

DHL Subordination Agreement Template & Instructions

The Subordination Agreement template is for your reference only. Please be sure to work with your company's attorney and or the title company's attorney to make sure the Subordination Agreement Template is applicable to the state where the subject property is located at.

In general, a Subordination Agreement should contain the following information:

1. The Borrowers Full Names
2. The Subject Property Address and APN (Accessor Parcel Number)
3. Discover Bank's recorded information (Loan Amount, Recorded Date, book, page, etc. as indicates on the title report)
4. Discover Bank's Address: 12 Reads Way, New Castle, DE 19720
5. The New Lender's loan information (Loan Amount, Lender's Name, Address, etc.)
6. A Signing Block for Discover Bank, State Required Witnesses if applicable and Notary Section

Note: the following states may require more than one witnesses to be present at signing: **CT, GA, KY, LA, MI, SC, and VT.** An example of the signatory block for these states would be like:

Lienholder Signature

Lienholder: Discover Bank

Printed Name _____

Title _____

Witnesses:

Signature _____

Printed Name _____

Signature _____

Printed Name _____

RECORDING REQUESTED BY:
(TITLE/ESCROW COMPANY NAME IF APPLICABLE)

AND WHEN RECORDED MAIL TO:
Discover Financial Services
2402 W. Beardsley Rd.
Phoenix, AZ 85027
(Reference Discover Home Loan #: _____)

THIS SPACE FOR RECORDER'S USE ONLY:

Title Order No.: **TITLE ORDER NUMBER HERE**

Escrow No.: **ESCROW NUMBER HERE**

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT 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.

Property Address: SUBJECT PROPERTY ADDRESS HERE

THIS AGREEMENT, made on **MONTH AND DATE, 202X**, by **BORROWERS NAMES**, Owner(s) of the land hereinafter described and hereinafter referred to as "Owner", and **BORROWERS NAMES**, Present owner(s) and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary":

WITNESSETH

THAT WHEREAS, **BORROWERS NAMES HERE**, did execute a deed of trust, dated **FULL DATE HERE**, to Discover Bank, 12 Reads Way, New Castle, DE 19720, as trustee, covering: **LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF**

to secure a note in the sum of **\$XXX,XXX.00 (Discover's original loan amount here)**, dated **RECORDED DATE HERE**, in favor of Discover Bank, which deed of trust was recorded on **RECORDED DATE HERE** as Instrument No **INSTRUMENTNUMBER HERE**, Official Records of said county **RECORDING COUNTY**; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of **\$XXXXXX.000 (NEW LENDER'S LOAN AMOUNT HERE)**, dated _____, in favor of **NEW LENDER'S NAME HERE**, hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said deed of trust last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the deed of trust first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the deed of trust securing the same is a

lien or charge upon the above described property prior and superior to the lien or charge of the deed of trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the deed of trust securing the same **shall**, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the deed of trust first above mentioned.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

(1) That said deed of trust securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the deed of trust first above mentioned.

(2) That Lender would not make its loan above described without this subordination agreement.

(3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the deeds of trust hereinbefore specifically described, any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in the deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that

(a) He consents to and approves (i) all provisions of the note and deed of trust in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan.

(b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;

(c) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the deed of trust first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and

(d) An endorsement has been placed upon the note secured by the deed of trust first above mentioned that said deed of trust has by this instrument been subordinated to the lien or charge of the deed of trust in favor of Lender above referred to.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

BORROWER #1'S FULL NAME

BORROWER #2'S FULL NAME

DISCOVER BANK/Beneficiary

Name

Title

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF **(NAME OF STATE)**

COUNTY OF _____

On _____ before me, _____, A Notary Public personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of **NAME OF STATE HERE** that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

(This area for official notarial seal)

STATE OF **(STATE NAME HERE)**

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

(CLTA SUBORDINATION FORM "A")