



PLANNING & HOUSING DIVISION  
1104 MARTIN L. KING, JR. AVENUE  
LAKELAND, FLORIDA 33805  
Phone 863.834.3360 | Fax 863.834.6266

## Subordination Policy

1. It is the policy of the City of Lakeland not to subordinate its Affordable Housing Liens or Mortgages in most cases.
2. To be considered for special consideration of a waiver of this policy, the lending institution must submit a written request and \$100.00 non-refundable application fee to:  

City of Lakeland, Housing Division  
Attn: Adena Kniss, Housing Rehabilitation Finance Officer  
1104 Martin Luther King, Jr. Avenue  
Lakeland, Florida 33805  
Phone (863) 834-3366  
Fax (863) 834-6266
3. Requests for waiver of the policy must be approved by the Housing Programs Manager.
4. The following documentation must be provided to the Housing Rehabilitation Finance Officer for consideration of waiver:
  - Proof of licensure to do business in the State of Florida.
  - Authorization for Release of Information signed by the homeowner(s). Signatures will be verified.
  - Reason for the subordination request.
  - Supporting documentation as to the validity of the reason.
  - Lender's Good Faith Estimate.
  - Complete terms and conditions of the existing loan and the new loan.
  - Information about payment of taxes and insurance.
  - Copy of appraisal or property valuation information with method of determining same.
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Note: Consideration will not be given to any request for waiver of the subordination policy without this information. Additional information may be required.
5. Requests for waiver will be reviewed and a decision made on a case-by-case basis on such merits as the following:
  - Emergency need arising from a natural disaster.

- Emergency housing repairs which eliminate a threat to the health or safety of the occupants or that eliminate an immediate or imminent danger to the dwelling itself.
  - Refinancing to lower the interest rate on the first mortgage if the closing costs and/or fees can be recovered within four (4) years.
  - There is sufficient property value to support all outstanding mortgages.
  - Refinancing for educational purposes.
  - Refinancing for medical emergencies.
6. Request for waiver will not be considered under the following circumstances:
- The interest rate on the new mortgage exceeds the interest rate of the existing mortgage.
  - The cumulative loan-to-value ratio exceeds 100%.
  - The housing debt-to-income exceeds 33%.
  - The total debt-to-income ratio exceeds 40%.
  - There is cash paid out to the borrower(s).
  - The mortgage lender and applicant fail to provide all required documentation.
7. Additionally, no subordination request shall be approved if it contains any of the following provisions:
- Adjustable-rate mortgage (ARM)
  - Balloon payment(s)
  - Open line of credit
  - Reverse mortgage
  - Prepayment penalty
  - Interest only mortgage
  - Negative amortization
8. The City of Lakeland very rarely agrees to subordinate its affordable housing liens or mortgages. Usually, such consideration is given only for proven hardship. Payment of credit card debt is not a basis for waiver of the City's policy not to subordinate. It is the intent that granting of subordination shall be one time only and shall not include any liens/mortgages recorded subsequent to the City's lien interest. In the rare instance that the city agrees to subordination, it takes a minimum of three weeks to render such a decision to the lender.
9. In the event a subordination request or waiver of this policy is granted, such approval will be conditioned on the terms of the refinanced mortgage, and if any of said terms change, the approval will be rescinded without compensation to the applicant. Further, approval will be for a period of not more than 90 days unless expressly authorized or an extension approved by the Housing Programs Supervisor. If the transaction fails to close within the 90 days, and no extension has been granted, the approved subordination request will expire.