

Franklin Township

Somerset County, New Jersey



How to Submit a Request for a Housing Rehabilitation Mortgage Subordination

Municipal Building
475 DeMott Lane
Somerset, NJ 08873
732.873.2500
Fax: 732.873.0844
www.franklintwpnj.org

If you are the recipient of a housing rehabilitation loan from the Community Development Block Grant Program or the Township Affordable Housing Trust Fund and are seeking to subordinate your mortgage the following instructions have been prepared to guide you through the process:

1. The Subordination of Housing Rehabilitation Mortgage Authorization Form and all materials outlined in the Checklist for Subordination of Housing Rehabilitation Mortgage shall be submitted to the Township by the Borrower's Authorized Representative. **Please note the Township will respond only to the Borrower's Authorized Representative as indicated on the Subordination of Housing Rehabilitation Mortgage Authorization Form.** The Subordination of Housing Rehabilitation Mortgage Authorization Form, Checklist for Subordination of Housing Rehabilitation Mortgage and a draft Subordination Agreement are posted on the Township website (<https://www.franklintwpnj.org/government/departments/planning-zoning/affordable-housing>) and are available in hard copy form from the Township Department of Planning and Zoning.
2. The Township will respond in writing to the Borrower's Authorized Representative within 15 business days of approval or denial of the requested action.
3. After the Subordination Agreement is executed by the Township it will be mailed by the Township to the Borrower's Authorized Representative. Once the Subordination Agreement is executed by the Township it may not be altered in any way.
4. The Borrower's Authorized Representative shall have the executed Subordination Agreement filed with the County Clerks Office and shall provide the Township with proof of such filing.

Conditions for Acceptance of Subordination Requests

1. The homeowner is refinancing the first mortgage to lower the current note interest rate and/or change the note term, either of which would be of economic benefit to the borrower.
2. The homeowner will not receive funds/cash because of the transaction. Fees incurred to refinance is an allowable expense.

3. The subordination of the CDBG or Township Affordable Housing Trust Fund loan and proposed loan for the property must equal less than 95% of the appraised value of the property.
4. Mortgage discharge is required for all other conditions.

Where to submit the completed forms:
Mark Healey, Director of Planning
Township of Franklin
Department of Planning & Zoning
475 Demott Lane
Somerset, NJ 08873

Questions can be directed to:
Mark Healey, Director of Planning
mark.healey@franklinnj.org
732-873-2500 Ext. 6271