

REFINANCING AND SUBORDINATION OF A HOUSING REHABILITATION PROGRAM LOAN

(INFORMATION FOR *HOMEOWNERS*)

Units that have received a loan as part of the City of Hayward Housing Rehabilitation Program (also referred to as the Housing Conservation Program) require City written approval in order to refinance. If the refinance is approved, the City will provide your chosen Lender with an approval letter. You will then have to submit a Subordination request. The information provided below is meant to inform Homeowners who wish to refinance about the information the City will require from the Lender and Escrow Officer who will be handling your refinance. It is very important that Homeowners request that their chosen real estate professionals contact abel.mora@hayward-ca.gov for refinance requests as soon as possible in order to ensure timely close of escrow.

Please note: Homeowners who wish to refinance must work with a Lender that works **with a third-party escrow company unaffiliated with the Lender**. An example of a Lender that **does not** work with a third-party escrow company is *Quicken Loans* as their escrow services are handled in-house. This means Homeowners would not be able to work with *Quicken Loans* to refinance their HRP unit. This is because the City is unable to deposit City documents required for the refinance with the Lender who would be a party to the refinance transaction.

SUBMITTING A REFINANCE REQUEST

Homeowners who wish to refinance their home should have their real estate professionals e-mail abel.mora@hayward-ca.gov.

LENDER

Your Lender needs to provide the City with the documents below:

1. 1003 - signed by Borrowers
2. 1008
3. Credit Report
4. Loan Estimate
5. Anticipated closing date
6. Subordination request (*in writing to the City of Hayward – Community Services Division*)
7. Vesting for trustor, trustee, and beneficiary of new Loan as it will appear on new Deed of Trust and Note

ESCROW OFFICER

Your Escrow Officer needs to provide the City with the documents below:

1. Preliminary report
2. Payoff demand letter
3. Estimated Closing Settlement Statement

4. Prepaid shipping label so City documents can be deposited directly into escrow

Subordination

The Lender must provide a request in writing to abel.mora@hayward-ca.gov requesting subordination no later than three (3) business days from the date of approval of the refinance on the approval letter but if the Lender knows that subordination will be required, it is recommended that the Lender make a request as soon as possible.

Signed in Counterpart. Lender/Broker **must** work with a third-party escrow company. Documents must be signed in counterpart and deposited with third-party escrow prior to close.

PROOF OF PROPERTY INSURANCE

Homeowners must maintain a standard all risk property insurance policy equal to the replacement value of the Home naming the City as an additional insured and loss payee. The City requires proof of property insurance when a homeowner refinances.

Timeline:

- The estimates given are general timelines. Please be advised that lender/broker/escrow delays responding to the City's requests for information/documents can increase these timelines.
- The City will require seven (7) business days from the date of receipt of the refinance documents to review and approve.
- If the City approves the refinance request, we will then require a minimum of 15 business days from date of refinance approval or from date of lender's subordination request, **whichever is later**, to route the paperwork for signature and deposit in escrow. Timelines may be extended due to the COVID-19 shelter-in-place restrictions.
- Please adjust your escrow closing date accordingly to accommodate these timeframes.

QUESTIONS ABOUT REFINANCE

For general questions, please e-mail abel.mora@hayward-ca.gov