



## **REAL ESTATE LOAN SERVICING** **FREQUENTLY ASKED QUESTIONS**

### **LOAN PAY OFF**

#### **What are the procedures to pay off my loan?**

Requests for a mortgage loan payoff statement must be submitted in writing. If you want to pay your loan in full with personal funds, please complete the [Request for Payoff Statement](#) and send it to the Loan Servicing Specialist handling your loan as noted on the webpage under Single Family Owners (1-4 units) on the menu. If you are refinancing or selling your home, have your escrow agent send a Request for Demand as outlined on our website ([www.sdhc.org](http://www.sdhc.org) / Affordable Housing tab / Services for Existing Borrowers / Lender & Escrow Companies).

#### **How long will it take to get a payoff statement?**

By law a lender must respond within 21 days. SDHC's Loan Servicing Department will issue the payoff statement within 10 business days unless it is experiencing high demand.

#### **Is there a fee to pay off my loan in full?**

SDHC charges \$30 to calculate the amount due and to issue the payoff statement, and a reconveyance fee of \$45 per lien/deed that is released.

#### **Is there a prepayment penalty if I pay off my loan?**

No, you can pay down or pay off your loan with SDHC at any time without a penalty.

### **REFINANCING MY HOME**

#### **Do I have to pay off my SDHC loan if I refinance my property?**

You will not be required to pay off your SDHC loan if you are refinancing a loan that is senior to SDHC's financing, in order to decrease your loan term and/or lower your interest rate, and as long as you are not requesting to take cash-out. SDHC will "subordinate" its lien to your new loan, which means SDHC's loan will remain in a junior position to your new financing.

#### **What are the procedures to have SDHC subordinate to the refinancing of my property with no cash-out?**

Once you have decided to move forward with the refinancing of your property, please refer your loan officer or escrow agent to SDHC's website ([www.sdhc.org](http://www.sdhc.org) / Affordable Housing tab / Services for Existing Borrowers / Lender & Escrow Companies) for instructions and the required forms to request a subordination from SDHC.

**Is there a fee to subordinate SDHC's loan?**

A Subordination Agreement is needed for each loan or recoverable grant you have with SDHC. A fee is charged for each individual agreement as shown on the [Loan Servicing Fee Schedule](#).

**Can I refinance to pull cash from my property?**

SDHC does not allow cash to be withdrawn from the property. If you want to pull cash from your property to pay off debts, purchase a car, etc., you will be required to pay SDHC's loan in full through the refinance.

**Can I get an equity line-of-credit on my property?**

SDHC will not subordinate its loan to an equity line of credit.

**If I refinance my property, will I lose my Mortgage Credit Certificate (MCC)?**

If the original purchase loan is paid off, the MCC tax credit will be lost. However, you may be able to refinance the original first mortgage and have the MCC tax credit reissued. The subject property must have continually been your principal residence since the home was purchased. SDHC has contracted with Affordable Housing Applications to reissue the MCC for properties located in the City of San Diego. For more details on how to have your MCC reissued, please go to <http://www.ahahousing.com>.

**GENERAL INQUIRIES****Can I transfer my property to a Living Trust?**

It is possible to transfer your property into a Living Trust. You will need to send SDHC a copy of the Living Trust and a copy of the recorded deed transferring the property into the Living Trust.

**Where do I get a copy of my loan documents or Mortgage Credit Certificate?**

Contact the Loan Servicing Specialist handling your file for any copies you need. Their contact information is shown on the webpage under Single Family Owners (1-4 units) on the menu.

**Can I make a payment or start making monthly payments on my loan?**

You can make payments on your deferred loan at any time without penalty. The funds will first be applied toward the accrued interest and the remainder towards the outstanding principal balance of your loan.

**I recently got married, how do I add my spouse to my loan?**

By adding your spouse to the title and the loans, he/she will be taking equal responsibility for repayment of the debt. SDHC will require the spouse to complete a loan application and submit all their financial information. For full details, please contact the Loan Servicing Specialist listed below that is handling your file as noted on the webpage under Single Family Owners (1-4 units) on the menu. A fee is charged to have the spouse assume the loan as shown on the [Loan Servicing Fee Schedule](#).

**I recently got divorced, how do I remove my former spouse from my loan?**

You will need to send a copy of the recorded deed that transferred title to the remaining spouse residing in the property. SDHC can remove their name from the SDHC loan; however they may not be released from the debt.

**Does SDHC report to a credit bureau?**

Since most loans made by SDHC have deferred payments, we do not report through any of the credit bureaus.

**If I have moved, how do I notify you of my new address?**

To notify SDHC of your new address, please contact the Loan Servicing Specialist handling your file as noted on the webpage under Single Family Owners (1-4 units) on the menu.

**INSURANCE****I have changed insurance companies, how do I send SDHC the updated information?**

Complete the [Homeowner's Insurance Information Form](#) to notify SDHC in the event you terminate coverage for any reason, or make a change to the agency now insuring your property. Send the completed form to Esperanza Martinez at [esperanm@sdhc.org](mailto:esperanm@sdhc.org).

**I received a check from my insurance company for damages to my home, but SDHC is a payee on the check. How do I get the check endorsed?**

Please contact the appropriate Loan Servicing Specialist as noted on the webpage under Single Family Owners (1-4 units) on the menu regarding any damage to your property, and one of them will explain SDHC's process for handling the insurance proceeds.

**AFFORDABLE FOR-SALE HOUSING****I purchased my property under your Affordable For-Sale Housing Program, and I want to sell it. What do I do?**

If you wish to resell an affordable unit that you own in one of the following developments – Sycamore Walk, Bella Rosa, Airoso, Cristamar, La Boheme or Renaissance – SDHC will assist you with the sale to comply with the long-term affordability restrictions. SDHC maintains a list of potential buyers interested in purchasing your below market value home. Please complete the [Notice of Intent to Sell](#) form and return it to Vicki Monce at the address stated on the form.

If you own an affordable unit in a development not noted above, it can be sold at market rate at any time pursuant to the terms of the original affordability restrictions. Please contact the appropriate Loan Servicing Specialist as noted on the webpage under Single Family Owners (1-4 units) on the menu.

**There is a Master Affordable Agreement recorded against a market rate home. What can I do to have it removed?**

The Master Affordable Agreements were recorded in areas where a portion of the homes in the development were sold to eligible buyers at a below-market, affordable price. The agreements give notice to buyers/owners in the development and surrounding areas that there are affordable for-sale housing units in the neighborhood. A waiver can be issued at the time of sale of a market-rate home, assuring the property in question does not have affordable restrictions. This will satisfy the title and escrow companies, allowing the sale to proceed. To request a waiver, please contact Melissa Holt at [melissah@sdhc.org](mailto:melissah@sdhc.org).