



Legislation Text

File #: 23-2355, Version: 1

CONTRACT-LEASE

Motion/Request:

MOTION to authorize the Mayor to execute a “*Subordinate Agreement between the Town of Ledyard and Mr. Matthew Proctor*” pertaining to a Home Rehabilitation Loan in the amount of \$32,820.48 for 33 Highland Drive, Ledyard.

Background- Terms:

The ***Housing Rehabilitation Program*** provides no interest loans to qualified residents who meet the income limits for critical home improvements such as heating system, septic system replacements and roof replacements, etc.

A lien is placed on the property for those who qualify and receive a Housing Rehabilitation Loan from the Town. No payment plan is scheduled for homeowner to repay the loan.

When the Housing Rehabilitation Loan is paid back those funds would then become available to be loaned to another qualifying resident in need of assistance on a revolving basis.

The Town may call in the loan On Demand, should the property owner ***default*** is as defined below:

Default includes the following: death, sell or remortgage the property, transfer title, the property is no longer their principal place of residence or if any of the property which secures this loan is damaged, lost or destroyed. (see attached Small Cities Promissory Note)

Mr. Matthew Proctor received a Housing Rehabilitation Loan in the amount of \$29,575 on March 15, 2017; which was later increased on May 5, 2017 to \$32,820.48 to cover the costs for the modifications.

The scope of work was for roofing, gutters, doors, interior repairs and electrical upgrades.

Mr. Proctor is looking to refinance his home to pay off other debt and the lending company Carrington Mortgage is looking to subordinate the Housing Rehabilitation Loan owed to the Town of Ledyard.

Peter J. Testa, Jr. of A&E Services Group, LLC; 609 West Johnson Ave, Cheshire, CT is the Consultant who Administers the Housing Rehabilitation Program for the Town of Ledyard.

(Please see attached documentation: Mr. Proctor ltr 11/22/2023; Property Appraisal 12/6/2023; Email Threads from Mr. Testa, Proctors, Mayor’s Office)

Department Comment/Recommendation:

(type text here)

Finance Director Comment/Recommendation:

(type text here)

Mayor Comment/Recommendation:

I do not support subordination in refinance situations and instead seek full loan repayment as part of the refinance process.