

RESOLUTION NO. 4163

A RESOLUTION ESTABLISHING THE INTEREST RATE AND MAXIMUM LOAN AMOUNT FOR BASEMENT FLOODING PROTECTION LOANS AND PROCEDURES FOR COLLECTION OF DELINQUENT LOAN REPAYMENTS.

WHEREAS, the City of Albany has established a basement flooding protection loan program; and

WHEREAS, interest rates, maximum loan amounts, and the method of collection for delinquent loan payments for this program are established by City Council resolution; and

WHEREAS, property owners participating in the program have agreed to repay the loan by monthly or semiannual installment payments over a period not to exceed ten years; and

WHEREAS, the City will proceed to collect the unpaid liens by advertisement and sale of real property as provided by ORS 223.505-223.650.

NOW, THEREFORE, BE IT RESOLVED that the annual interest rate for basement flooding protection loans shall be 0 percent. The interest shall commence from the date of entry of the lien in the lien docket and shall have priority over all other liens and assessments to the maximum extent permitted by law.

BE IT FURTHER RESOLVED that the maximum loan amount for a basement flooding protection loan shall not exceed \$10,000.00 without specific review and approval by the Public Works Director. In no event shall a Basement Flooding Protection Loan exceed \$15,000.00.

BE IT FURTHER RESOLVED that payments not received within 30 days from the date the installment payment becomes due shall be delinquent and may be subject to penalty fees. Collection of delinquent payments shall follow the schedule shown below:

<u>Delinquency Period</u>	<u>Action</u>
1 month	Send notice of delinquent loan payment.
10 months	First foreclosure notice shall be mailed. All delinquent payments must be brought current or a 10 percent penalty fee may be charged.
11 months	Second foreclosure notice shall be mailed and all delinquent payments must be brought current in 30 days or a 10 percent penalty fee shall be charged.
12 months	Third foreclosure notice shall be mailed and shall include a 10 percent penalty fee assessed against the delinquent loan balance.
15 months	Fourth foreclosure notice shall be mailed.
16 months	Submit accounts to City Council with recommendation to begin foreclosure proceedings.

17 months

Last date for property owners to bring loan payments current, with interest and penalty. After this date, the loan balance is accelerated and shall be paid in full

17 months 15 days

Prepare resolution and mail 10-day acceleration letter. Property is in foreclosure. All foreclosure costs shall be added to the loan balance

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DATED THIS <sup>25<sup>th</sup></sup> ~~14<sup>th</sup>~~ DAY OF AUGUST 1999.

  
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Mayor

ATTEST:

  
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City Recorder Clerk