

Subordination of First Trust Mortgage

The **NSP/My Home/ Buy Suitland DPCCA** will subordinate to a new first mortgage to allow interest rate reductions or “streamlining”, if all of the following conditions are met and the requested information is provided, in writing to the **NSP/My HOME/Buy Suitland DPCCA** Loan Servicing Manager.

***Please Note: When the current appraised value of the subject property is sufficient to support a combined 1st and 2nd trust loan to value, and the borrower can obtain a loan approval from a lender supporting that amount, the borrower will be required to pay off the balance of the NSP/My Home/ Buy Suitland loan and a subordination agreement will not be approved.**

1. The home must continue to be the borrower’s primary residence.
2. The new first mortgage must be a fully amortized, fixed-rate mortgage. (No adjustable rate interest, interest only or negative amortization loans are acceptable).
3. **CASH OUT cannot exceed \$500.00 to the borrower. NSP/My Home/ Buy Suitland DPCCA will not subordinate if the borrower is refinancing for the purpose of liquidating equity in the home.**
4. **NSP/My Home/ Buy Suitland DPCCA** lien is to remain in second place.
5. The **NSP/My Home/ Buy Suitland DPCCA** loan terms and conditions do not change.
6. **NSP/My Home/ Buy Suitland DPCCA** will not incur any costs related to the refinance of the first mortgage, including but not limited to, costs for courier service.
7. Documentation must be provided evidencing the current appraised value is insufficient to include the new first mortgage as well as the **NSP/My Home/ Buy Suitland DPCCA** lien. This documentation may be a copy of the current appraisal or an automated valuation module. AVM can be ordered online.
8. The Subordination Agreement document will include language that the agreement will be recorded concurrently with the new first mortgage.
9. All documentation is subject to **NSP/My Home/ Buy Suitland DPCCA** approval.
10. The Subordination Agreement will be prepared by **NSP/My Home/ Buy Suitland** staff attorney with Chief Administrative Officer for Prince George’s County as authorized signatory.
11. The following items are required for submission:
 - a. Letter from borrower explaining the purpose of refinance
 - b. Conditional approval (subsequently the final approval) with rate and term of new loan
 - c. FHA Transmittal Summary/1003 (subsequently the final FHA Transmittal Summary signed by underwriter)
 - d. 1003 (subsequently the final 1003)
 - e. Loan Estimate

- f. Truth in Lending (subsequently the final TIL)
- g. Mortgage note to show current interest rate and payment.
- h. AVM; we must have proof of property current value before we can approve the subordination request.
- i. A Valid Payoff from 1st trust loan.
- j. Homeowner's insurance declarations page with new first mortgagee clause and Prince George's clause showing in 2nd lien position. **Prince George's County Government-DHCD c/o Loan Servicing UDC, ISAOA/ATIMA 9200 Basil Ct, 5th Floor. Largo, Maryland 20774.**
- k. **Prelim Closing Disclosure**
 - l. Title Company's overnight account number so that original subordination agreement can be forwarded for closing.
 - m. Title company name, address and name of a contact person – **Use of approved title co. required.**

12. The Subordination Agreement and supporting documentation shall be forwarded for processing to:

**PRINCE GEORGE'S COUNTY GOVERNMENT
NSP/My Home/ Buy Suitland PROGRAM
9200 BASIL COURT, Suite 504
LARGO, MD 20774**

- 13. Please allow at least Fifteen (15) business days for **NSP/My Home/ Buy Suitland DPCCA** processing of the Subordination Agreement
- 14. Subordination request that have been inactive for 30 calendar days will be cancelled.

At the discretion of NSP/My Home/ Buy Suitland DPCCA, additional information and/or documentation may be required.

**** PLEASE CONTACT OFFICE DIRECTLY FOR SPECIFIC INSTRUCTIONS ON MODIFICATIONS AND SHORT SALE SUBORDINATION REQUEST. PJGARDNER@CO.PG.MD.US**

**SUBORDINATION AGREEMENT
SUBMISSION CHECKLIST**

BORROWER: _____

ADDRESS: _____

➤ **MUST CHOOSE A TITLE COMPANY ON OUR APPROVED LIST
(SEE ATTACHED LIST)**

- ___ A non-refundable processing fee of \$175.00 payable to:
“PG CTY GOV-DHCD, LOAN SERVICING UDC, ISAOA
- ___ Letter from borrower explaining the purpose of refinance
- ___ Conditional approval indicating rate and term of new loan
- ___ FHA Transmittal Summary
- ___ 1003/Uniformed Residential Loan Application
- ___ Loan Disclosure
- ___ Final Loan Estimate
- ___ Current Mortgage Note first trust.
- ___ AVM (Automated Value Model)
- ___ A Valid Payoff from 1st trust loan
- ___ Homeowner’s insurance with proposed insured mortgagee clause and Prince George’s County in 2nd lien position. **Prince Georges County Government-DHCD c/o Loan Servicing UDC, ISAOA/ATIMA 9200 Basil Ct. 5th Floor, Largo, Maryland 20774.**
- ___ Prelim Closing Disclosure
- ___ Title Co. overnight label so that original can be forwarded for closing

Approved Title Co: _____

Lender: _____

Address _____

Address _____

Contact: _____

Contact: _____

Phone: _____

Phone: _____

Email: _____

Email: _____

Forward package to: 9200 Basil Ct., Suite 504
Largo, MD 20774
Attention: P. J. Gardner
pjgardner@co.pg.md.us