



PLANNING AND DEVELOPMENT

400 LA CROSSE STREET | LA CROSSE, WI 54601 | P: (608) 789-7512 | F: (608) 789-7318

Memorandum

To: Community Development Committee

From: Tara Fitzgerald

Date: April 13, 2021

Re: Subordination Request for Housing Rehab Client #108406

21-0509 Subordination Request

Client #108406 has a housing rehab loan with the city of La Crosse. The rehab project was approved September 28, 2006. The amount of the loan was \$20,865.00. As of 04/13/2021 the loan balance is \$29,628.30. Their current first mortgage is approximately \$44,000 at 6.5% interest with 12.5 years remaining.

The owner is requesting that the City of La Crosse subordinate to a new conventional fixed rate first mortgage by Wells Fargo Bank with the following terms:

- \$49,060 with an interest rate of 3.25% fixed with a term of 30 years.
- \$5,096 in closing costs and escrow to be financed.

2021 Assessed Value	\$ 94,300.00
Proposed Mortgage	-\$ 49,060.00
Remaining Equity in the property	\$ 45,240.00
Housing Rehab loan and interest	<u>-\$ 29,628.30</u>
Remaining Equity in the property	\$ 15,611.70

Staff recommends approving the subordination. The monthly payment is being lowered as is the interest rate, making the mortgage more affordable for the homeowner.

ANDREA TRANE, DIRECTOR OF PLANNING, DEVELOPMENT AND ASSESSMENT
VACANT, ECONOMIC DEVELOPMENT ADMINISTRATOR
TIM ACKLIN, AICP, PLANNING ADMINISTRATOR
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TARA FITZGERALD, PROGRAM COORDINATOR
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