

# REQUEST FOR BOARD ACTION

## HENDERSON COUNTY

### BOARD OF COMMISSIONERS

**MEETING DATE:** 20 July 2016

**SUBJECT:** HOME Funds (Owens)

**PRESENTER:** Charles Russell Burrell/Amy Brantley

**ATTACHMENT(S):** None

#### **SUMMARY OF REQUEST:**

At its November 7, 2015, meeting, this Board allowed the borrower in a 2001 home rehabilitation loan, Ms. Shirley Owens, to refinance her first mortgage by, in effect, subordinating the 2001 home rehabilitation loan to her new mortgage.

Since that date, Ms. Owens has provided documentation to the County that her 2001 loan documents (**not** form documents and **not** drafted by county personnel) are ambiguous regarding the duty to actually repay the loan, versus a duty to live in the benefitted structure for a period of ten years. Some of the repayment provisions appear to be in conflict with the program under which the loan was made (loans intended for rehabilitation of primary residence of borrower, who committed to live in the residence for ten years, at which point the “loan” was to be forgiven).

Ms. Owens has resided in the rehabilitated structure for all of the time since the 2001 loan. As Ms. Owens’ loan document is ambiguous – in some places calling for repayment, in others talking about the ten year residence obligation – County staff recommends reforming the documents to be in conformity with the underlying (Federal) program, and forgive the remaining indebtedness.

County staff will be present and prepared if requested to give further information on this matter.

#### **BOARD ACTION REQUESTED:**

Waive further repayment of the 2001 Home program rehabilitation loan to Ms. Owens.

If the Board is so inclined, the following motion is suggested:

***I move that the Board waive any further repayment of this loan as reflected in the agenda item.***