



U. S. SMALL BUSINESS ADMINISTRATION

BIRMINGHAM DISASTER LOAN SERVICING CENTER

801 Tom Martin Drive, Suite 120
BIRMINGHAM, ALABAMA 35211

800-736-6048 • 205-290-7141 • 205-290-7765 (FAX)

The following information is required for consideration of a Home Subordination Request.

- (1). A LETTER from the Financial Institution requesting that SBA subordinate and state the Actual request, the EXACT name of the New Lender, address of the property in question.
- (2) Verification of current mortgage balance, interest rate, installment amount and terms from Lender (s).
- (3). A Copy of the Appraisal (preferable) performed within the last **(12) months** or may use a Current Broker's Opinion. We will accept a recent Tax Assessment Value, however in many cases these values are below Fair Market Value.
- (4). Verification of Employment / Income (W2 Form)
- (5). Copy of Loan Application
- (6). Copy of Good Faith Estimate.
- (7). Copy of Title Search.
- (8). Most current Federal Income Tax Return
- (9). Current Financial Statement (SBA form 770)
- (10). The Home **Subordination Worksheet** should be completed by the Lender and returned with the requested information.
- (11). The borrower must provide a copy of the declaration page(s) for the homeowner's/business owner's insurance policy covering the subject property. If a windstorm policy is required then copies of the declaration page(s) must also be provided. Flood insurance is required if a current flood zone determination shows the property in a flood plain. If the policy's declaration page(s) does not reflect the SBA as mortgagee, not as loss payee, at the address as stated on the letterhead, an endorsement to the policy adding the SBA as mortgagee must be provided.

Please note – **NO** servicing actions will be approved without proof of continuing insurance coverage showing SBA as mortgagee as stated above.

THE SBA LOAN MUST BE CURRENT PRIOR TO CONSIDERATION OF ANY ACTION.

The Small Business Administration will consider a subordination action for the refinance of any liens it is subordinate to for reduction of interest rate with **NORMAL CLOSING COSTS**. SBA will **NOT** move downward in lien position.

SBA WILL ALLOW ONLY TWO (2) MONTHS OF ESCROW COST FOR INSURANCE AND TAXES TO BE ADDED TO THE NEW LOAN AMOUNT.

Upon receipt of the above, we will complete our evaluation of your request and advise you of our decision. The turn-around time for approval and preparation of any action request is approximately fourteen (14) working days from the date **ALL** required documents/information are received in this office.

If you have any questions, please contact the SBA at toll free at (800) 736-6048, Option (1) or by letter at the above address.