



MEMORANDUM

TO: Community and Economic Development Committee

FROM: Laura Bonnet, Housing Coordinator

DATE: September 23, 2020

RE: Appeal by Sara Nack to Subordination Request Denial

Sara Nack received a loan in 2015 through the Homeowner Rehabilitation Loan Program in the amount of \$10,742.50. This was for work to improve her home at 2630 S. Telulah Avenue.

Sara has recently tried to refinance her mortgage for a lower interest rate, and her lender requested the City of Appleton subordinate our mortgage to the new loan. This request was denied because she no longer meets the income requirements for the program (which our current subordination policy requires).

The current income limit for the Homeowner Rehabilitation Loan Program for a single person household is \$48,400. Sara's current income is \$52,022. If Sara was able to refinance, she would have a lower mortgage with her lender, a lower interest rate, and a lower monthly payment. This would put her in a better financial position to continue making timely payments on her mortgage, as well as put the City's lien in a better position by lowering her first mortgage and increasing her equity.

Staff Recommendation:

The subordination request of Sara Nack allowing her to refinance for a lower interest rate **BE APPROVED.**