



# City of Grand Island

Tuesday, December 03, 2002

## Council Session

### Item G6

#### **#2002-375 - Approving Subordination Agreement for Property at 931 North Lambert Street**

*The City of Grand Island has a Real Estate Lien on property owned by Kimberly S. Anderson, 931 North Lambert Street. Ms. Anderson purchased our first handicap accessible home. Down payment assistance in the amount of \$16,831.30 was provided through the City's Community Development Block Grant Program. The down payment is forgiven at a rate of 10% per year. Ms. Anderson is refinancing her home loan to obtain a lower interest rate, and subsequently, lower monthly payment.*

*The lender on the new Deed of Trust is United Nebraska Bank; her lien will be \$56,300. The assessed valuation is \$77,454. The amount of the City's lien is currently \$13,465. The appraised value of the total property is sufficient to secure both loans. The City also has a Deed of Trust in the amount of \$9,000 that is in third place but only due if the property is sold and the profit from the sale is enough to pay the \$9,000. These funds were provided by the Affordable Housing Trust Fund to provide for the infrastructure of the subdivision. In the event the Affordable Housing Trust is no longer in existence at the time the home is sold, the \$9,000 is forgiven.*

*Approval of the subordination agreement is recommended.*

Staff Contact: Cindy Johnson

R E S O L U T I O N   2002-375

WHEREAS, the City of Grand Island, is the lender and secured party of a Note and Real Estate Lien dated December 15, 2000 and recorded on December 15, 2000 as Instrument No. 0200010899 secured by property owned by Kimberly S. Anderson, said property being described as follows:

Lots 1, Lincoln View Estates Subdivision, in the City of Grand Island, Hall County, Nebraska.

WHEREAS, Kimberly S. Anderson wishes to execute a Deed of Trust and Note in the amount of \$56,300 with United Nebraska Bank to be secured by the above-described real estate; and

WHEREAS, the new lender, United Nebraska Bank, Beneficiary, wishes to extend the new loan secured by a Deed of Trust conditioned upon the City subordinating its Note and Real Estate Lien to their lien priority; and

WHEREAS, the value of the above-described real estate is sufficient to adequately secure both loans.

WHEREAS, the requested subordination of the City's lien priority is in the best interests of all parties.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Mayor is hereby authorized and directed to execute an agreement subordinating the lien priority of the above described Note and Real Estate Lien from Kimberly S. Anderson, to the City of Grand Island, as beneficiary to that of the new loan and Deed of Trust of United Nebraska Bank, Beneficiary, as more particularly set out in the agreement.

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Adopted by the City Council of the City of Grand Island, Nebraska on December 3, 2002.

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RaNae Edwards, City Clerk

Approved as to Form November 27, 2002	_____ City Attorney
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