

December 21, 2009

TO: CDBG Committee
210 M. L. King Jr. Blvd.
Madison, WI 53704
Attention: Audrey Short

RE: Subordination of HOME mortgages for;
2505 Brentwood Pkwy
5838 Balsam Rd
5028 Camden Rd

As you know, housing Initiatives owns or has contracted to purchase the above 3 properties. We expect to close on the acquisition of all 3 by early January. In each case, the City has loaned, or will loan, us HOME funds. Each HOME loan is, or will be, secured by a mortgage on one of these properties.

During the first quarter of 2010, we expect to borrow about \$295,000 from Wisconsin Housing and Economic Development Authority to rehabilitate these properties. The WHEDA loan is to be secured by a mortgage on all 3 properties. WHEDA requires a first mortgage lien on the properties. This has been our standard practice to bundle several properties together in one WHEDA loan so that payments and loan management is more efficient.

I would like to formally request the CDBG Committee to consent to subordination of the City's 3 mortgages on these properties to the lien of WHEDA's mortgage. Please let me know if I can provide you with more information. Thank you for your consideration.

Thank you,

Dean Loumos
Executive Director