

**LAFAYETTE TOWNSHIP
SUSSEX COUNTY, NEW JERSEY**

RESOLUTION 2021-38

RESOLUTION TO SUBORDINATE LIEN HELD BY THE TOWNSHIP

WHEREAS, in March 2016 the Township advanced the sum of \$14,300.00 to Mario Bonito and Caroline Bonito (“Bonito”) to cover certain costs to rehabilitate the Bonito Property pursuant to the Township of Lafayette Municipal Housing Rehabilitation Program; and

WHEREAS, a lien in the amount of **\$14,300.00** to secure the advance was placed on the Bonito Property, located at 41 Snover Road, Lafayette, New Jersey 07848, known as Block 27, Lot 5.01 on the Lafayette Township Tax Map (the “Property”); and

WHEREAS, Bonito has advised the Township that they are destitute and require a reverse mortgage loan to be placed on their Property to pay for, among other things, repairs to their home so as to make it habitable, and to pay municipal taxes; and

WHEREAS, in support of the initial loan, Bonito furnished Lafayette with a written appraisal prepared by MJ Appraisal Associates, LLC indicating the Property had an appraised value of \$375,000.00, to support funding of the rehabilitation of their home; and

WHEREAS, the Bonito’s initial reverse mortgage company, Family First Funding, LLC, 215 Main Street, Suite 2A, Toms River, New Jersey 08753 (the “Lender”), insisted that the Township’s lien be subordinated to a first mortgage held by the Lender in the amount of \$562,500.00 and a condition precedent to funding the loan to Bonito; and

WHEREAS, Bonito has now secured a new commitment from Reverse Mortgage Funding, LLC (“RMF”), with offices located at 1455 Broad Street, Second Floor, Bloomfield, NJ 07003. RMF has issued a commitment to Bonito to satisfy the *existing* reverse mortgage and to comply with the requirements of The Commissioner of Housing and Urban Development (“HUD”) by issuing new funding in the amount of **\$832,500**; and

WHEREAS, at the request of the FHA, Epic Appraisal Group appraised the subject property at \$555,000 by appraisal dated April 13, 2021; and

WHEREAS, the mortgage loan made by RMF, together with the second mortgage given to HUD (each lien is in the same amount of \$832,500), which amount represents one and one-half times the appraised value of the Property, thus exceeding the appraised value, therefore requiring the subordination of the Township lien under the Township’s Housing Rehabilitation Program; and

WHEREAS, the Township has been advised by its attorney and its COAH Planner that it may continue to subordinate its lien pursuant to the Township’s Affordability Assistance Program; and

WHEREAS, the Township approved this resolution by unanimous vote at its regularly scheduled Township Committee meeting of Tuesday, July 6, 2021, and reaffirmed this resolution at its regularly scheduled meeting of August 3, 2021.

NOW, THEREFORE, Township of Lafayette, Sussex County, New Jersey hereby authorizes the Township attorney to deliver a subordination instrument to the Lender and to record the subordination in COAH(s) tracking and monitoring system as Affordability Assistance.

CERTIFICATION

Certified as a true copy of a Resolution adopted by the Lafayette Township Committee, Sussex County, New Jersey at a meeting held on August 3, 2021.

AnnaRose Fedish, RMC
Municipal Clerk