

**SEAGO**  
**Rural Homepurchase Assistance Program**  
**118 Arizona Street**  
**Bisbee, Arizona 85603**

## **RHAP SUBORDINATION REQUESTS FOR LIENS PRIOR TO 1/1/04**

The SouthEastern Arizona Governments Organization (SEAGO) administers the Rural Homepurchase Assistance Program (RHAP), from a grant received by the Arizona Department of Housing.

The program will subordinate our lien position to a new first mortgage for a refinance to a lower rate and payment only. Only 30 year, fixed rate loans are eligible; and taxes & insurance must be impounded. Increases in payment, reduction in term; cash out or payoffs of any kind will require repayment of the RHAP lien. All closing costs and loan terms are reviewed, and subject to requests for additional documentation by this agency, in order to determine the best loan available for the borrowers.

In order to process requests for subordination of current RHAP liens, your request must be sent to SEAGO. The provisions of the assistance outlined by the State of Arizona, who funds this program, allows this agency to review all subordination requests as a lender would, to determine continued affordability to the homeowners, and to determine risk of our lien position. Our office will review the documentation and forward to the Department of Housing, if necessary, for final approval. In addition, we now require a meeting with the client to review the terms of the new loan.

If approved, SEAGO will prepare any necessary paperwork and forward to the title company, upon receipt of a pre-audit of the settlement statement. This process takes approximately 3 weeks from receipt of a complete package from the lender.

The following paperwork is required to process all requests for subordination:

- 1) Current appraisal for property
- 2) 1003 application for new loan
- 3) 1008 Transmittal Summary or MCAW for new loan
- 4) Good Faith Estimate for new loan
- 5) Copy of payoff statement for current first mortgage
- 6) Copy of current credit report
- 7) Letter from new lender, on letterhead, outlining
  - a. old loan amount, type, interest rate & term, pre-payment penalty, if any, and
  - b. new loan amount, type, interest rate & term, pre-payment penalty, if any, and purpose of refinance, signed by loan processor or underwriter