

RESOLUTION NO. 07-128

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA, DELEGATING TO THE CITY MANAGER THE AUTHORITY TO EXECUTE MORTGAGE SUBORDINATIONS UNDER CERTAIN CIRCUMSTANCES FOR MORTGAGES GIVEN TO THE CITY BY PARTICIPANTS IN THE CITY'S PURCHASE ASSISTANCE PROGRAM.

WHEREAS, the City Commission of City, at its meeting of December 7, 1993 authorized the implementation of the City of Fort Lauderdale Purchase Assistance Program; and

WHEREAS, the City's Purchase Assistance Program provides very-low and low-income first-time home-buyers financial assistance in the form of funds for down payment or closing costs to aid in the purchase of a home in Fort Lauderdale; and

WHEREAS, by adopting Resolution 00-175 the City Commission established a Loan Subordination Policy that allows participants in the City's Purchase Assistance and Housing Rehabilitation Programs to subordinate the City's mortgage to certain mortgages; and

WHEREAS, City staff would like to expand the City's Loan Subordination Policy to include first-time home buyers who receive short-term construction loans that do not automatically become mortgage loans;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA:

SECTION 1. That the authority to execute construction loan subordinations for mortgages taken from participants in the Purchase Assistance Program is delegated to the City Manager when all of the below-listed criteria are present:

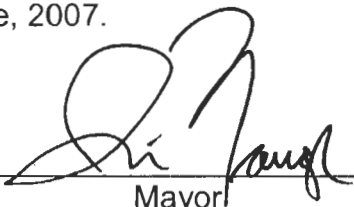
- (a) The combined loan to value ratio does not exceed 95%.
- (b) The mortgage lender is licensed pursuant to Part III of Chapter 494, Florida Statutes.
- (c) The closing costs to convert the construction loan to a mortgage do not exceed 2%.

- (d) The interest rate of the mortgage is no more than two percentage points higher than the interest rate of the construction loan being converted or refinanced.
- (e) The loan term is not greater than thirty years.
- (f) The mortgage is a fixed rate mortgage.
- (g) The property is insured against hazard, flood, and windstorm in an amount sufficient to cover each lender's interests, including the City's interest.
- (h) The annual property tax and property insurance payments will be escrowed for the life of the mortgage.

SECTION 2. Authority for execution of a Loan Subordination Agreement not falling within the criteria listed above requires City Commission approval.

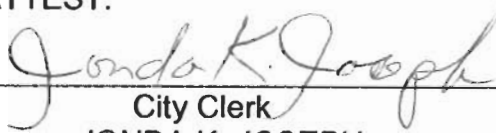
SECTION 3. That the office of the City Attorney shall review and approve as to form all documents prior to their execution by City officials.

ADOPTED this the 19th day of June, 2007.



Mayor
JIM NAUGLE

ATTEST:



City Clerk
JONDA K. JOSEPH