

LAYTON CITY CDBG SUBORDINATION INSTRUCTIONS

Layton City will not permit subordination of deferred loans when the applicant is requesting the payoff of unsecured debt(s) be included in the refinance. In such instances the deferred debt must be paid off.

Layton City will consider subordinating to the refinance of superior lien(s) only when the new loan amount does not exceed the amount of the original superior lien(s) and Layton City maintains current lien position. To request approval of these refinances Layton City must receive a written request from the originating lender to subordinate the Layton City's loan that includes the following:

1. Name & address of the lender actually making the loan
2. New loan amount
3. Term
4. Interest rate
5. Monthly payment
6. Which lien(s) and their amount(s) are to be paid off
7. Closing costs (dollar amount)
8. HUD1/Good Faith estimate

Please note that Layton City **will not** agree to subordinate to transactions that provide cash to the borrower. In addition the request should include a copy of the complete appraisal done within the last (90) days, completed and executed loan application, current Property and Judgment Report and/or Title Search/abstract. Please note, Layton City may request additional information and/or forms.