

TOWN OF WINDSOR - OFFICE OF COMMUNITY DEVELOPMENT

SUBORDINATION REQUESTS – POLICIES & PROCEDURES

The Town of Windsor's Office of Community Development has established a procedure, set forth by way of this document, so as to provide a clear process to effectively deal with requests for subordination agreements. The policy is intended to strike a balance between the rights of clients to have reasonable access to the equity in their property with the Town's fiscal responsibility. Subordination requests should be submitted in writing to the Office of Community Development at 275 Broad Street, Windsor, Connecticut 06095. Requests will be evaluated on the basis of the following criteria:

The total value of all loans secured by a subject property should not exceed 90% of the value of the property as determined by the Office of Community Development. The owner(s) must also demonstrate the ability to maintain ownership of the property based on income/expense ratio. The Town may use information on hand, or request updated information in order to make this determination. Subordination requests should include the following:

- 1) A list of encumbrances on the subject property including the total dollar value of same.
- 2) A copy of a current appraisal performed by an appraiser licensed by the State of Connecticut's Department of Consumer Protection, assuming an appraisal is required by the principal lender. If an appraisal is not required by the lender, the Office of Community Development will rely on the Town's assessor's records, adjusted to account for property value fluctuations, to determine the value of the subject property.
- 3) A subordination agreement prepared for execution. If the Office of Community Development agrees to subordinate the Town's interests the subordination document will be executed by James J. Hallisey, Community Development Coordinator acting on behalf of the Town of Windsor. Please prepare the document accordingly. The subordination agreement should include the dollar amount of the loan you are seeking.
- 4) A processing fee in the amount of \$50.00. Please make check payable to "Town of Windsor".

Please note that all requests are subject to the discretion of the Town.

Please allow 7-10 days for processing request. The Office of Community Development may request additional information including current income and expenses if it is deemed necessary to ascertain the security of the Town's interest. This may involve requesting information pertaining to the loan being sought or current income and/or debt. Should you have any questions please contact the Office of Community Development at (860) 285-1984 or (860) 285-1985. Materials can be submitted via e-mail to the Office of Community Development, 275 Broad Street, Windsor, CT 06095.