



The Commission on Affordable Housing's Subordination Policy

Purpose: To specify the terms and conditions acceptable to the Commission on Affordable Housing (CAH) to approve a subordination request.

Palm Beach County will only subordinate its position if the current interest rate of the first mortgage is lowered by a minimum of two percentage points or the term of the first mortgage is reduced by a minimum of ten **(10) years**. Subordination request for other reasons will be considered on a case-by-case basis by the Director of Housing and Community Development.

Palm Beach County will not subordinate its position when the property owner is receiving cash for the sole purpose of paying credit card and other short term debt.

Palm Beach County will secure its interest in the home with a Mortgage and Promissory Note. Both are amortized over thirty (30) years. During this time, the property owner must reside on the premises. Should any of the following events occur, before the term of the loan expires, the financing received from the CAH becomes due and immediately payable if:

1. The property owner defaults on the first mortgage;
2. The house is sold;
3. The house is rented;
4. The house is leased or subleased; and
5. The property ceases to be occupied by the owner as the primary residence during the term of the loan.

I have read and understand the CAH's Subordination Policy.

Signature

Signature

Date