

PLEASE READ



Department of Housing and Economic Development
Mortgage and Housing Investments
Subordination Policy

Purpose: To specify the terms and conditions acceptable to Mortgage and Housing Investments (MHI) 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 Director of Department of Housing and Economic Development.

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 and Promissory Note. Both are amortized up to 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** 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 Subordination Policy.