



Alpena County Home Improvement Program

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MEMORANDUM

DATE: November 12, 2025
TO: Alpena County Facilities, Capital & Strategic Planning Committee
FROM: Nicki Janish
SUBJECT: Request to Subordinate Existing Home Improvement Loan #005-03-HI

MESSAGE: I have received a request by a homeowner and her financial institution to subordinate on a Home Improvement Loan that she has with our program. Per our policy on subordination agreements, they are reviewed on a case-by-case basis and are considered when:

1. We are not already in a first mortgage position.
2. The purpose of the request is to allow refinancing of an existing mortgage for rate and/or term improvement.
3. No new debt is being incurred.
4. The total amount of all liens against the property (including our loan) does not exceed 80% of the value of property based on a current appraisal.
5. The new request is NOT for a reverse mortgage.

I have received the request for subordination, along with an appraisal dated November 4, 2025, and the loan summary for the refinance from the financial institution. All of the above contingencies have been met. The current value of this property is \$160,000. The amount of our loan is \$32,987.00, and the amount of the refinance is \$32,000.00, for a total of all liens in the amount of \$64,987.00, which falls well below 80% of the value of the property allowed per our guidelines.

This homeowner is under a deferred mortgage with our program at 0% interest, with payment only due if the homeowner dies, sells the home, or ceases to reside full time in the home. Agreeing to subordination does not change our position in any way and would, in fact, be detrimental to the homeowner's efforts to make a wise financial decision for herself. Future loan payoffs allow the Home Improvement Program to operate and assist homeowners for years to come, and it is for all of these reasons, that I would recommend and ask for approval to grant this request.

Respectfully Submitted,



This Institution is an Equal Opportunity Provider
Hearing Impaired and/or Disabled Applicants Can Call
Michigan Relay System Text Telephone
1-800-649-3777

