housing at (415)967-7581.