



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: February 9, 2021

Re: Subordination Request for Housing Rehab Client #103904

21-0164 Subordination Request

Client #103904 has a housing rehab loan with the city of La Crosse. The rehab project was approved June 3, 2004. The amount of the loan was \$4018.00. As of 02/09/2021 the loan balance is \$6,007.41. Their current first mortgage approximately \$57,000 at 4.625% interest with 23 years remaining.

The owner is requesting that the city of La Crosse subordinate to a new conventional fixed rate first mortgage by Governmental Employees Credit Union with the following terms:

- \$60,500 with an interest rate of 2.875% fixed with a term of 30 years.
- \$3,484 in closing costs and escrow to be financed.

2021 Assessed Value	\$ 145,000.00
Proposed Mortgage	-\$ 60,500.00
Remaining Equity in the property	\$ 84,500.00
Housing Rehab loan and interest	<u>-\$ 6,007.41</u>
Remaining Equity in the property	\$ 78,492.59

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

ANDREA TRANE, DIRECTOR OF PLANNING, DEVELOPMENT AND ASSESSMENT
 TIM ACKLIN, AICP, SENIOR PLANNER
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