

CITY OF VINELAND

RESOLUTION NO. 2015-\_\_\_\_\_

RESOLUTION AUTHORIZING THE SUBORDINATION OF  
MORTGAGE LIENS HELD BY THE CITY OF VINELAND  
WITH RESPECT TO PROPERTY LOCATED AT 415 WEST  
PARK AVENUE VINELAND, NEW JERSEY

WHEREAS, the City of Vineland holds two mortgage liens against certain real estate located at 415 West Park Avenue, in connection with their participation in the Home Ownership Assistance Program (HOAP); and,

WHEREAS, the HOAP Mortgage held by the City of Vineland is dated July 15, 2010 and recorded in the Cumberland County Clerk's Office, Book 4074 Page 6120 on September 11, 2010 in the amount of \$5,000 of which \$5,000 is non-forgivable; and

WHEREAS, the owner of the real estate located at 415 Park Avenue, Vineland, New Jersey, has requested that the 2<sup>nd</sup> priority lien which is held by the City be subordinated to a mortgage to be given to TD Bank NA in connection with the refinancing of the mortgage on the property; and

WHEREAS, it is considered it to be in the best interest of the City that said request be accommodated;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Vineland that the Mayor and Clerk are hereby authorized and directed to execute a Subordination Agreement subordinating the Home Ownership Assistance Program Mortgage in the principal amount of \$5,000 dated July 15, 2010 to a mortgage given by the owner to TD Bank NA with a principal amount of the mortgage not to exceed \$77,114; and

BE IT FURTHER RESOLVED, that the owner shall bear any and all costs associated with the preparation of said documents.

Adopted:

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President of Council

ATTEST:

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City Clerk



DEPARTMENT OF LAW  
RICHARD P. TONETTA, ESQUIRE  
Director and City Solicitor  
640 Wood Street  
Vineland, NJ 08360  
(856) 794-4000 ext. 4600  
(856) 405-4632 (Fax)

September 29, 2015

Re: Subordination Request 415 West Park Ave.

Dear Mayor Bermudez, Council President Fanucci, Members of Council,

The city has received a request for subordination of our HOAP mortgage on the above property. This is a 2<sup>nd</sup> secured mortgage in the amount of \$5000. It is a 0% non-forgivable debt which is therefore paid upon the sale of the premises. There is a 1<sup>st</sup> mortgage on the property with a payoff in the amount of \$77,152.80.

It is the intent of the owner to refinance the existing mortgage which presently has a monthly payment of \$736 with a new mortgage, and an interest rate of 3.6%, which results in a monthly payment of \$555.07. This reflects a savings to the owner in the amount of approximately \$180 per month. The new mortgage will be any amount of \$77,114.

The property has a present value in accordance with a residential appraisal report of \$97,500. The loan-to-value ratio taking into consideration the 1<sup>st</sup> and 2<sup>nd</sup> mortgage is approximately 84%. While this reflects a larger percentage than is typically excepted (Council allows an 80% loan to value ratio), there is no difference in the loan-to-value ratio considering the present 1<sup>st</sup> and 2<sup>nd</sup> mortgage as compared to the proposed 1<sup>st</sup> and 2<sup>nd</sup> mortgage. Therefore, there is no change in the city's position regarding repayment opportunity.

Based upon the above, I would recommend Council approve a resolution authorizing the execution of a subordination of debt to a new mortgage in the amount of \$77,114.

Very truly yours,

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

RPT/sl



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