

Policies & Procedures: Loan Forgiveness for Homeowner Services

When a lien on a property has reached the 10 year threshold the following steps will be taken:

1. Establish that the owner who authorized the lien is still the owner of the property
2. Undertake a desktop review of the parcel to determine if there are any pending or complete foreclosures, bankruptcies or other outstanding liens through the Recorder and Clerk of Courts websites.
3. IF there is an active foreclosure or bankruptcy, the review of the parcel ends.
4. For any federally funded liens, determine that the compliance period for the federal funding source has been completed.
5. All qualifying liens are recommended to the Director for forgiveness and will include a completed Uncollectible Accounts Receivable Form (UAR).
6. Qualifying individual liens will be categorized into three categories:
 - a. Up to \$2,500 – Director authorization
 - b. Up to \$20,000 – City Attorney authorization
 - c. Over \$20,000- City Council approval
7. Upon qualification and approval, individual lien releases are processed and recorded:
 - a. Up to \$2,500
 - i. Completed UAR form submitted to the Director for signature, filed with Department Fiscal Office, lien release documents are processed, complete UAR form submitted to City Auditor
 - b. Up to \$20,00
 - i. Completed UAR form submitted to the Director for signature, submitted to the City Attorney for signature, completed form is filed with Department Fiscal Office, lien release documents are processed, complete UAR form submitted to City Auditor
 - c. Over \$20,000
 - i. Legislation is submitted and approved to City Council, Completed UAR form submitted to the Director for signature, submitted to the City Attorney for signature, submitted to the City Auditor for signature, completed form is filed with Department Fiscal Office, lien release documents are processed, complete UAR form submitted to City Auditor
8. Review and determine 1099 requirements for approved liens. Issue 1099s as appropriate.
9. A review of the loan portfolio will take place on a quarterly basis.