

SEP 16 2011

City Manager's Office

# Memorandum

**To:** JERRY BENTROTT, CITY MANAGER  
**C:** GREGORY J. ORAVEC, ASSISTANT CITY MANAGER  
**From:** PATRICIA SELMER, COMMUNITY SERVICES ASST. DIRECTOR  
**Date:** SEPTEMBER 16, 2011  
**Re:** SHORT SALE/SHIP LOAN RELEASE

*BS*

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On June 13, 2011, Council voted to forgive the remaining balance of a housing assistance loan (Asim) upon receipt of \$3,000 from the short sale. The lender/investor had given a preliminary approval of the transaction but after reviewing the sales price and closing costs, disputed the offer and requested a higher sales price and additional concessions from the attorney and realtors. The payoff to the first mortgage holder was modified to \$41,804.15 from the \$130,000 originally owed. The investor has asked that the City reduce its payoff to \$2,400 instead of the \$3,000 originally offered. In the meantime the balance of our loan, due to passing of another anniversary date since the note was signed, has been reduced to \$21,360 from the previous balance of \$24,920. We recommend approval to accept the \$2,400 and forgive the remaining balance of this loan.

I have provided a copy of the email communication from the bank to the attorney and a copy of the HUD-1 that has been prepared for this transaction.

I would like to place this on the consent agenda for the September 26, 2011 Council Meeting.

PORT ST. LUCIE CITY COUNCIL  
Agenda Item Request

MEETING: CITY COUNCIL Regular  Special

DATE: SEPTEMBER 26, 2011

Public Hearing  Ordinance  Resolution  Motion

ITEM: Forgiveness of the outstanding balance of a housing loan for short sale in order to avoid foreclosure.

RECOMMENDED ACTION: Approve recommendation to forgive outstanding deferred loan of \$21,360 in order to facilitate a short sale for a prior housing client. The first mortgage lender has approved a payoff of \$2,400 to the housing program.

EXHIBITS: Memo with attachment.

SUMMARY EXPLANATION/BACKGROUND INFORMATION: On June 13, 2011, Council approved forgiving the outstanding balance of this loan based on a payoff amount of \$3,000. The lender has modified the payoff amount and is now offering \$2,400 to the City for payoff of the Housing Assistance Loan. Current housing assistance clients will not receive any proceeds from the sale. Staff recommends approval of forgiveness of the \$21,360 owed to the housing program in return for a payoff of \$2,400.

IF PRESENTATION IS TO BE MADE, HOW MUCH TIME WILL BE REQUIRED?

SUBMITTING DEPARTMENT: Community Services

DATE: 9/16/11

Ryanne Cavo

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**From:** DAVID.CARDENAS@NATIONSTARMAIL.COM  
**Sent:** Thursday, September 08, 2011 1:35 PM  
**To:** NAVASSIST2@BELLSOUTH.NET  
**Subject:** Equator - Message Alert: RE: Review of dispute of bpo value

**Attachments:** 20110908103520728.pdf



2011090810352072  
8.pdf (34 KB)

Message Inserted (09/08/2011 10:35 AM) On:  
449 SW MEADOW TERRACE, PORT SAINT LUCIE FL.

Message Inserted (09/08/2011 10:35 AM) On:  
449 SW MEADOW TERRACE, PORT SAINT LUCIE FL 34984.

I will need the buyer to complete the attached hud.. The proof of funds you sent me is for \$9000 and the buyer is using financing for the rest. Please have buyer complete and return.

\* As well I need the attorney fee removed from the hud for \$1500 and the 2nd lien proceeds reduced to \$2400 on the hud based on the figures you gave me,, I will need to see a payoff statement from the 2nd lien as well... thanks

\*If possible, you should reply to this note through Equator Messages so your reply is delivered correctly and tracked. To reply, log in to the Equator System and go to the Messages section.

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**Ryanne Cavo**

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**From:** DAVID.CARDENAS@NATIONSTARMAIL.COM  
**Sent:** Friday, September 09, 2011 10:19 AM  
**To:** NAVASSIST2@BELLSOUTH.NET  
**Subject:** Equator - Message Alert: RE: Review of dispute of bpo value

Message Inserted (09/09/2011 07:18 AM) On:  
449 SW MEADOW TERRACE, PORT SAINT LUCIE FL.

Message Inserted (09/09/2011 07:18 AM) On:  
449 SW MEADOW TERRACE, PORT SAINT LUCIE FL 34984.

We are not requiring that the buyer get financing with us. We are requiring that they complete the credit application so that we can confirm they are solid and there won't be issues 30 days from now on a closing. If the lender can send me a conditional approval for the buyer with all conditions listed then we can move with that.

The Investor reviewed the file and they will not allow any attorney fees to be paid. As far as the 2nd lien - we decide what amount they can receive -if they don't agree - then we can not move forward with the process. I will give you 7 days to send me updated hud and buyer completed credit application or conditional approval from lender or case will be cancelled. thanks

\*If possible, you should reply to this note through Equator Messages so your reply is delivered correctly and tracked. To reply, log in to the Equator System and go to the Messages section.

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### A. Settlement Statement (HUD-1)

**B. Type of Loan**

1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input checked="" type="checkbox"/> Conv. Unins.	6. File Number 11523	7. Loan Number	8. Mortgage Insurance Case Number
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.				

**C. NOTE:** This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

**D. NAME OF BORROWER:** Jerome K. Hitchcock

**ADDRESS OF BORROWER:** 462 SE Meadow Terrace, Port St. Lucie, FL 34984

**E. NAME OF SELLER:** Gevat Asim and Felicia Asim

**ADDRESS OF SELLER:** 449 SE Meadow Terrace, Port St. Lucie, FL 34984

**F. NAME OF LENDER:** TD Bank

**ADDRESS OF LENDER:**

**G. PROPERTY LOCATION:** 449 SE Meadow Terrace, Port St. Lucie, FL 34984  
ID# 3420-560-2819-0008

**H. SETTLEMENT AGENT:** ST. LUCIE TITLE SERVICES, INC.  
PH# (772) 466-5238  
800 VIRGINIA AVENUE, SUITE 47, FT. PIERCE, FL 34982

**I. SETTLEMENT DATE:** 10/30/2011 Settlement Agent Tax ID#: 03-0462482

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
101. Contract sales price	50,000.00	401. Contract sales price	50,000.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)	110.00	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes	to	406. City/town taxes	to
107. County taxes	to	407. County taxes	to
108. Assessments	to	408. Assessments	to
109.	to	409.	to
110.	to	410.	to
111.	to	411.	to
112.	to	412.	to
<b>120. Gross Amount Due from Borrower</b>	<b>50,110.00</b>	<b>420. Gross Amount Due To Seller</b>	<b>50,000.00</b>
<b>200. Total Amounts Paid by or in Behalf of Borrower</b>		<b>500. Total Amount Due to Seller</b>	
201. Deposit or earnest money	1,000.00	501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	4,637.50
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507. Estimated Net proceeds to 1st Lender	41,804.15
208.		508. Estimated Proceeds to 2nd Lender	2,400.00
209.		509.	
209a.		509a.	
209b.		509b.	
Adjustments for items paid by seller		Adjustments for items paid by seller	
210. City/town taxes	to	510. City/town taxes	to
211. County taxes	1/1/2011 to 10/30/2011 1,158.35	511. County taxes	1/1/2011 to 10/30/2011 1,158.35
212. Assessments	to	512. Assessments	to
213.	to	513.	to
214.	to	514.	to
215.	to	515.	to
216.	to	516.	to
217.	to	517.	to
218.	to	518.	to
219.	to	519.	to
<b>220. Total Amounts Paid by or in Behalf of Borrower</b>	<b>2,158.35</b>	<b>520. Total Reductions in Amount Due Seller</b>	<b>50,000.00</b>
<b>300. Cash at Settlement from Borrower</b>		<b>600. Cash at Settlement from Seller</b>	
301. Gross amount due from borrower (line 120)	50,110.00	601. Gross amount due to seller (line 420)	50,000.00
302. Less amounts paid by/bor borrower (line 200)	2,158.35	602. Less reductions in amount due seller (line 520)	50,000.00
<b>303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower</b>	<b>47,951.65</b>	<b>603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller</b>	

I. Settlement Charges			Paid From Borrower's Escrow Account	Paid From Seller's Escrow Account
700. Total Real Estate Broker Fees	3,100.00			
Division of Commission (line 700) as follows:				
701. 1,500.00	to ReMax Realty Services			
702. 1,500.00	to ReMax Realty Services			
703. Commission paid at Settlement				3,000.00
704. processing fee	to ReMax Realty Services	100.00		
<b>800. Items Payable in Connection With Loan</b>				
801. Origination charge		\$	(from GFE #1)	
802. Your credit or charge (points) for the specific interest rate chosen		\$	(from GFE #2)	
803. Your adjusted origination charges	to		(from GFE #A)	
804. Appraisal fee	to		(from GFE #3)	
805. Credit report	to		(from GFE #3)	
806. Tax service	to		(from GFE #3)	
807. Flood certification	to		(from GFE #3)	
808.	to			
809.	to			
810.	to			
<b>900. Items Required by Lender to be Paid in Advance</b>				
901. Daily interest charges from 10/30/2011 to 11/1/2011 @		day (from GFE #10)	for 2 days	
902. Mortgage Insurance Premium for	months to		(from GFE #5)	
903. Homeowner's Insurance for	years to		(from GFE #11)	
904.	years to			
905.	years to			
<b>1000. Reverses Debited to Your Lender's Account</b>				
1001. Initial deposit for your escrow account			(from GFE #9)	
1002. Homeowner's insurance	months @	per month \$		
1003. Mortgage insurance	months @	per month \$		
1004. Property taxes	months @	per month \$		
1005. Annual assessments	months @	per month \$		
1006.	months @	per month \$		
1007.	months @	per month \$		
1008.	months @	per month \$		
1009. Aggregate Adjustment		\$		
<b>1100. Title Charges</b>				
1101. Title services and lender's title insurance			(from GFE #4)	
1102. Settlement or closing fee - St. Lucia Title Services, Inc.		\$		1,000.00
1103. Owner's title insurance - Commonwealth Land Title Ins. Co.			(from GFE #5)	287.50
1104. Lender's title insurance - Commonwealth Land Title Ins. Co.		\$		
1105. Lender's title policy limit \$				
1106. Owner's title policy limit \$	50,000.00			
1107. Agent's portion of the total title insurance premium		\$ 193.75		
1108. Underwriter's portion of the total title insurance premium		\$ 93.75		
1109.	to			
1110.	to			
1111.	to			
1112.	to			
1113.	to			
<b>1200. Government Recording and Transfer Charges</b>				
1201. Government recording charges			(from GFE #7)	10.00
1202. Recording Fees: Deed \$10.00; L-Mortgage(s); S-Mortgage(s); Release				
1203. Transfer taxes			(from GFE #8)	350.00
1204. City/county tax/stamps: Deed; L-Mortgage(s); S-Mortgage(s)				
1205. State tax/stamps: Deed \$350.00; L-Mortgage(s); S-Mortgage(s)				
1206.	to			
1207.	to			
<b>1300. Additional Settlement Charges</b>				
1301. Required services that you can shop for			(from GFE #6)	
1302. Pest inspection	to	\$		
1303. Roof inspection	to	\$		
1304.	to			
1305.	to			
1306.	to			
1307.	to			
1308.	to			
1309.	to			
1400. Total Settlement Charges	(enter on lines 103, Section I and 502, Section K)		110.00	4,637.50

**CERTIFICATION** DATE: 10/30/2011  
I have carefully reviewed the HUD - 1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD - 1 Settlement Statement.

James K. Hitchcock Borrower  
Geva Asim Seller

Borrower  
Fellola Asim Seller

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement.  
ST. LUCIE TITLE SERVICES, INC.  
Settlement Agent

10/30/2011 Date

**WARNING:** It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.