

**RESOLUTION ARB2015-0010**

***Approval of Homeowner Mortgage Short Payoff Policy***

Whereas, County entities may adopt, amend, rescind, and administer rules on matters within their respective jurisdictions, as established by the County Charter, the County Code, or general law; and

Whereas, Section 205.09(A) of the Cuyahoga County Code establishes the Cuyahoga County Administrative Rules Board; and

Whereas, per Section 113.02(A) of the Cuyahoga County Code, a county entity seeking to adopt, amend, or rescind a rule shall submit a request, including the specific language of the rule, to the Clerk of the Administrative Rules Board in accordance with the procedures and deadlines established by the Board for such submissions; and

Whereas, per Section 113.02(G) of the Cuyahoga County Code, the Administrative Rules Board is given approval authority over rules promulgated by County entities based on a determination of: (1) whether the requesting entity has the authority to adopt, amend, or rescind the rule and (2) whether the proposed rule conflicts with the County Code; and

Whereas, the Department of Development administers a Homeowner Mortgage Short Payoff Policy;

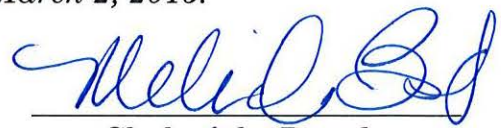
**NOW, THEREFORE, BE IT RESOLVED BY THE ADMINISTRATIVE RULES BOARD OF CUYAHOGA COUNTY, OHIO:**

**Section 1.** The Homeowner Mortgage Short Payoff Policy, as attached, is hereby enacted as part of the Cuyahoga County Administrative Code.

**Section 2.** This Resolution shall go into immediate effect and remain in full force and effect until December 2, 2015.

**Section 3.** It is found and determined that all formal actions of this Board concerning and relating to the passage of this Resolution were passed in an open meeting of this Board and that all deliberations of this Board that resulted in such formal actions were in meetings open to the public and in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

*The foregoing resolution was duly adopted on March 2, 2015.*

  
Clerk of the Board

# Homeowner Mortgage Short Payoff Policy



Department of Development

## Single-Family Housing Loan Short Payoff Policy

This policy applies to any Cuyahoga County housing rehabilitation, down payment assistance, and/or foreclosure rescue loan, secured by a mortgage on a single-family house.

Any party may request consideration of a short payoff. Often a real estate agent, title company, or specialized short sale negotiating firm will make the request on behalf of the owner/seller.

Usually the request will be connected to a pending sale of the house securing the loan. This is commonly called a "short sale" because funds from sale of the house are "short" of the amount needed to pay off Cuyahoga County's loan, and other loans secured by the house, in full.

Usually, but not always, Cuyahoga County's loan will be in second position with a bank or mortgage company holding a first mortgage on the house.

Cuyahoga County Department of Development staff will inform that party making the request that Cuyahoga County requires case by case review of each short payoff request. Staff will inform the party making the request that the following information must be submitted:

1. The full short sale package submitted to the first mortgage lender, if any.
2. The following items, if not already in the first mortgage short sale package:
  - a. Signed purchase agreement with all attachments
  - b. Title report showing all liens on the property
  - c. Proof of the payoff amount for each lien senior to Cuyahoga County's loan
  - d. Preliminary closing statement showing all closing charges to be paid upon sale
  - e. Current appraisal of the property by a properly licensed real estate appraiser
  - f. Proof of all household income and assets held by all owners of the property
  - g. A written offer for a specific amount to pay off Cuyahoga County's loan

Cuyahoga County Department of Development staff will review the appraisal, purchase agreement, title report, and payoff amounts of other liens to determine if the sale price reflects the current property value, and if Cuyahoga County's loan can be paid in full or in part from sale proceeds. The property's current assessed market value will be used if no appraisal is submitted.

Cuyahoga County Department of Development staff will review the income and assets of all owners of the property to determine if the owners can afford to pay all or part of the amount owed on Cuyahoga County's loan, after using sale proceeds, from their own income or assets.

Cuyahoga County Department of Development staff will submit their recommendation and all supporting documents to the Cuyahoga County Law Department for review and legal advice as

## Single-Family Housing Loan Short Payoff Policy

to whether Cuyahoga County should accept the amount offered or make a counter-offer. The Director of Development will release the mortgage upon payment of the amount advised by the Law Department and compliance with any other conditions advised by the Law Department.