



# Lake County Illinois

## Legislation Details (With Text)

**File #:** 13-0078      **Version:** 2      **Name:** Approval of the Proposed Amendment to the Lien Subordination Policy

**Type:** resolution      **Status:** Consent Agenda

**File created:** 1/15/2013      **In control:** Health and Community Services Committee

**On agenda:**      **Final action:** 5/14/2013

**Title:** Joint resolution approving Community Development’s Lien Subordination Policy.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Lien Subordination Policy - Amended II.pdf

Date	Ver.	Action By	Action	Result
5/14/2013	2	Lake County Board	adopted	Pass
5/8/2013	2	Financial & Administrative Committee	recommended for adoption to the consent agenda	Pass
5/7/2013	2	Health and Community Services Committee	approved and referred on to the Financial and Administrative Committee	Pass
1/23/2013	1	Housing and Community Development Commission	approved	Pass

Joint resolution approving Community Development’s Lien Subordination Policy.

- In March 2003, the CDC approved a “Lien Subordination Policy” to determine how and when Lake County should subordinate any liens it holds on properties.
- It has come to staff’s attention that certain documentation requirements for subordination are in conflict with the documentation requirements of the superior lenders completing a streamlined refinancing.
- The proposed new terms for when the County will subordinate a lien are set forth as follows: 1. The borrower takes out no cash. 2. The refinancing is for a lower interest rate than the existing first mortgage. 3. The borrower’s new monthly mortgage payment (including principal and interest) will be less than the current monthly payment. 4. The borrower’s new loan amount will be less than the current loan amount. 5. The new mortgage must be for a fixed interest loan. 6. The County will not subordinate to an adjustable rate mortgage (ARM). 7. Proper background documentation is submitted to the County.
- The Community Development Commission recommends Committee approval.

**WHEREAS**, in March 2003, the CDC approved a “Lien Subordination Policy” to determine how and when Lake County should subordinate any liens it holds on properties; and

**WHEREAS**, in January 2013 the CDC amended Lien Subordination Policy is set forth as follows:

1. The borrower takes out no cash.
2. The refinancing is for a lower interest rate than the existing first mortgage.
3. The borrower’s new monthly mortgage payment (including principal and interest) will be less than the current monthly payment.
4. The borrower’s new loan amount will be less than the current loan amount.
5. The new mortgage must be for a fixed interest loan.

6. The County will not subordinate to an adjustable rate mortgage (ARM).
7. Proper background documentation is submitted to the County; and

**WHEREAS**, Lake County's Community Development Division makes determinations on lien subordinations on behalf of Lake County;

**NOW, THEREFORE, BE IT RESOLVED**, by this County Board of Lake County, Illinois, that the recommendations of the Community Development Commission for approval of the revised Lien Subordination Policy are hereby approved; and

**DATED** at Waukegan, Illinois, on this day of May 14, 2013.