

**CITY OF VINELAND  
DEPARTMENT OF LAW  
RICHARD P. TONETTA, ESQUIRE  
Director and City Solicitor**

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January 7, 2014

TO : Council President Fanucci and Members of City Council  
FROM: Richard P. Tonetta, Esquire  
RE : Subordination – 420 W. Wood Street

Dear Council President Fanucci and Council Members:

The City has received a request for a subordination of debt regarding the above property from the homeowner.

The City of Vineland had provided a loan in the amount of \$2,500.00 to assist the homeowner in the purchase of the above home. This is a HOAP “0” non- pay loan. The home was purchased in May of 2006 for \$165,500.00 and the purchaser had a first mortgage in the amount of \$164,176.00 with an interest rate of 6.28%. The monthly payment of principal and interest is \$1,010.86.

The owner wishes to refinance the existing debt with a new loan in the amount of \$150,898.00 which will reduce the mortgage payment to \$903.89. This will save the homeowner approximately \$100.00 per month.

The present value of the home is \$127,500.00 and, therefore, the City’s in an unsecured position with or without refinancing. As this will provide the homeowner additional funds to meet his monthly obligation without putting the City in a much worse position, I would recommend approving the subordination request.

**Very truly yours,**

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

RPT/sl

Cc: Carmen Oldknow, Community Development Program  
William Lutz, Business Administrator