



CITY POLICY

POLICY NUMBER: C415

REFERENCE:

Council Minutes, Pg. 99, 1983 01 11;
Pg. 613, 1983 04 12; Pg. 214, 1983 12 13;
Pg. 48, 1985 01 22

ADOPTED BY:

City Council

SUPERSEDES:

C199 1983 12 13

PREPARED BY: Real Estate & Supply Services

DATE: 1985 01 22

TITLE: Postponement of Second Mortgage

Policy Statement:

1. The City will allow postponement of its rights under its second mortgage, only when the combined amount of the new first mortgage and the current balance of the city second mortgage does not exceed 90% of the current appraised value of the property.
2. If a property is transferred to a new owner, the new owner may assume the existing City of Edmonton second mortgage on the property but not the rights under the accompanying forgiveness agreement. However, if new owners are approved under the Alberta Family Assistance Purchase Plan Program sponsored by Alberta Home Mortgage Corporation, they will be entitled to assume all of the rights of the existing forgiveness agreement which accompanies the City of Edmonton Second Mortgage.
3. Postponement of the City of Edmonton's rights under its second mortgage will only be granted in favour of a first mortgage.
4. Costs of administering the postponement of a Second Mortgage will borne by the applicant.

The purpose of this policy is to:

Give direction to the Administration on the conditions under which:

- 1) a postponement of a second mortgage is allowed;
- 2) a transfer of a second mortgage is allowed; and
- 3) a forgiveness agreement can be established with a new purchaser assuming a second mortgage.

Define: 'Costs' as the costs of a property appraisal by a fully accredited (A.A.C.I. or C.R.A.) appraiser, and a \$150 Administration and Documentation Fee payable to the City of Edmonton.

This policy is subject to any specific provisions of the Municipal Government Act or other relevant legislation or Union Agreement.