



Down Payment Assistance Program

Subordination Request Policy

On occasion the Town of Normal receives requests from Lenders to subordinate the Town's mortgage lien to a new or second lender. This policy outlines the current practices of the Town of Normal with regard to subordination requests.

The Town may agree to subordinate its mortgage lien under the following circumstances:

1. The Lender seeking the subordination agreement agrees in writing to pay off the underlying first mortgage, to obtain a release of the first mortgage and to file the release of the underlying mortgage in the McLean County Recorder of Deeds Office.
2. The Borrower is not in arrears on any payment due to the Town of Normal.
3. The Borrower is not in arrears on any payment due on their first mortgage.
4. The Borrower resides in the property and intends to continue to reside in the property for the duration of the Town's mortgage.
5. The refinancing of the property is a "straight" refinancing with no cash back to the Borrower, and the amount due on the new mortgage, after addition of fees and costs, does not exceed the original amount of the first mortgage.

This policy is not a promise that the Town of Normal will agree to subordinate its mortgage interest at any time, and this subordination policy creates no rights to the Borrower or to the Lender, nor does this policy obligate the Town of Normal in any respect. This policy is subject to change at any time.