



LAKE COUNTY PLANNING & COMMUNITY DEVELOPMENT

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Lien/ Mortgage Subordination Policy 2013

Requests for a Lien or Mortgage Subordination by Lake County are subject to review by the Lake County Office of Planning and Community Development, and the Board of Lake County Commissioners. It is understood that not all requests shall be honored.

Property and or homeowners that have been assisted with rehabilitation, purchase or mortgage payment in which a lien in favor of Lake County has been given is subject to monitoring by these offices regarding all refinancing requests.

The request to subordinate shall be made by the homeowner(s) or a person or entity with appropriate power of attorney. A signed release of information form must be submitted with the request to subordinate. This release allows the required sharing of personal information between the homeowner (or representative), the county staff and/or official, the mortgage originator, the title company and other named persons or entities.

The purpose for the Lien Subordination must be stated, as well as the closing costs and interest rate for the transaction before consideration may be given. Under no circumstances will a request to 'release and reapply' the Lien be granted.

Lake County will not take less than second position as the holder of a Lien on any property that has been assisted with funds from the Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME) or other grant sources.

Due to CDBG and/or HOME funds being utilized to assist with the rehabilitation, purchase or mortgage payment of a housing unit, the County is obligated to protect its investment of such funds. Therefore, the County will not subordinate its Lien for the purposes of refinancing, which includes the consolidation of credit card debt, "cash back", or other uses not deemed to be in the best interest of the homeowner or the County.

Homeowners may be directed to Fair Housing Resource Center, Inc. for counseling and additional information. That agency can be reached at (440) 392-0147 or www.fhrc.org.

All Subordination of Lien documents shall be created by the institution requesting the subordination from the County. When it has been determined the County agrees to subordinate, the document is to be signed by the President of the Board of Lake County Commissioners and notarized. The refinancing institution is required to record the Subordination of Lien document.