

## Subordination Guidelines and Application

In order to make an informed decision as to whether the URA is willing to postpone our mortgage or judgement lien in favor of another lender, we need the following information:

- Subordination application ([Mortgage Subordination Request](#)) signed by all borrowers
- **Completed** application form with all pertinent information included
- Copy of current appraisal (only if required by lender). Total loan amounts cannot exceed appraised value.

The [Mortgage Subordination Request](#) must be completed and signed by you (the borrower.)

See [Borrower Beware!](#) to get the facts on home equity, mortgage refinancing, and debt equity loans.

You will need [Adobe Acrobat](#) (free download) to view and print these documents.

After you review the Borrower Beware document, if you wish to proceed, we will require the following information from the lending institution or you:

- **Mortgagee clause**
- **Closing Disclosure or HUD 101 Settlement Sheet or Good Faith Estimate**
- **First mortgage payoff letter**
- **Home improvement estimates**
- **Commitment letter from the lending institution confirming the loan terms.**

All property taxes must be current or be brought current at time of loan approval. No cash out is permitted.

As soon as all necessary information is received, we will inform you of our decision. If we agree to a subordination, you will be asked at that time to provide the subordination agreement document for the URA to sign and notarize.

Please note that subordinations are done as a service to you, the borrower, and we are not obligated to do so if it will jeopardize our loan security.

## BORROWER BEWARE

### Get the Facts on Home Equity, Mortgage Refinancing, and Debt Consolidation Loans

Every day, more and more Urban Redevelopment Authority of Pittsburgh (URA) loan customers receive letters or phone calls from companies offering home equity loans, mortgage refinancing, and bill consolidation loans. Some of the offers seem too good to be true; with lower monthly payments, you can buy a new car, take a vacation or put a swimming pool in the backyard.

The truth is some of these offers can cost you thousands of dollars.

**Know the facts: Lenders** make their money from fees and interest. They will sell you on lower monthly payments. You should ask four questions:

1. What fees do you charge?
2. How much are the fees?
3. What is the interest rate?
4. How long will it take me to pay off the loan?

Lenders may ask the URA to subordinate your URA loan to their loan so that they would be paid first if you become unable to pay all your bills.

Generally, the URA **will** subordinate their loans\*\* if you will receive a lower interest rate or shorter loan term AND payments on your taxes and URA loans are up-to-date.

However, the URA **will not** subordinate loans\*\* if the new loan is for:

Purchase of a Car, Boat, Truck  
Bill Consolidation Loans  
Education Costs  
Pay off Credit Card Debt  
Vacation  
Personal Items  
Investments  
Luxury Items  
Cash Out

The URA strives to protect its loan customers and the funds available to continue its programs. Please call the URA at 412-255-6600 (fax: 412-255-6617) to discuss the offer you have been given. The URA will only talk to you - **We do not accept phone calls from lenders.**

**\*\*These are general guidelines. Each request for subordination is reviewed on a case by case basis.**

If requesting loan subordination, please complete the [Mortgage Subordination Request Form](#) and return via e-mail (to [mrobinson@ura.org](mailto:mrobinson@ura.org)) or mail to:

Urban Redevelopment Authority of Pittsburgh  
ATTN: Performance and Compliance Department  
412 Boulevard of the Allies  
Pittsburgh, PA 15219  
Fax: 412-255-6617

**MORTGAGE SUBORDINATION REQUEST FORM**

BORROWER: \_\_\_\_\_

PROPERTY ADDRESS: \_\_\_\_\_

TYPE OF LOAN REQUESTED - PLEASE SELECT THOSE THAT APPLY:

**REFINANCE:** \_\_\_\_\_

**(FIRST MORTGAGE REFINANCE ONLY FOR A LOWER INTEREST RATE)**

ORIGINAL LENDER: \_\_\_\_\_

ORIGINAL 1ST MORTGAGE AMOUNT: \$ \_\_\_\_\_

ORIGINAL 1ST MORTGAGE BALANCE: \$ \_\_\_\_\_ INTEREST RATE: \_\_\_\_\_%

<p><b>TOTAL AMOUNT OF NEW LOAN:</b> \$ _____</p> <p><b>NEW INTEREST RATE:</b> _____%</p>
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**REFINANCE & HOME IMPROVEMENTS:** \_\_\_\_\_

<p><b>FIRST MORTGAGE BALANCE:</b> \$ _____ <b>INTEREST RATE</b> _____%</p> <p><b>HOME IMPROVEMENT AMOUNT:</b> \$ _____</p> <p><b>TOTAL AMOUNT OF NEW LOAN:</b> \$ _____ <b>INTEREST RATE</b> _____%</p> <p><b>*Note:</b> Contractor estimates and/or receipts must be provided. The URA reserves the right to inspect any and all home improvements made upon completion.</p>
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**IMPROVEMENTS: Briefly describe work to be done and attach estimates**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**LOAN CONSOLIDATION INFORMATION:** \_\_\_\_\_

NAME: \_\_\_\_\_ BALANCE: \_\_\_\_\_ RATE: \_\_\_\_\_ %

TOTAL \$ \_\_\_\_\_ RATE: \_\_\_\_\_ %

**REASON FOR LOAN:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please sign below and print your name under your signature.

I have completed the above-referenced information to the best of my knowledge.

\_\_\_\_\_  
**Borrower** Date

\_\_\_\_\_  
**Co-borrower** Date

\_\_\_\_\_  
Your home phone # Your work #

\_\_\_\_\_  
Finance Company Name

\_\_\_\_\_  
Contact Person at Finance Company

\_\_\_\_\_  
Finance Company Phone # Fax #

Please return this completed form via e-mail (to [mrobinson@ura.org](mailto:mrobinson@ura.org)) or mail to:

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ATTN: Performance and Compliance Department  
412 Boulevard of the Allies  
Pittsburgh, PA 15219  
Fax: 412-255-6617