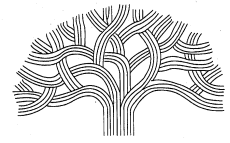


CITY of OAKLAND



250 FRANK H. OGAWA PLAZA * SUITE 5313 * OAKLAND, CALIFORNIA 94612-2034

Department of Housing and Community Development
Residential Lending Services-Loan Servicing Section
www.oaklandnet.com/government/hcd/

(510) 238-7921
FAX (510) 238-3794
TDD (510) 238-3254
loanservicing@oaklandnet.com

APPLICATION FOR SUBORDINATION

Please complete all sections of this form

City of Oakland Loan No.: _____

BORROWER NAME(S): _____

PROPERTY ADDRESS: _____

Borrower's Contact No.: _____

Borrower's e-mail: _____

LENDER NAME _____

SETTLEMENT AGENT _____

LENDER ADDRESS: _____

SETTLEMENT AGENT ADDRESS: _____

City _____ State _____ ZIP _____

City _____ State _____ ZIP _____

Contact Name _____

Escrow Officer _____

Title _____

Escrow Number _____

Phone Number (____) _____

Phone Number (____) _____

Fax Number (____) _____

Fax Number (____) _____

E-Mail Address _____

E-Mail Address _____

If applicable, name and contact information of Broker:

Broker Name: _____

Contact Name: _____

Address: _____

Tel. No.: _____

E-Mail Address _____

Lender/Broker acknowledges that this application and documents submitted to the City of Oakland, DHCD, Loan Servicing represents and/or warrants the correctness and completeness of all statements and information contained in such documents.

X _____
Date

Print Name Title

Subordination Submission Checklist

(The checklist represents the minimum requirements required. Other documents may be required)

Subordinations will be considered in: a) hardship cases; b) for emergency rehabilitation or capital improvements of property, and c) for refinances of existing mortgages under certain conditions.

- \$600.00 **non-refundable Subordination Fee**
- Application for Subordination
- Uniform Underwriting and Transmittal Summary (1008) or FHA MCAW (HUD 92999-WS)
Lender’s Underwriting approval (DU/LP Findings, Manual Underwriting)
- Signed and dated formal request outlining reason for refinancing from the borrower.
Include steps being taken or to be taken to improve financial situation, if applicable.
- Preliminary Title Report Credit Report
- Uniform Residential Loan Application (1003)
- Appraisal Report (The City of Oakland must be listed as an **intended user** of the Appraisal Report)
- W-2s for the past two years; last two month payroll stubs; other documentation of income
- Two years Federal Income Tax Returns and Year-to-Date Profit and Loss Statement for self-employed
- Two months of current bank statements (all pages)
- Loan Estimate - Refinance
- Estimated Closing Settlement Statement
- For Rehabilitation of Property – a bid proposal from a licensed contractor with details of the work to be done including plans, specifications, quantity and materials to be used. *(Proof of completion and payments must be forwarded to the City 90 days after the rehabilitation work has been completed.)*

******SUBMIT COMPLETE SUBORDINATION PACKAGE TO THE ABOVE ADDRESS – DO NOT FAX OR E-MAIL******

If the request for subordination is approved, the City must receive the following documents for City’s signature:

1. Original completely filled out Subordination Agreement for City’s signature
2. Request for Copy of Notice of Default

UPON BORROWER’S SIGNING OF DOCUMENTS PROVIDE CERTIFIED COPIES OF THE FOLLOWING SIGNED DOCUMENTS:

- | | |
|----------------------------|-----------------------------------------------------------|
| 1. Subordination Agreement | 5. Final Uniform Residential Loan Application (FNMA 1003) |
| 2. Lender’s Deed of Trust | 6. Lender’s escrow instructions |
| 3. Promissory Note | 7. Borrower’s estimated closing costs |
| 4. Closing Disclosure | 8. Hazard insurance policy naming the City as insured |

WITHIN 48 HOURS AFTER CLOSE OF ESCROW PROVIDE CERTIFIED COPIES OF THE FOLLOWING:

1. Final HUD-1 closing statement
2. Recording Information of the recorded documents

Within 30 days of close of escrow, City must receive a copy of the Lender’s title policy.

Subordination Criteria:

1. Combined loan-to-value not to exceed 80% for single family rehabilitation or home ownership loans. **
2. The City’s lien position must maintain or improve on the chain of title.
3. New loan must have a lower **Fixed Interest Rate**; no adjustable rate or balloon payments.
4. Loan fees must be reasonable.
5. Demonstrate that there is no ability to (a) pay off the City’s loan, (b) pay the accrued interest, or (c) pay part of the principal balance.
6. No cash out to the borrower. *(Paying off auto loans, revolving debts and deed(s) of trust junior to City’s lien is considered cash out; paying the accrued interest and paying part of the principal balance of the City’s loan is not considered cash out).*

**** 1st mortgage loans on Below Market Rate (BMR) homes are subject to allowable limits as specified in the refinancing policies. Contact loan servicing staff for additional information regarding refinancing restrictions for BMR units.**