

**SUMTER COUNTY BOARD OF COMMISSIONERS
EXECUTIVE SUMMARY**

SUBJECT: State Housing Initiatives Partnership (SHIP) Program request to accept an offer to satisfy a second mortgage lien.

REQUESTED ACTION: Staff recommends approval

Work Session (Report Only) **DATE OF MEETING:** 09/25/12
 Regular Meeting Special Meeting

CONTRACT: N/A Vendor/Entity: Housing Subsidy
Effective Date: Termination Date: _____
Managing Division / Dept: Building - Housing Services

BUDGET IMPACT: \$ 0.00
 Annual **FUNDING SOURCE:** SHIP 11/12
 Capital **EXPENDITURE ACCOUNT:** N/A
 N/A

HISTORY/FACTS/ISSUES:

The SHIP (State Housing Initiatives Program) grant is through a dedicated trust fund for housing. The funds are distributed through the Florida Housing Finance Corporation and are based on revenues from Documentary Stamps for all approved counties and entitlement cities in Florida.

The funds are used for various housing projects, including rehabilitation of substandard homes, down payment and closing costs (DPCC) and emergency repair. Rehabilitation and emergency repair strategies are for applicants who currently own and occupy the residence. Down payment and closing costs are for applicants who are first time homebuyers and will occupy a unit.

Justin Watson received down payment and closing cost assistance in the form of a purchase money second mortgage totaling \$5,000.00 on February 17, 2006. On August 5, 2010, Suntrust bank filed to begin the foreclosure process due to default on the first mortgage. The last payment received from Mr. Watson on his SHIP second mortgage was August 13, 2010 and the current outstanding balance is \$3,157.48. A potential buyer has agreed to purchase the property and executed a short sale contract with the approval of Suntrust bank. To prevent the property from going into foreclosure, Mr. Watson has requested Sumter County accept \$1,578.74, half of balance owed, to satisfy the second mortgage which will be required to sell the property. If the property continues in foreclosure, Housing Services will not receive any future payments on this default account.

Staff will be required to supply a letter stating the offer has been accepted at the time of closing. After payment is received, a satisfaction of mortgage will be prepared and approval to execute the document will be requested. Housing Services will have the document recorded and it will be given to the closing agent.

Staff is requesting approval to accept the offer of \$1,578.74 to satisfy Mr. Justin Watson's second mortgage lien.
