



City of Margate

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Legislation Text

File #: ID 2020-455, **Version:** 1

TO: Mayor and City Commission

FROM: Cale Curtis, City Manager

DATE: January 20, 2021

A RESOLUTION OF THE CITY OF MARGATE, FLORIDA, APPROVING AMENDMENT TO THE CITY'S HOME PURCHASE AND REHABILITATION PROGRAM SUBORDINATION AGREEMENT ADMINISTRATIVE POLICY; PROVIDING FOR SUBORDINATION SUBJECT TO EQUITY COVERING THE NEW MORTGAGE AND BALANCE DUE ON THE GRANT LIEN; PROVIDING FOR EFFECTIVE DATE.

BACKGROUND: The City has an existing Administrative Policy, approved by the City Commission (Resolutions 09-562, 10-667, and 16-296), to allow for subordination of the City's grant mortgage liens to a new lender under certain conditions. The current Policy does not allow for removal of equity for debt consolidation, consumer debt, credit card repayment or to receive cash in hand for anything other than repairs to the home.

The proposed amendment to the Policy will provide for subordination to a new mortgage so long as the remaining equity on the home covers the new mortgage and the balance due on the City's mortgage lien. This will allow homeowners who experience unexpected financial situations, such as the impact from COVID-19, medical expenses, etc., to refinance and utilize the equity in the home to meet the needs of their family.

RECOMMENDATION: For approval.

FISCAL IMPACT: none

CONTACT PERSON: Cale Curtis, City Manager