



ENERGY SERVICES

PO BOX 1107- Sarah Clark-EB
EVERETT, WA 98206

Dear Closing Agent:

Subject: Subordination of Lien Securing Conservation Loan No. _____

Borrower Name: _____

Please **follow the procedure described here** to request the PUD to subordinate its lien. The District will agree to subordinate, provided its security is not reduced and the borrower is current in their loan and electric account payments.

Subordination may be allowed as follows*:

a.) Where the customer is refinancing for a interest rate, term, or similar change; and there is no cash back to the customer (closing costs are not included in this calculation), and where the new mortgage plus any other existing mortgages, including the District's loan, is 90% or less of appraised value, **AND**, the applying customer's electric account and loan account payments are current and have a good credit history, **OR**

b.) Where the customer's refinance results in an increased indebtedness **AND** the new loan to value (including the District's loan) is **no** greater than 80%, **AND** the applying customer's electric account and loan account payments are current and have a good credit history, **AND** where the customer's refinancing results in cash back to the customer, the customer must pay down the District's loan by the amount of the cash back up to 100% of the outstanding District's loan amount. If the loan is not entirely paid off then the applying customer's electric account and loan account payments must be current and have a good credit history.

"Cash back" includes any and all funds that are granted to the customer or applied to any customer debt other than what was recorded prior to the District's lien. Any funds applied to a non-recorded debt such as credit cards, lines of credit, or personal loans are considered "cash back" regardless of when the debt was accrued.

*Exceptions to this policy may be granted by Senior Auditor/Controller per Addendum.

In order to process a request for subordination, **we will need the following:**

1. **Written consent from customer to give out information**
2. **\$50.00 Non-refundable application fee made out to the PUD**
3. **Request for Subordination** (PUD form enclosed)
4. **Current title report** (copy - schedules A & B)
5. **Current property appraisal** (copy - photos **not** needed)

Please complete the enclosed request form and send it, along with the required documents, to the address listed above.

We will handle your subordination as quickly as possible; however, you should **allow two weeks** for the District to complete the process. If you have any questions, please give me a call at (425) 783-1747, or toll free at 1-877-783-1000, extension 1747.

Sincerely yours,

Energy Services

Enclosure



REQUEST FOR SUBORDINATION

To the Public Utility District No. 1 of Snohomish County (the District):

LOAN # _____

_____ has been requested by
Lender _____ to make a loan to
Owners _____

owners that will be secured by a _____ on real property
Type of Document
belonging to owners, which is described as follows:

Common address: _____

Snohomish County Tax Parcel No.: _____

Owners and lenders request that the District subordinate its lien, which is recorded in Volume N/A,
Page N/A, bearing Auditor's File No. _____ to the security offered by owners to the lenders.

This request is supported by the following disclosure:

The amount of the loan to be made by the lender is \$ _____.

The proceeds of the loan will be disbursed as follows:

- 1. Payment of outstanding balances of the following existing loans
secured by the property:

Table with 2 columns: Lender, Outstanding Balances. Rows for Lender, Lender, Lender.

2. Closing costs: \$ _____

3. Customer Deposit: \$ _____

4. Balance to be disbursed to the other creditors and to the owners: \$ _____

The undersigned certifies that the above information is true and accurate, and understands that this disclosure is for
the purpose of securing a Subordination Agreement from the District.

Authorized Representative of Lender _____

Date _____

Lender sends this form, \$50.00 application fee and other documents to:

Mail to: Sarah J. Clark E-1
Energy Services
P. O. Box 1107
Everett, WA 98206

-or-

Deliver in person to: Sarah J. Clark E-1
Energy Services
2320 California Street
Everett, WA 98201