



## PLANNING AND DEVELOPMENT

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

### Memorandum

**To:** Housing Rehabilitation Review Board  
**From:** Housing Rehab Client 120115  
**Date:** 07/12/2016  
**Re:** **Subordination Request**

#### 16-0679 Subordination Request

The owner of 1515 Caledonia Street has a loan with the City of La Crosse in the amount of \$23,737.45 (file in contract with CouleeCap); with interest the total amount due as of 7/12/16 is \$24,073.02.

As of today, she currently has a loan with WHEDA with the following terms:

- \$76,723.00, with an interest rate of **5.75%**, Her current monthly payment is \$700.00, with **292 months remaining**.

The owner is requesting that the City of La Crosse subordinate to a new mortgage, with Altra Federal Credit Union with the following terms:

- \$79,500.00, with an interest rate of **2.85% for 15 years(180 months) fixed**. Total monthly payment of \$814.10.
- They estimate \$2,939.00 in Loan Costs to close on the loan. Owner is bringing cash to close in the amount of \$162.00 to bring closing costs down to \$2,777.00.

Appraised Value (Midwest Professional Appraisal 5/27/16)	\$	98,000.00
Proposed Mortgage	-\$	79,500.00
Remaining Equity in the property	\$	18,500.00
HRP loan and interest as of 7/12/16	-\$	<u>24,073.02</u>

Remaining Equity in the property	-\$	5,573.03
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City Staff recommends approving this subordination as it will allow for the client to lower mortgage interest (less than half of her current rate) and allow her to gain equity in her home at a much faster pace.

JASON GILMAN, AICP, PLANNING & DEVELOPMENT DIRECTOR  
VACANT, PLANNING & ECONOMIC DEVELOPMENT ADMINISTRATOR  
TIM ACKLIN, SENIOR PLANNER - HERITAGE PRESERVATION  
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CAROLINE GREGERSON, COMMUNITY DEVELOPMENT ADMINISTRATOR  
ALAN PAULSON, HOUSING SPECIALIST  
KEVIN CLEMENTS, HOUSING SPECIALIST  
DAWN REINHART, NEIGHBORHOOD HOUSING DEVELOPMENT ASSOCIATE  
TARA FITZGERALD, FEDERAL PROGRAMS ACCOUNTING TECHNICIAN