

# Central Wisconsin Community Action Council, Inc.

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## CWCAC POLICY ON SUBORDINATION OF MORTGAGE

The Executive Committee of the Board of Directors for Central Wisconsin Community Action Council, Inc. has set standards for subordination of mortgages funded through the HOME & HCRI Program.

Central Wisconsin Community Action Council, Inc. will subordinate our mortgage position only one time if the following conditions apply:

-Allow a homeowner to obtain a lower interest rate on the principal amount of their primary mortgage only, On a fixed rate loan (No Cash Out to the Owner).

-Allow a homeowner to obtain a home improvement loan (Not A HELOC) providing homeowner Has sufficient equity in the home to protect CWCAC's position after subordination, based on 95% of property Value (90% for manufactured housing) as determined by a local appraiser.

**Central Wisconsin Community Action Council, Inc. will not subordinate our loan position for additional purchases-such as a vehicle loan, credit card debt, medical debt etc. CWCAC will also not subordinate our loan position for a Home Equity Conversion Mortgage, commonly known as a reverse mortgage.**

### CWCAC will require the following information on bank letterhead for a Subordination Agreement review:

- What the Subordination is for: Example -Refinance
- How Much
- Statement of No New Money for loan
- If Second Mortgage \$
- No HELOC
- Asking CWCAC to Subordinate to What
- Loan to Value

### Items that would need to be sent via email, fax or mail:

- Completed Subordination Agreement sent
- Request for Verification of Rent or Mortgage
- Borrowers Certification and Authorization
- Loan Estimate
- Uniform Residential Appraisal Report
- Commitment for Title Insurance

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Borrower

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Borrower

Date: \_\_\_\_\_