



Eric Garcetti, Mayor
Ann Sewill, General Manager

REQUEST TO SUBORDINATE A CITY OF LOS ANGELES REAL ESTATE LOAN OWNER-OCCUPIED SINGLE FAMILY RESIDENCE (1-4 UNITS)

With the help of your Broker/Lender, you may REQUEST TO SUBORDINATE your loan with LAHD. Please complete and sign where indicated all of the attached forms. Provide all required documentation which must be legible.

Please be advised of the following:

1. **“CASH-OUT REQUESTS”** are only allowed under the following conditions:
 - a. The first Mortgage Lender must be a Fannie Mae, Freddie Mac, or FHA- Compliant Lender.
 - b. The combined loan-to-value ratio for the new first plus, LAHD loan must be less than or equal to 85% of the appraised value of the home. The Appraisal must meet the industry standard.
 - c. The ratio of total monthly payment obligations, including housing payment to the Borrower’s monthly income, must not exceed 45%.
 - d. **EQUITY SHARE LOANS** – Borrowers must pay LAHD a percentage of the net equity (“Cash-Out”) derived from refinancing. This percentage is LAHD’s participation in the total financing at the time purchase assistance was provided. This amount paid is deducted from the amount paid to LAHD upon sale or future refinance.
2. **The City will only subordinate Fixed-Rate Loans.**
3. No Lender “Pre-Payment Penalties” are included or allowed. The new loan must be amortized no less than 15-years. Your new loan may provide for “reasonable costs” necessary to refinance.
4. **The City will not subordinate to a lower Title Position.**
5. The City will not subordinate if the Borrower is non-compliant with terms and conditions of Loan Agreement, Regulatory Agreement, or any other applicable terms of the governing agreements. This includes both Monetary and Non-Monetary Defaults.
6. **The Application and all other required attachments must be completed and submitted with the non-refundable fee payable to AMERINAT.**
The appropriate fee for rate and term for a “NO CASH-OUT” refinance is \$300, and a “CASH-OUT” is \$500.
The Application must be submitted with a Money Order, Cashier Check, or Association Check only.
7. All of the listed items (see attached “BORROWER’S REQUIRED DOCUMENTATION”) must be completely filled out, signed and dated, and sent in a single-package before your Subordination Request can be considered. **Incomplete applications will be returned and must be resubmitted for reconsideration along with the appropriate fee.**
8. Any non-conforming request(s) must be fully justified by the Lender/Broker in writing.

MAIL APPLICATION TO:

Ms. Ana Luna
AMERINAT
8121 East Florence Avenue, Downey, CA 90240

Once a full package is received, the expected turn-around time is approximately 21-days. You may reach **Ms. Luna at (800) 943-1988 ext. 1209.**

For all other inquiries or additional information needed, please call **Monday through Friday, 8:00 AM to 4:30 PM**, the **LAHD – Loan Portfolio Unit at (213) 808-8801 or 3-1-1 for TTY.**

BORROWER'S REQUIRED DOCUMENTATION

LAHD SUBORDINATION APPLICATION

Please attach the following documentation with your request. **ALL DOCUMENTATION** must be **less than SIX MONTHS OLD**, and it must be **SIGNED** and **DATED** by the Borrower and Broker or Lender, as applicable:

1. Borrower Driver's License (with the subject property address)
2. Borrower Authorization (attached)
3. Broker Contact Information (attached)
4. Broker / Lender Worksheet (attached)
5. Title Report or Title Insurance
6. Loan Application – FNMA 1003
7. Uniform Underwriting and Transmittal Summary – FNMA 1008
8. Loan Approval (showing Lender's name, loan amount, interest rate, loan term lock rate, expiration date/loan commitment expiration date)
9. Escrow's Estimated Closing Statement OR Closing Estimate
10. Credit Report
11. Mortgage Statement (most recent).
12. For **“Cash Out Requests”** additional documents are needed:
 - a. Appraisal Report (current);
 - b. Copy of last two years completed Federal Income Tax Return with all pages and attachments; and
 - c. Rent Roll (for 2 – 4 Units only)
13. For **“Equity Share Loans”** – calculate amount due the City/LAHD, you must provide the following documents:
 - a. Certified copy of the **“ESTIMATED CLOSING STATEMENT”** when property was originally purchased; and
 - b. Written proof of any **Capital Improvements** made to the property. Each Capital Improvement must cost at least \$2,000 and be accompanied by Building Permits.
14. Any and other documents requested
15. **Lender / Title Company “OVERNIGHT DELIVERY LABEL”** (e.g., FedEx, UPS, DHL, etc.)



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BORROWER'S AUTHORIZATION LAHD SUBORDINATION APPLICATION

I/We have applied for a “**Subordination**” with the LOS ANGELES HOUSING DEPARTMENT – “LAHD” (formerly known as the LOS ANGELES HOUSING and COMMUNITY INVESTMET DEPARTMENT – “HCIDLA”). As part of the Subordination Application process, the Lender may verify the information contained in my/our Loan Application and other documents required in connection with the loan.

I/We authorize you to provide to the Lender, all information and documentation that they request. Such information includes, but is not limited to: employment history and income; bank, Money Market and similar account balances; credit history; and copies of Income Tax Returns. A copy of this Borrower’s Authorization may be accepted as an “original.”

BORROWER SIGNATURE: _____ **DATE:** _____

PRINT NAME: _____

BORROWER SIGNATURE: _____ **DATE:** _____

PRINT NAME: _____

BORROWER SIGNATURE: _____ **DATE:** _____

PRINT NAME: _____

BORROWER SIGNATURE: _____ **DATE:** _____

PRINT NAME: _____

CONTACT INFORMATION

LAHD SUBORDINATION APPLICATION

Please PRINT or TYPE CLEARLY and submit this form along with the "Subordination Application."

BORROWER INFORMATION

BORROWER NAME(S): _____

PROPERTY ADDRESS: _____
Street City State Zip Code

TELEPHONE NUMBERS: Daytime: () Mobile: ()

E-MAIL: _____ TOTAL AMOUNT OF HOUSEHOLD INCOME: \$ _____

REASON FOR REFINANCE: _____

1ST DEED OF TRUST IS CURRENT: YES NO PROPERTY TAXES ARE CURRENT: YES NO

PROPOSED "NEW" LENDER INFORMATION

NEW LENDER NAME: _____

NEW LENDER'S MAILING ADDRESS: _____
Street City State Zip Code

NEW LENDER'S TELEPHONE NUMBERS: Office: () Fax: ()

LOAN AGENT NAME: _____ COMPANY NAME: _____

OFFICE NO.: () FAX: () E-MAIL: _____

TITLE / ESCROW INSTRUCTION

TITLE / ESCROW COMPANY NAME: _____

TITLE / ESCROW MAILING ADDRESS: _____
Street City State Zip Code

TITLE / ESCROW TELEPHONE NUMBERS: Office: () Fax: ()

TITLE / ESCROW CONTACT: _____ E-MAIL: _____

SUBORDINATION CONTACT – "SOLE POINT OF CONTACT"

COMPANY NAME: _____

SUPERVISOR NAME: _____

MAILING ADDRESS: _____
Street City State Zip Code

TELEPHONE NUMBERS: Direct: () Fax: ()

BROKER / LENDER WORKSHEET

LAHD SUBORDINATION APPLICATION

- Please complete the following, and submit this form along with the “SUBORDINATION APPLICATION.”
- If this form is incomplete, completed improperly, unsigned or if any spaces are left blank, **the Subordination Request will NOT be processed.** (Please Type or Print clearly.)

BORROWER NAME _____ SSN/ FED TAX ID _____

BORROWER NAME _____ SSN/FED TAX ID _____

MAILING ADDRESS _____

MAILING ADDRESS _____

$\$$ _____ = $\$$ _____ + $\$$ _____ + $\$$ _____ + $\$$ _____ + $\$$ _____

 PROPOSED LOAN AMOUNT REFINANCE AMOUNT CASH OUT BROKER FEE LENDER FEE CLOSING COSTS*

**Reasonable refinancing costs are limited to title escrow recording appraisal and origination fees. Please check the restrictions on HCID PN.*

OCCUPANCY STATUS RESIDENCY

PRIMARY _____

INVESTMENT PROPERTY _____

ANNUAL PROPERTY TAXES \$ _____ ANNUAL INSURANCE \$ _____

CURRENT STATUS

	MORTGAGE HOLDER	PRESENT BALANCE	MONTHLY PAYMENT*	LOAN TERM	INTEREST RATE	LOAN TO VALUE	PREPAY PENALTY
1 ST							
2 ND							
3 RD							
4 TH							
TOTAL							

**Exclude Property Taxes and Homeowner's Insurance from the monthly payment.*

AFTER-SUBORDINATION

	MORTGAGE HOLDER	PRESENT BALANCE	MONTHLY PAYMENT*	LOAN TERM	INTEREST RATE	LOAN TO VALUE	PREPAY PENALTY
1 ST							
2 ND							
3 RD							
4 TH							
TOTAL							

**Exclude Property Taxes and Homeowner's Insurance from the monthly payment*

I, THE UNDERSIGNED, certify that the information provided in this Application is true and correct as of the date set forth opposite my signature on this Application. I, ACKNOWLEDGED, any misrepresentation(s) of the information contained herein which results in Civil Liability and/or a loss to the CITY OF LOS ANGELES HOUSING DEPARTMENT (“LAHD”), its Agents, Successors, Assigns, Insurers, and any other party who may suffer a loss due to reliance upon any information contained herein, may result in a civil recourse against the “Undersigned.” I, FURTHER ACKNOWLEDGE, the LAHD at its sole discretion shall have the right to use the information contained herein to refer the “Applicant” to an Alternate Lender for analysis and potential offers of competitive financing for the LAHD to protect its security interest as a Subordinated Lender.

BROKER/LENDER SIGNATURE: _____ DATE: _____

PRINT NAME & TITLE: _____