TULSA DEVELOPMENT AUTHORITY
STAFF REPORT

MEETING DATE: February 4, 2021
TO: Chairman & Board Members
FROM: Office of Tulsa Development Authority
SUBJECT: Promissory Note with Laura Oldham
LEGAL DESCRIPTION: Lot 4, Block 1, OGAN'S CIRCLE RESUB L1-7 B2 CARTER ADDITION LESS E20. TULSA, TULSA COUNTY, STATE OF OKLAHOMA ACCORDING TO THE RECORDED PLAT THEREOF (also known as 2020 N Kenosha Ct E, Tulsa, Ok 74106)

Background:

Owner: Erin E. Davis
1st Mortgage: First United Bank and Trust Company, ISAOA
Loan Amount: 131,966.00
2nd Mortgage: Tulsa Development Authority
Loan Amount: $4,000.00
Number of Lots: One
New Interest Rate: 2.875%

Program Manager: Casey Stowe

Relevant Info:

On October 31, 2017, TDA developer, Capital Homes Residential Group, LLC provided a 2nd Mortgage in the amount of $4,000.00 to Laura Oldham. The 1st Mortgage was originally written with the FIRST UNITED BANK AND TRUST COMPANY, ISAOA, for the loan amount of $131,966.00. This amount has been reduced to $128,000, which is being refinanced at a lower interest.

This is a request for TDA Board of Commissioners to sign a Subordination Agreement that allows FIRST UNITED BANK and TRUST COMPANY to refinance the 1st Mortgage principal amount of $128,000.00 with a lower interest rate of 2.875%. TDA will remain in second position.

Attachments: First United Bank & Trust Company - Loan Estimate Term Sheet
Recommendation: Staff recommends this item be approved as presented

Reviewed By: Casey Stowe, Program Manager
# Loan Estimate

**DATE ISSUED:** 1/11/2021  
**APPLICANTS:** Erin E Davis  
2020 N Kenosha Ct  
Tulsa, OK 74106  
**PROPERTY:** 2020 N Kenosha Ct  
Tulsa, OK 74106  
**PROP. VALUE:** $163,000

### Loan Terms

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>$128,000</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Rate</td>
<td>2.875 %</td>
<td>NO</td>
</tr>
</tbody>
</table>

**Monthly Principal & Interest**  
See Projected Payments below for your Estimated Total Monthly Payment  

| $876.27 | NO |

| Prepayment Penalty | NO |
| Balloon Payment   | NO |

### Projected Payments

<table>
<thead>
<tr>
<th>Payment Calculation</th>
<th>Years 1-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal &amp; Interest</td>
<td>$876.27</td>
</tr>
<tr>
<td>Mortgage Insurance</td>
<td>0</td>
</tr>
<tr>
<td>Estimated Escrow Amount can increase over time</td>
<td>238</td>
</tr>
</tbody>
</table>

| Estimated Total Monthly Payment | $1,114 |

| Estimated Taxes, Insurance & Assessments | $238 Monthly |
| Amount can increase over time | This estimate includes  
 bomber Property Taxes | YES |
| taxi Homeowner’s Insurance | YES |
| Other: See Section G on page 2 for escrowed property costs. You must pay for other property costs separately. |

### Costs at Closing

| Estimated Closing Costs | $5,605 Includes $4,013 in Loan Costs + $1,592 in Other Costs - $0 in Lender Credits. See page 2 for details. |
| Estimated Cash to Close | -$235 Includes Closing Costs. See Calculating Cash to Close on page 2 for details. |
# Closing Cost Details

## Loan Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Origination Charges</td>
<td>$855</td>
</tr>
<tr>
<td>0.125 % of Loan Amount (Points)</td>
<td>$160</td>
</tr>
<tr>
<td>Administration Fee</td>
<td>$695</td>
</tr>
<tr>
<td><strong>B. Services You Cannot Shop For</strong></td>
<td>$959</td>
</tr>
<tr>
<td>Appraisal Fee</td>
<td>$550</td>
</tr>
<tr>
<td>Appraisal OCA Fee</td>
<td>$29</td>
</tr>
<tr>
<td>Credit Report</td>
<td>$62</td>
</tr>
<tr>
<td>Final Inspection</td>
<td>$165</td>
</tr>
<tr>
<td>Flood Certification</td>
<td>$7</td>
</tr>
<tr>
<td>Tax Service</td>
<td>$105</td>
</tr>
<tr>
<td>Verification of Assets</td>
<td>$16</td>
</tr>
<tr>
<td>Verification of Employment/Income</td>
<td>$25</td>
</tr>
<tr>
<td><strong>C. Services You Can Shop For</strong></td>
<td>$2,199</td>
</tr>
<tr>
<td>Land survey</td>
<td>$250</td>
</tr>
<tr>
<td>Title - Admin Processing Fee</td>
<td>$50</td>
</tr>
<tr>
<td>Title - Attorney Doc Prep Fee</td>
<td>$375</td>
</tr>
<tr>
<td>Title - Courier Messenger Fees</td>
<td>$60</td>
</tr>
<tr>
<td>Title - Lender's Title Insurance</td>
<td>$364</td>
</tr>
<tr>
<td>Title - Settlement Fee</td>
<td>$400</td>
</tr>
<tr>
<td>Title - Title Opinion Letter</td>
<td>$300</td>
</tr>
<tr>
<td>Title - Title Search Abstract</td>
<td>$400</td>
</tr>
</tbody>
</table>

## Other Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>E. Taxes and Other Government Fees</td>
<td>$238</td>
</tr>
<tr>
<td>Recording Fees and Other Taxes</td>
<td>$104</td>
</tr>
<tr>
<td>Transfer Taxes</td>
<td>$134</td>
</tr>
<tr>
<td><strong>F. Prepays</strong></td>
<td>$111</td>
</tr>
<tr>
<td>Homeowner's Insurance Premium (months)</td>
<td></td>
</tr>
<tr>
<td>Mortgage Insurance Premium (months)</td>
<td></td>
</tr>
<tr>
<td>Prepaid Interest ($10.0922 per day for 11 days @2.875 %)</td>
<td>$111</td>
</tr>
<tr>
<td>Property Taxes (months)</td>
<td></td>
</tr>
<tr>
<td><strong>G. Initial Escrow Payment at Closing</strong></td>
<td>$1,243</td>
</tr>
<tr>
<td>Homeowner's Insurance</td>
<td>$61.36 per month for 3 mo.</td>
</tr>
<tr>
<td>Mortgage Insurance</td>
<td>per month for 3 mo.</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$176.58 per month for 6 mo.</td>
</tr>
<tr>
<td><strong>H. Other</strong></td>
<td>$0</td>
</tr>
</tbody>
</table>

## TOTAL OTHER COSTS (E + F + G + H)

**$1,592**

## TOTAL CLOSING COSTS

**$5,605**

**D + I**

**$5,605**

### Lender Credits

Total Closing Costs (J) **$5,605**

- Closing Costs Financed (Paid from your Loan Amount) **-$5,605**
- Down Payment/Funds from Borrower **$0**
- Deposit **$0**
- Funds for Borrower **-$235**
- Seller Credits **$0**
- Adjustments and Other Credits **$0**

**Estimated Cash to Close** **-$235**
## Additional Information About This Loan

**LENDER**
First United Bank and Trust Company  
NMLS/___ LICENSE ID 400025

**LOAN OFFICER**
Jason Karm
NMLS/___ LICENSE ID 469129

**EMAIL**
jkarm@firstunitedbank.com

**PHONE**
918-607-7405

**MORTGAGE BROKER**

**LOAN OFFICER**

**EMAIL**

**PHONE**

### Comparisons

<table>
<thead>
<tr>
<th></th>
<th>Use these measures to compare this loan with other loans.</th>
</tr>
</thead>
<tbody>
<tr>
<td>In 5 Years</td>
<td><strong>$56,699</strong> Total you will have paid in principal, interest, mortgage insurance, and loan costs. <strong>$36,707</strong> Principal you will have paid off.</td>
</tr>
<tr>
<td>Annual Percentage Rate (APR)</td>
<td><strong>3.139 %</strong> Your costs over the loan term expressed as a rate. This is not your interest rate.</td>
</tr>
<tr>
<td>Total Interest Percentage (TIP)</td>
<td><strong>23.312 %</strong> The total amount of interest that you will pay over the loan term as a percentage of your loan amount.</td>
</tr>
</tbody>
</table>

### Other Considerations

**Appraisal**
We may order an appraisal to determine the property's value and charge you for this appraisal. We will give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.

**Assumption**
If you sell or transfer this property to another person, we  
☐ will allow, under certain conditions, this person to assume this loan on the original terms.  
☒ will not allow assumption of this loan on the original terms.

**Homeowner's Insurance**
This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.

**Late Payment**
If your payment is more than 15 days late, we will charge a late fee of 5% of the principal and interest overdue.

**Liability after Foreclosure**
Taking this loan could end any state law protection you may currently have against liability for unpaid debt if your lender forecloses on your home. If you lose this protection, you may have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.

**Refinance**
Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

**Servicing**
We intend
☒ to service your loan. If so, you will make your payments to us.  
☐ to transfer servicing of your loan.

### Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

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**Applicant Signature**

**Date**
NOTICE: THIS SUBORDINATION OF MORTGAGE RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

SUBORDINATION OF MORTGAGE

THIS SUBORDINATION OF MORTGAGE dated February __________, 2021, is made and executed among Erin E. Davis, a single person, ("Borrower"); Tulsa Development Authority, ("Mortgagee"); and First United Bank & Trust Company, ("Lender").

SUBORDINATED INDEBTEDNESS. Mortgagee has extended the following described financial accommodations, secured by the Real Property (the "Subordinated Indebtedness"): Promissory Note dated 10/31/2017 in the amount $4,000.00.

SUBORDINATED MORTGAGE. The Subordinated Indebtedness is secured by the Real Property and evidenced by a Mortgage dated October 31, 2017, from Erin E. Davis, a single person, ("Mortgagor") to Tulsa Development Authority, a public body corporate, ("Mortgagee") (the "Subordinated Mortgage") and recorded in Tulsa County, State of Oklahoma as follows:

SECOND REAL ESTATE MORTGAGE Recorded 11/29/2017 As Document No. 2017110609 in the office of the Tulsa County Clerk.

REAL PROPERTY DESCRIPTION. The Subordinated Mortgage covers the following described real property (the "Real Property") located in Tulsa County, State of Oklahoma:

Lot Four (4), Block One (1), OGAN'S CIRCLE an Addition to the City of Tulsa, Tulsa County, Oklahoma, according to the Recorded Plat No. 6308.

The Real Property or its address is commonly known as 2020 N. Kenosha Ct. E., Tulsa, OK 74106.

SUPERIOR INDEBTEDNESS. Lender has extended or has agreed to extend the following described financial accommodations to Borrower, secured by the Real Property (the "Superior Indebtedness"): Promissory Note in the amount of $128,000.00.

LENDER'S LIEN. The Superior Indebtedness is or will be secured by the Real Property and evidenced by a mortgage, dated ________________, 2021 and recorded Document No. ________________ in the office of the Tulsa County Clerk.

As a condition to the granting of the requested financial accommodations, Lender has required that the Lender's Lien be and remain superior to the Subordinated Mortgage.

REQUESTED FINANCIAL ACCOMMODATIONS. Mortgagor, who may or may not be the same person or entity as Borrower, and Mortgagee each want Lender to provide financial accommodations to Borrower in the form of the Superior Indebtedness. Mortgagor and Mortgagee each represent and acknowledge to Lender that Mortgagee will benefit as a result of these financial accommodations from Lender to Borrower, and Mortgagee acknowledges receipt of valuable consideration for entering into this Subordination.

File No. 575208
NOW THEREFORE THE PARTIES TO THIS SUBORDINATION HEREBY AGREE AS FOLLOWS:

SUBORDINATION. The Subordinated Mortgage and the Subordinated Indebtedness secured by the Subordinated Mortgage is and shall be subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is agreed that Lender's Lien shall be and remain, at all times, prior and superior to the lien of the Subordinated Mortgage. Mortgagor also subordinates to Lender's Lien all other Security Interests in the Real Property held by Mortgagor, whether now existing or hereafter acquired. The words "Security interest" mean and include without limitation any type of collateral security, whether in the form of a lien, charge, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

MORTGAGEE'S REPRESENTATIONS AND WARRANTIES. Mortgagor represents and warrants to Lender that: (A) no representations or agreements of any kind have been made to Mortgagor which would limit or qualify in any way the terms of this Subordination; (B) this Subordination is executed at Borrower's request and not at the request of Lender; (C) Lender has made no representation to Mortgagor as to the creditworthiness of Borrower; and (D) Mortgagor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Mortgagor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Mortgagor's risks under this Subordination, and Mortgagor further agrees that Lender shall have no obligation to disclose to Mortgagor information or material acquired by Lender in the course of its relationship with Mortgagor.

MORTGAGEE WAIVERS. Mortgagee waives any right to require Lender: (A) to make, extend, renew, or modify any loan to Borrower or to grant any other financial accommodations to Borrower whatsoever; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any Superior Indebtedness secured by Lender's Lien, or notice of any action or non-action on the part of Borrower. Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional indebtedness; (C) to resort for payment or to proceed directly or at once against any person, including Borrower; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.

LENDER'S RIGHTS. Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Subordination. In particular, without limitation, Lender may, without notice of any kind to Mortgagor, (A) make one or more additional secured or unsecured loans to Borrower; (B) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part of it, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (D) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (E) determine how, when, and what application of payments and credits, shall be made on the Superior Indebtedness; (F) apply such security and direct the order or manner of sale of the security, as Lender in its discretion may determine; and (G) transfer this Subordination to another party.

DEFAULT BY BORROWER. If Borrower becomes insolvent or bankrupt, this Subordination shall remain in full force and effect. Any default by Borrower under the terms of the Subordinated Indebtedness also shall constitute an event of default under the terms of the Superior Indebtedness in favor of Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Subordination:

Amendments. What is written in this Subordination is Mortgagor's entire agreement with Lender concerning the matters covered by this Subordination. All prior and current representations and discussions concerning such matters either are included in this document or do not constitute a part of our agreement. Further, no conditions exist of any kind which are not set forth in this Subordination. To be effective, any change or amendment to this Subordination must be in writing and must be signed by whoever will be bound or obligated by the change or amendment.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Subordination, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses incurred by Lender in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at
the rate set forth in the Superior Indebtedness documents from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees, however not to exceed fifteen percent (15%) of the unpaid debt after default, and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Mortgagee also will pay any court costs, in addition to all other sums provided by law.

Authority. The person who signs this Subordination as or on behalf of Mortgagee represents and warrants that he or she has authority to execute this Subordination and to subordinate the Subordinated Indebtedness and the Mortgagee's security interests in Mortgagee's property, if any.

Caption Headings. Caption headings in this Subordination are for convenience purposes only and are not to be used to interpret or define the provisions of this Subordination.

Governing Law. This Subordination will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This Subordination has been accepted by Lender in the State of Oklahoma.

Successors. This Subordination shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Subordination, and the covenants of Mortgagee herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

No Waiver by Lender. Mortgagee understands Lender will not give up any of Lender's rights under this Subordination unless Lender does so in writing. The fact that Lender delays or omits to exercise any right will not mean that Lender has given up that right. If Lender does agree in writing to give up one of Lender's rights that does not mean Mortgagee will not have to comply with the other provisions of this Subordination. Mortgagee also understands that if Lender does consent to a request that does not mean that Mortgagee will not have to get Lender's consent again if the situation happens again. Mortgagee further understands that just because Lender consents to one or more of Mortgagee's requests that does not mean Lender will be required to consent to any of Mortgagee's future requests. Mortgagee waives presentment, demand for payment, protest, and notice of dishonor. Mortgagee waives all rights of exemption from execution or similar law in the Property, and Mortgagee agrees that the rights of Lender in the Property under this Subordination are prior to Mortgagee's rights while this Subordination remains in effect.

EACH PARTY TO THIS SUBORDINATION ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS SUBORDINATION, AND EACH PARTY AGREES TO ITS TERMS. THIS SUBORDINATION IS DATED FEBRUARY ________, 2021.

BORROWER:

_____________________________
Erin E. Davis
MORTGAGEE:

Tulsa Development Authority

x

By: Steve Mitchell
Title: Board Chairman

LENDER:

First United Bank & Trust Company

x

President

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OKLAHOMA )
COUNTY OF _________ ) SS.

Before me, the undersigned, a Notary Public in and for the above County and State, personally appeared Erin E. Davis, a single person, to me known to be the identical person(s) who executed the within and foregoing Subordination, and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

Signed this _________ day of ________________ , 2021.

Notary Public

My Commission Expires: ____________________________

File No. 575208
MORTGAGEE ACKNOWLEDGMENT

STATE OF OKLAHOMA )
COUNTY OF __________ ) SS.

Before me, the undersigned, a Notary Public in and for the above County and State, personally appeared Steve Mitchell, to me known to be the identical person who subscribed the name of the maker thereof to the within and foregoing instrument as the Chairman of the Board of Commissioners of Tulsa Development Authority, and acknowledged to me that he or she executed the same as his or her free and voluntary act and deed and as the free and voluntary act and deed of such entity, for the uses and purposes therein set forth.
Signed this __________ day of ________________, 2021.

Notary Public

My Commission Expires: ____________________________

LENDER ACKNOWLEDGMENT

STATE OF OKLAHOMA )
COUNTY OF __________ ) SS.

Before me, the undersigned, a Notary Public in and for the above County and State, personally appeared ____________________________, to me known to be the identical person who subscribed the name of the maker thereof to the within and foregoing instrument as the _________ President of First United Bank & Trust Company, and acknowledged to me that he or she executed the same as his or her free and voluntary act and deed and as the free and voluntary act and deed of such entity, for the uses and purposes therein set forth.
Signed this __________ day of ________________, 2021.

Notary Public

My Commission Expires: ____________________________