

COUNTY OF MILWAUKEE

INTEROFFICE COMMUNICATION

DATE: July 1, 2016

TO: Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by James Mathy, Housing Administrator, Housing Division

SUBJECT: **Report from the Director, Department of Health and Human Services, requesting approval to enter into an agreement to subordinate a Milwaukee County Home Repair lien on a residential property located at 6441 N. Garden Grove Road in Glendale**

Issue

The Milwaukee County Housing Division is requesting approval to enter into an agreement to subordinate a county Home Repair lien to allow the property owners to refinance a first mortgage.

Background

Alan and Cristin Hildenbrand received a \$19,500 Home Repair loan in June of 2014 for repairs on their home located at 6441 N. Garden Grove Road in Glendale. Mr. and Mrs. Hildenbrand are asking that the County, currently in second lien position, to subordinate its lien in order to refinance a first mortgage. Refinancing the existing first mortgage would automatically move the County's lien into first position. The new lender requests to hold first position.

Subordination of liens can be granted either administratively by the Housing Division or by County Board approval. Mr. and Mrs. Hildenbrand do not meet the qualifications for an administrative subordination because they are seeking to take \$59,155 in cash out as part of their refinancing. For this reason, the Housing Division is seeking approval from the County Board to enter into an agreement to subordinate the lien.

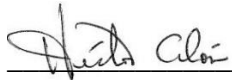
An appraisal indicates there is sufficient equity in the property to protect the County's lien (total debt after refinancing of \$188,000 under a current appraised value of \$235,000). The clients have a good payment record on their County loan and property taxes are current.

Recommendation

Staff recommends approval of the request for subordination.

Fiscal Effect

Approval of the request would have no fiscal impact. No additional funds would be expended or received.



Héctor Colón, Director
Department of Health and Human Services

cc: County Executive Chris Abele
Raisa Koltun, County Executive's Office
Kelly Bablitch, County Board
Teig Whaley-Smith, Director, DAS
Steve Kreklow, Director, Office of Performance, Strategy & Budget
Lisa Wozny, Budget Analyst - DAS
Steve Cady, Research Director, Comptroller's Office
Katarina Lucas, Research & Policy Analyst – Comptroller's Office