

**Resolution of the City of Franklin Board of Works**

**Resolution No.: 2015-16**

**A RESOLUTION ADOPTING A PARTIAL MORTGAGE RELEASE POLICY  
FOR THE JEFFERSON, FORSYTHE, KING STREETS IMPROVEMENTS**

**WHEREAS**, the City of Franklin by and through its Board of Works (hereinafter referred to as "City") is a government organization providing services to the citizens of Franklin, Indiana; and

**WHEREAS**, the City of Franklin has currently undertaken a Public Works Project commonly known as the Jefferson, Forsythe, King Streets Improvements; and

**WHEREAS**, in conjunction with completing said project, certain conveyance documents are required from owners of parcels of real estate in order to acquire property to construct the trail and other necessary improvements therewith; and

**WHEREAS**, those conveyance documents include certain easements and warranty deeds from the owners of the parcels of real estate; and

**WHEREAS**, some of the parcels of real estate may be encumbered by mortgages and there is a cost associated with obtaining a partial release of mortgage in addition to an uncertain amount of time or delay in obtaining said partial release; and

**WHEREAS**, the property acquired by the City as to individual parcels and necessary for completion of the Jefferson, Forsythe, King Streets Improvements is limited in nature and receipt of the property by the City without a partial mortgage release on small projects is of minimal risk to the City versus the costs and additional time incurred in obtaining the same; and

**WHEREAS**, the costs to the parcel owner of a mortgage release fee in conjunction with the lengthy release process and the additional delay and time required are undue burdens on both the City and the property owner; and

**WHEREAS**, the Indiana Department of Transportation ("INDOT") has adopted a policy wherein a partial mortgage release is not required for an acquisition of less than \$25,000.00 and a copy of said policy is attached hereto as Exhibit "A"; and

**WHEREAS**, after careful consideration the Board of Works of the City of Franklin does hereby adopt the INDOT policy referenced above for parcels of property necessary to complete the Jefferson, Forsythe, King Streets Improvements; and

**WHEREAS**, the City shall follow the Partial Mortgage Release Policy adopted by INDOT for acquisition of less than \$25,000.00 related to a project all as set forth on the attached "Exhibit "A".

**BE IT THEREFORE RESOLVED** the City of Franklin does hereby adopt the above aforementioned as findings of fact;

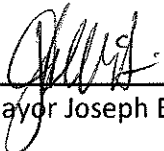
**IT IS FURTHER RESOLVED** the Jefferson, Forsythe, King Streets Improvements shall follow the Partial Mortgage Release Policy adopted by INDOT for acquisition of less than \$25,000.00 which is attached hereto and marked as Exhibit "A";


**IT IS FURTHER RESOLVED** this Resolution shall be in full force and effect from and after its passage and as provided for by applicable law.

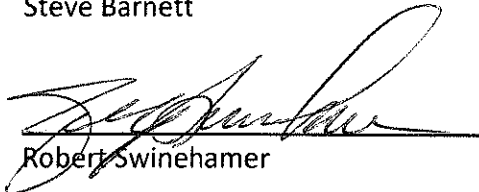
**INTRODUCED & APPROVED** by the Board of Public Works and Safety of the City of Franklin, Johnson County, Indiana this 16th day of November, 2015.

**City of Franklin, Indiana, By its Board of Public Works and Safety:**

Voting Affirmative:

  
\_\_\_\_\_  
Mayor Joseph E. McGuinness

  
\_\_\_\_\_  
Steve Barnett

  
\_\_\_\_\_  
Robert Swinehamer

Attest:

  
\_\_\_\_\_  
Janet P. Alexander, Clerk Treasurer

Prepared by: Lynnette Gray  
Attorney No.: 11567-41

Voting Opposed:

\_\_\_\_\_  
Mayor Joseph E. McGuinness

\_\_\_\_\_  
Steve Barnett

\_\_\_\_\_  
Robert Swinehamer

## Waivers and Partial Mortgage Releases

After careful review of time, cost and risk, there has been a revision of the Partial Mortgage Release threshold. Effective (date) 3-31-2015, INDOT is requiring a Partial Mortgage Release for all acquisitions of \$25,000.00 or more.

(Example: \$25,000.00 WILL need a PMR. \$24,999.99 WILL NOT need a PMR)

Waivers and Partial Mortgage Releases ARE NOT REQUIRED on acquisitions of \$25,000\* or less.

\*Local Public Agencies (LPAs) acquiring properties that involve a possible mortgage waiver should seek specific guidance regarding exposure to this financial risk and its possible impact on local funding.

Mortgage release waivers are not to be used as a shortcut to secure a parcel or meet a project target date. They are an assessed risk that INDOT must occasionally take in order to maintain a construction schedule.

Mortgages over \$25,000\* are to be released unless complications merit waiving. Takings valued over \$25,000\* require a memorandum of waiver (Waiver of Partial Mortgage Release), with prior approval of the Acquisition Section Manager, which is to be signed by the Director of the Real Estate Division (see Online Forms <<http://www.in.gov/indot/2493.htm>>).

Factors which will justify waiving mortgages would include a pending highway construction contract letting date, an unreasonable mortgage release fee of over \$500, or a lengthy release process taking six months or more. If these factors exist, the taking and mortgage condition must be evaluated to estimate the risk of foreclosure. The Right of Way Agent should compare the payoff balance versus the appraised after-value, noting whether the loan payment status is current.

