



Administrative Regulation No. 039.A002.1298

Delinquent Loan Accounts Procedures

I. Purpose

The purpose of this Administrative Regulation is to set forth the City of Sarasota's procedures governing Delinquent Housing Rehabilitation Loan Accounts.

II. Definition

The City of Sarasota has established a direct loan program to assist residents wishing to renovate their home. These loans require regular monthly payments to the City which are collected by a Loan Servicing Agency and sent to the City. These funds are then used to assist other residents.

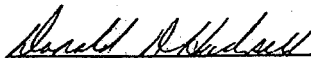
While the majority of borrowers consistently repay their mortgages on time, as agreed in the mortgage document, occasionally a borrower does not fulfill their obligation to the City. There needs to be established a consistent policy to handle these occurrences which permits flexibility to borrowers who may have a change in income or experience an unexpected expense.

The City must recognize that its borrowers are of lower incomes and, therefore, are more likely to be unable to cope with even a minor change in their financial circumstances.

To permit this balance, the City will take the following actions with regards to delinquent accounts.

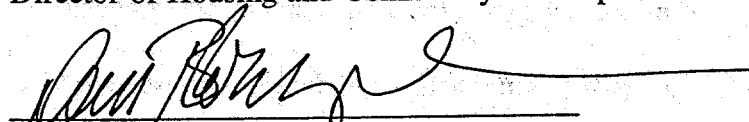
III. Procedures

1. 15 days late - The Loan Servicing Company sends a first Notice of Delinquency.
2. 20-25 days late - The Loan Servicing Company sends a second Notice of Delinquency.
3. 30 days late - The Loan Servicing Company calls the borrower.
4. 60 days late - The Loan Servicing Company sends (after approval by the City/County) by certified mail a 10 Day Bring Current Letter. The Director of Housing and Community Development, or designee, will telephone the borrowers to discuss the reason for the delinquency. Credit counseling and re-evaluation of the program amount may be necessary.
5. 80 days late - If no contact has been made by this date, or the reason for the delinquency is not satisfactory, the City Attorney's office will send the borrower a letter informing them that the loan is delinquent and listing the possible legal remedies that the City may take.
6. 3 1/2 months - The Director will recommend to the City/County Management Staff possible legal options for dealing with the borrower. The City/County Management Staff will, after review, recommend to the City Manager any legal actions to be taken.
7. The Director of Housing and Community Development is encouraged, prior to action by the City/County Management Staff, to work with the borrower to establish a work out plan to bring the loan current. However, any change in payment terms must be approved by a majority vote of the City/County Management Staff.



Donald D. Hadsell
Director of Housing and Community Development

12-29-91
Date



David R. Sollenberger
City Manager

1-4-99
Date

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Billy E. Robinson
Billy E. Robinson
City Auditor & Clerk

1-7-99
Date

Lynette Garrett-Ferreira
Lynette Garrett-Ferreira
Administrative Regulations Vice Chair

1/7/99
Date