

**PLEASE READ**

**Department of Housing and Economic Development**  
Mortgage and Housing Investments (MHI) Division  
**Owner Occupied Housing Rehabilitation Program**



## **Subordination Policy**

Purpose: To specify the terms and conditions acceptable to the Department of Housing and Economic Development Mortgage and Housing Investments (MHI) Division for approval of subordination requests.

Palm Beach County MHI will only subordinate its position if the current interest rate of the first mortgage is lowered by a minimum of two percentage points or the term of the first mortgage is reduced by a minimum of ten (10) years. Subordination request for other reasons will be considered on a case-by-case basis by the Department of Housing and Economic Development Director.

Palm Beach County MHI **WILL NOT** subordinate its position when the property owner is receiving cash for the sole purpose of paying credit card and other short term debt.

Palm Beach County MHI will secure its interest in the home with a Mortgage, Promissory Note and Declaration of Restrictions, amortized for fifteen **(15) years**. During this time, the property owner must reside on the premises. Should any of the following events occur before the term of the loan expires, the financing received from the **Mortgage and Housing Investments (MHI) Division** becomes due and immediately payable:

1. The property owner defaults on the first mortgage;
2. The house is sold;
3. The house is rented;
4. The house is leased or subleased;
5. The property ceases to be occupied by the owner; or
6. The transfer of title

I have read, and understand the Department of Housing and Economic Development Mortgage and Housing Investments (MHI) Division Subordination Policy.