Today’s Date

Mr. Craig Nakamoto

Executive Director

547 Queen Street

Honolulu, Hawaii 96813

Dear Mr. Nakamoto,

Re: **SECOND MORTGAGE** Subordination Request for Project Name, Address, Unit Number

I/We, Owner Name(s), am/are the owner(s) of Project Name, Unit Number, a Reserved Housing Unit with Reserved Housing Restrictions. I/We would like to request the Hawaii Community Development Authority subordinate its Equity Sharing Payment in order to obtain a second mortgage (Second Mortgage). I/We understand the HCDA will only approve requests for a Second Mortgage under the following conditions:

1. The maximum allowable Second Mortgage amount will be limited to the Original Sales Contract Price plus Any Partial Shared Equity Payments minus the Remaining Mortgage, and

2. The total allowable First Mortgage plus Second Mortgage cannot exceed the current City and County of Honolulu property tax assessed value, if the current property tax assessed value is less than the Original Sales Contract Price.

The details for the subject Reserved Housing Unit and the calculation for the maximum allowable Second Mortgage are as follows:

|  |  |
| --- | --- |
| **Reserved Housing Unit Details** | |
| **Original Fair Market Value** | $ |
| **Original Sales Contract Price** | $ |
| **Equity Sharing Payment Amount Due** | $ |
| **Current Remaining Mortgage Balance (Principal)** | $ |
| **Current Tax Assessed Value**  *Note: If the current value is less than the original sales contract price, then condition #2 above applies.* | $ |

|  |  |
| --- | --- |
| **Maximum Allowable 2nd Mortgage Calculation**  *(Original Sales Contract Price + Prepaid Equity Sharing Amount)*  *– Current Remaining Mortgage* | |
| **Original Sales Contract Price *OR* Current Tax**  **Assessed Value if Condition #2 applies** | $ |
| **+ Prepaid Equity Sharing Amount (if any)** | $0 (only change this number if you have **prepaid** shared equity) |
| * **Current Remaining Mortgage (Principal)** | $ |
| **= Maximum Allowable 2nd Mortgage Amount** | $ |

|  |  |
| --- | --- |
| **Requested 2nd Mortgage Loan Details** | |
| **Lender** |  |
| **Requested 2nd Mortgage Loan Amount**  *Note: Cannot exceed maximum allowable amount* | $ |

Thank you for your time and consideration in this request. Please let me know if you have any questions.

Sincerely,

***Signature***

Owner Name

Contact Information

ATTACHMENTS: (ALL MUST BE INCLUDED WITH REQUEST LETTER TO START PROCESS)

Unit Deed

Unilateral Declaration

Preliminary Title Report

Current Mortgage Balance Statement (balance must match the number in table above)

Current Tax Assessment