



Legislation Text

File #: 3109-2019, **Version:** 1

BACKGROUND:

In 2009, Anthony McGraph purchased 521 E. Stewart Avenue, Columbus, Ohio from Community Development for All People which was financed by a first mortgage loan from West Ohio Credit Union for \$40,000.00, a second mortgage from Community Development for All People that was assigned to the Ohio Housing Finance Agency (OHFA) for \$15,000, down payment assistance from the City of Columbus, Department of Development, Housing Division for \$5,000, and a third mortgage from the City of Columbus, Department of Development, Housing Division for \$25,000. The OHFA loan is being forgiven over 15 years and will be fully forgiven in 2024. The initial intent of the third mortgage was for it to amortize over a fifteen year period with 5% interest after the first mortgage had been paid in full, fifteen years after the purchase of the home. Anthony McGraph has requested that the loan be converted from an amortizing loan to a loan that will be at 0% interest and due and payable when the property is sold, transferred, or ceases to be the principal residence of McGraph and his wife. The McGraphs plan to retire and making mortgage payments on the loan will be a hardship.

The Housing Division is recommending that the loan be modified to add Anthony's wife, Dawn DeFaye Glenn McGraph, as a co-borrower of the loan and that the loan be converted to a 0% deferred non-amortizing loan that will be due in full when the property is sold, transferred, or ceases to be the principal residence of Anthony and Dawn DeFaye Glenn McGraph and extend the term of the loan to 99 years.

Emergency action is requested so that the modification can occur without delay and allow the borrowers to continue the peaceful enjoyment of their home without hardship.

FISCAL IMPACT:

The passage of this ordinance will delay repayment of the loan and result in a loss of interest income. No funding is required for this legislation.

To authorize the Director of the Department of Development to modify loan documents for Anthony McGraph to add his spouse, Dawn DeFaye Glenn McGraph as a co-borrower, to convert the loan from an amortizing loan to a 0% deferred loan that will be due when the property is sold, transferred, or ceases to be the principal residence of Anthony and Dawn DeFaye Glenn McGraph; to extend the term of the loan to ninety nine years; and to declare an emergency.

WHEREAS, the Department of Development has \$25,000 in principal owed to it for a HOME loan made to Anthony McGraph for the acquisition of a home located at 521 East Stewart Avenue in Columbus; and

WHEREAS, the owner, Anthony McGraph has requested that the loan be modified to include his wife as a co-borrower, be converted from a 15 year amortizing loan that would begin amortizing in 2024 to a 0% deferred loan that will be due in full when the property is sold, transferred, or ceases to be the principle residence of both borrowers and that the term of the loan be extended to ninety nine year; and

WHEREAS, this loan was made for the acquisition of this home and at the time of acquisition, the borrower qualified as a low-to-moderate income (80% or below area median income) first time homebuyer, and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development, Housing Division, in that it is necessary to authorize the modification of the HOME loan due to the City of Columbus in order to allow the borrowers to continue peaceful enjoyment of their home without hardship; and **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That the Director of the Department of Development be and is hereby authorized to modify loan documents Anthony McGraph to add his spouse, Dawn DeFaye Glenn McGraph as a co-borrower, to convert the loan from an amortizing loan at 5% interest to a 0% interest deferred loan that will be due when the property is sold, transferred, or ceases to be the principal residence of Anthony and Dawn DeFaye Glenn McGraph and to extend the term of the loan to ninety nine years.

Section 2. That for the reasons stated in the preamble thereto, which is hereby made a part hereof, this Ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.