



CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 04/20/10

SUBJECT: Subordination of SHIP Down Payment Assistance Second Mortgage

DEPARTMENT: COMMUNITY DEVELOPMENT

RECOMMENDED MOTION:

Authorize the City Manager to execute subordination for a SHIP second mortgage loan in the amount of \$10,500 to a new first mortgage for the purpose of reducing the monthly principal and interest payments on a home located at 45 Summer Trees Road. (Applicant: Jeffrey E. Culpepper)

SUMMARY

On October 6, 2008, the City of Port Orange executed a second mortgage and note in the amount of \$10,500 with Mr. Jeffrey E. Culpepper to assist in his purchase of a home located at 45 Summer Trees Road.

The City of Port Orange's Down Payment Assistance is a deferred loan and encumbers the homeowner's property as a second mortgage. Bank of America is currently in first lien position.

Mr. Culpepper has requested that the City subordinate its second mortgage in favor of a new first mortgage provided by Bank of America. This proposed new mortgage lowers the current interest rate on his first mortgage from 6.675% to 5.5%. This decrease in interest rate provides a monthly savings of \$196.

Staff has evaluated of information provided by Bank of America, and has determined that Mr. Culpepper is not including payment of any consumer debt in this proposed new mortgage and he will not receive any cash upon the closing of this loan.

ATTACHMENTS: Ordinance Resolution Budget Resolution

Other Support Documents

DEPARTMENT HEAD

Wayne Clark, Director

Date

4/2/10

FINANCE DEPARTMENT

Approved as to Budget Requirements

Date

CITY ATTORNEY

Approved as to Form and Legality

Date

4-9-10

CITY MANAGER

Approved Agenda Item For:

4/20/10

COUNCIL ACTION: Approved as Recommended Disapproved

Tabled Indefinitely

Continued to Date Certain

Approved with Modification: