

Subordination Announcement

MOHCD Homeownership Program Announcement 2018-01

Date of Announcement: September 25, 2018

Effective Date: effective immediately

The Mayor's Office of Housing and Community Development (MOHCD) is updating and clarifying the following policies related to BMR DALP subordination.

BMR DALP Subordination

Repayment of the BMR DALP loan may be required on a refinance, if borrower meets one of the following criteria:

- a) Borrower has sufficient liquid funds equal to the total balance (principal and interest/share of appreciation) of the BMR DALP Loan plus three (3) months of housing payments (principal, interest, property taxes, hazard insurance and homeowner's association dues) in reserves; or
- b) Borrower's new monthly mortgage payment will be increased by more than fifteen (15) percent; or
- c) Borrower's new front-end debt-to-income is lower than 28%; or
- a) The term of the new first mortgage is shorter than the period of time remaining on the BMR DALP loan. The BMR DALP loan must be paid off concurrently or prior to the first mortgage is paid off.

All BMR DALP borrowers are required to execute the "Available Funds and Income Affidavit" form. MOHCD, at its sole discretion, may require borrower's full income and assets documentation for verification purposes. Please refer to the BMR DALP Program Manual for more detailed information and requirements.

Subordination Request Package

MOHCD Subordination Request Package 09/2018 has been updated to require the BMR DALP borrowers to submit the "Available Funds and Income Affidavit" form and to reflect the other updates stated above.

Please contact MOHCD Homeownership Programs at 415-701-5500 with any questions regarding this Announcement.