

Date:

Borrower Name:

Coborrower Name:

Property Address:

FHA Case Number:

ISN CORPORATION (ISN) has been engaged as the loan servicer for the U.S. Department of Housing and Urban Development (HUD). We've received your request for a subordination of this Nehemiah loan.

It is important that the following conditions are met and that the borrower(s) is/are aware of the following information before executing a subordination agreement:

1. The mortgagor **must not** receive a cash out from the new loan.
2. The amount of mortgage is restricted to the following items: (not to exceed the original mortgage amount.)
  - a. Unpaid principal balance
  - b. Current interest due
  - c. Delinquent interest
  - d. Closing costs and refinancing charges
3. If a decision is made to subordinate the HUD lien to a lesser position, a subordination agreement must be drawn up, signed, and notarized according to HUD's instructions.
4. If HUD agrees to subordinate its lien, a new payoff amount would be calculated when the property is sold and/or a request is submitted to satisfy the lien in the future.

To review your request, please be sure to provide all of the following items. Missing or incomplete documents may result in declining your request:

1. Cover letter with your company's letterhead requesting the subordination;
2. The borrower(s) loan application and income verification;
3. A copy of the Loan Estimate (LE) based on the projected expenses the mortgagor will incur based on the Closing Disclosure (CD);
4. Existing primary mortgage information:

**ISN Corporation – Western Operations Center**

2000 N Classen Blvd Suite 3200

Oklahoma City, OK 73106

Toll Free: 1-833-SEC-HELD

Fax: 1-405-724-7800

[www.isncorp.com](http://www.isncorp.com)

- a. Loan Type;
  - b. Loan Purpose;
  - c. Loan Term;
  - d. Original Amount;
  - e. Monthly Payment;
    - i. Principal, Interest, etc.
  - f. Any additional loan terms
5. Payoff statement from existing lender.
6. New 1<sup>st</sup> mortgage information to include (type of loan (FHA, Conventional, etc.), original amount, rate, term, monthly principal & interest payment, other terms (balloon, etc.). (Ensure the new loan amounts accounts for any MIP.)
7. Uniform Residential Appraisal Report, Fannie Mae Form 1004 (unless the refinance is an FHA Streamline without an appraisal, if so, indicate on your submittal). HUD will not accept Fannie Mae Desktop Underwriter Quantitative Analysis Appraisal Report, Fannie Mae Form 2055. Totals of the new 1<sup>st</sup> mortgage and the Nehemiah second mortgage cannot exceed the appraised value of the property.
8. A drafted Subordination Agreement that is in compliance with state laws and in the format acceptable by the county in which it will be recorded in. The Subordination Agreement must include the:
- a. Interest rate of new mortgage;
  - b. Amount to be refinanced;
  - c. HUD's original mortgage amount;
  - d. HUD's recording reference information; and
  - e. The Subordination Agreement must be signed and notarized by both the mortgagor and the lender prior to submission. It must also include a blank section or an additional page for HUD's representative's signature and notarized.
9. Shipping label to be used to return the executed subordination agreement.

**The following statement must be reviewed and signed by the borrower(s)**

I am requesting a subordination of my Nehemiah Housing Opportunity Grant Program second mortgage held by HUD.

I understand that the payoff amount will be due and payable at a later date.

If HUD agrees to subordinate its lien, a payoff amount would be calculated when the property is sold and/or a request is submitted to satisfy the lien in the future.

I certify that I am financially unable to pay the Nehemiah payoff amount at this time.

Borrower:

Coborrower:

Date:

Along with this form, the complete package must include all documents specified. The complete package may be sent via mail, e-mail, or fax.

**Overnight Mail:**

ISN Corporation – Western Operations Center  
Attention: Secretary Held Loan Serving  
2000 N Classen Blvd Suite 3200  
Oklahoma City, OK 73106

**E-Mail:**

PCSubordinations@hud.gov

**Fax:**

405-724-7800

Sincerely,

ISN Corporation

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Oklahoma City, OK 73106  
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