

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number _____

Meeting Type: Regular

Meeting Date: 3/28/2013

Action Requested By:
Community
Development

Agenda Item Type
Resolution

Subject Matter:

Downpayment Assistance Subordination

Exact Wording for the Agenda:

Resolution authorizing the Mayor to execute a Subordination Agreement between the City of Huntsville and Mortgage Investors Corporation in connection with HOME DAP Funds provided to Howard F. Grimes 2902 Battle Dr. Huntsville, AL 35816.

Note: If amendment, please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

This resolution will allow the Howard F. Grimes to refinance his primary mortgage loan and the City of Huntsville will remain in the second position. Howard F. Grimes received \$5,000 in Community Development Downpayment Assistance (DAP) to assist him in purchasing a single family home. There is no cash out on the loan.

Associated Cost: 0

Budgeted Item: Yes

MAYOR RECOMMENDS OR CONCURS: Select...

Department Head: 

Date: 3/18/13

ROUTING SLIP
CONTRACTS AND AGREEMENTS

Originating Department: Community Development Council Meeting Date: 3/28/2013

Department Contact: Scott Erwin Phone # 256-427-5423

Contract or Agreement: Agreement

Document Name: SUBORDINATION AGREEMENT

City Obligation Amount:

Total Project Budget:

Uncommitted Account Balance:

Account Number:

Procurement Agreements

<u>Select...</u>	<u>Select...</u>
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Grant-Funded Agreements

Federal HUD	Grant Name:
	<u>HOME Investment Partnership Grant</u>

Department	Signature	Date
1) Originating		<u>3/18/13</u>
2) Legal		<u>3/20/13</u>
3) Finance		<u>3/22/13</u>
4) Originating		
5) Copy Distribution		
a. Mayor's office (2 copies)		
b. Clerk-Treasurer (Original & 2 copies)		
c. Legal (1 copy)		

RESOLUTION NO. 13-_____

WHEREAS, the City of Huntsville, Alabama has made funds available, through the City's Downpayment Assistance Program (DAP) to assist Howard F. Grimes with the downpayment for the residence of 2901 Battle Dr. Huntsville, AL 35816.

WHEREAS, there is a need for the City to subordinate its mortgage position.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor of the City of Huntsville is hereby authorized to execute a Subordination Agreement by and between the City of Huntsville, Alabama and Mortgage Investors Corporation on behalf of the City of Huntsville, a municipal corporation in the state of Alabama, which said agreement is substantially in words and figures similar to that certain document attached hereto and identified as "SUBORDINATION AGREEMENT BETWEEN THE CITY OF HUNTSVILLE AND MORTGAGE INVESTORS CORPORATION." consisting of two(2) pages, and the date appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville.

ADOPTED this the 28th day of March, 2013.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 28th day of March, 2013.

Mayor of the City of Huntsville,
Alabama

STATE OF ALABAMA
COUNTY OF MADISON

**SUBORDINATION AGREEMENT BETWEEN THE
CITY OF HUNTSVILLE AND MORTGAGE INVESTORS CORPORATION**

THIS AGREEMENT is made and entered into on this the 28th day of March, 2013 by the **City of Huntsville, Alabama**, (hereby referred to as "City of Huntsville") in favor of **Mortgage Investors Corporation**, its successors and assigns, (hereinafter referred to as "Lender").

WHEREAS, City of Huntsville, Alabama holds a real estate mortgage against **Howard F. Grimes**, a single man (the "Borrower", whether one or more), in the principal amount of \$5,000.00, filed on January 31st, 2011 in Document Number 2011013000061430, in the Office of Madison County Judge of Probate, AL.

Borrower has requested that Lender lend to him/her the sum of **\$65,169.00**, which loan will be evidenced by a Promissory Note in such amount dated executed by the Borrower in favor of the Lender (the "Note"). The Note is secured by a mortgage of the same date as the Note (the "Mortgage"). Lender and Borrower have requested that City of Huntsville execute this Agreement.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City of Huntsville does hereby subordinate the lien and operation of that certain mortgage (and all amendments thereto) recorded in Document Number 2011013000061430, in the Office of Madison County, Alabama Judge of Probate, to the lien and operation of that certain mortgage executed by Howard Grimes, a single man, in favor of Mortgage Investors Corporation in the principal amount of Sixty-One Thousand One Hundred Sixty-Nine and 00/100 Dollars (\$61,169.00) dated and executed April _____, 2013, and recorded in Document Number _____, in the Office of the Madison County, Alabama Judge of Probate.

IN WITNESS WHEREOF, City of Huntsville, Alabama has caused this instrument to be executed on the day and date first above set forth.

Howard F. Grimes, Borrower

**President of the City Council of the
City of Huntsville, Alabama
Date: March 28, 2013**

STATE OF ALABAMA
COUNTY OF MADISON

I, the undersigned authority, a Notary Public in and for said County and State do hereby certify that Howard F. Grimes, a single man, whose name is signed to the foregoing instrument, and who after being duly sworn and informed of the contents of said instrument, he/she executed the same voluntarily on day same bears date, with full power and authority to act for said entity.

Given under my hand and seal this the ____ day of _____, 2013.

SEAL

NOTARY PUBLIC
My Commission Expires: _____

CITY OF HUNTSVILLE

Tommy Battle, Mayor

ATTEST:

Charles E. Hagood
Clerk-Treasurer

STATE OF ALABAMA
COUNTY OF MADISON

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Tommy Battle, Mayor of the City of Huntsville, Alabama and Charles E. Hagood, Clerk-Treasurer, whose names are signed to the foregoing Subordination Agreement and who are known to me, acknowledged before me on this date that, being informed of the contents of this Subordination Agreement, he/she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal of office, this the ____ day of _____, 2013.

SEAL

NOTARY PUBLIC
My Commission Expires: _____