Subordination Requests for Conservation & Solar Loans

The PUD administers a loan program for residential customers to install conservation measures and solar systems to their homes. To protect the PUD’s investment, a lien in the form of a second mortgage is placed on the property of participating homeowners. Lenders periodically request a loan subordination. When approving such requests, the PUD will agree to subordinate its position when the PUD’s security is not reduced and the borrower’s current credit worthiness is sufficient.

The PUD approves requests under the following conditions:

a) If the customer is refinancing for an interest rate, term, or similar change; and there is no cash back to the customer (closing costs are not included in this calculation), and where the new mortgage plus any other existing mortgages, including the PUD’s loan, is 90% or less of appraised value, AND, the applying customer’s electric account and loan account payments are current and have no credit points (exception may be allowed by management),

OR

b) Where the customer’s refinance results in an increased indebtedness AND the new loan to value (including all PUD loans) is no greater than 80% AND where the customer’s refinancing results in cash back to the customer, the customer must pay down the PUD loan amounts. If the loan is not entirely paid off then the applying customer’s electric account and loan account payments must be current and have no credit points (exceptions may be allowed by management).

“Cash back” includes any and all funds that are granted to the customer or applied to any customer debt, other than what was recorded prior to the PUD’s lien. Any funds applied to a non-recorded debt, such as credit cards, lines of credit, or personal loans, are considered “cash back” regardless of when the debt was accrued.

Exceptions to this policy may be granted by the PUD Senior Auditor/Controller per Addendum.

In order to process a request for subordination, please provide the following:

1. Signed Borrower’s Certification/Authorization
2. A $50.00 check payable to “Snohomish PUD” (for non-refundable application fee)
3. Completed Snohomish PUD “Request for Subordination” form (see next page)
4. Current title report (Schedules A & B)
5. Current property appraisal or lender valuation
6. Prepaid Airbill or return envelope indicating where to send completed subordination

Send complete requests to the following address:

Snohomish County PUD
Attn: Residential Energy Services MS E2
P. O. Box 1107
Everett, WA 98206-1107

For express delivery or delivery in person: 2320 California Street, Everett WA, 98201

We will handle your subordination as quickly as possible; however, please allow two weeks for the PUD to complete the process. Incomplete requests may cause processing delays and take longer. If you have any questions, please call (425) 783-1757, or toll free at 1-877-783-1000, extension 1757.
REQUEST FOR SUBORDINATION
To the Public Utility District No. 1 of Snohomish County (the PUD):

IMPORTANT: Please read subordination requirements before sending request.

PUD LOAN # ____________________________
_________________________ has been requested by ____________________________ to make a loan to ____________________________

Owners ____________________________
owners that will be secured by a ____________________________ on real property

belonging to owners, which is described as follows:

Common address: ____________________________

Snohomish/Island County Tax Parcel # ____________________________

This request is supported by the following disclosure:

The amount of the loan to be made by the lender is $ ____________________________.

The proceeds of the loan will be disbursed as follows:

1. Payment of outstanding balances of the following existing loans secured by the property:

   Lender ____________________________ $ ____________________________

   Lender ____________________________ $ ____________________________

2. Closing costs: $ ____________________________

3. Customer Deposit: $ ____________________________

4. Balance to be disbursed to the other creditors and to the owners: $ ____________________________

The undersigned certifies that the above information is true and accurate, and understands that this disclosure is for the purpose of securing a Subordination Agreement from the PUD.

Authorized Representative of Lender ____________________________ Date ____________________________

Contact Name ____________________________ Phone Number ____________________________

Please send this form, $50.00 application fee, and other documents to:
Snohomish County PUD, Attn: Residential Energy Services (E2), PO Box 1107, Everett, WA 98206-1107 (For express delivery or delivery in person: 2320 California Street, Everett WA 98201)

For questions call (425) 783-1757 or 1-877-783-1000, ext. 1757 during business hours.