

OSHTEMO CHARTER TOWNSHIP

POLICY REGARDING INSTALLMENT PAYMENT MORTGAGE AGREEMENTS

Both the Public Wastewater Service and Public Water Service ordinances require payment of a connection fee in order to connect to the Township's water or wastewater systems. The connection fee may be paid in full or, in lieu of payment in full, a property owner may connect to the water or wastewater facilities by entering into an Installment Payment Mortgage Agreement with the Township, payable over a period of years.

Township residents have expressed concerns regarding the impact of entering into an Installment Payment Mortgage Agreement due to the possible impact a second mortgage would have on their ability to finance, refinance or obtain a home equity loan. Township property owners have also expressed a concern regarding the possible negative impact that an Installment Payment Mortgage Agreement may have on their credit report or credit worthiness. In order to address the concerns of our residents and mitigate the impact an Installment Payment Mortgage Agreement may have on a property owner's ability to finance, refinance or obtain a home equity loan or possibly impact their credit rating, the Township adopts the following policy.

1. The Township has not, and will not, report any of its property owners for nonpayment on their Installment Payment Mortgage Agreements to any credit reporting agency, nor will the Township inquire about a property owner's credit worthiness with a credit agency as a prerequisite to the execution of an Installment Payment Mortgage Agreement.
2. If requested by the property owner or lender of a property owner, the Township will subordinate its Installment Payment Mortgage Agreement (water or sewer) to the property owner's lender in order to facilitate the property owner's ability to finance, refinance or obtain a home equity loan on their property.
3. If requested by the property owner the Township will reassign or reissue an Installment Payment Mortgage Agreement to a subsequent purchaser with lender approval.

It should be noted that despite this policy, any installments on an Installment Payment Mortgage Agreement which are not paid with the December tax bills will be referred as delinquent to the County for collection.