
DATE: October 1, 2004

TO: All Holders of the Real Estate Policies and Procedures Manual

FROM: James J. Viau, Administrator, Office of Real Estate

SUBJECT: "Pen and Ink" Changes for Section 5203.05, Mortgage Releases

Effective immediately ODOT policy and procedures related to mortgage releases are amended as follows:

"Mortgage releases are required on all R/W acquisitions regardless of type of title taken, except in the following instances:

The FMVE is \$5,000.00 or less.

The FMVE is greater than \$5,000.00 and the value of the residue when compared against the remaining mortgage amount provides a loan to value ratio (LTV) that does not exceed 80%.

For example: A property owner has a mortgage balance of \$80,000, and

the residue value is \$110,000. The owner maintains a \$30,000 equity stake (or 27% of the residue value) in the property. This represents a 73% LTV, so you would not need to obtain a mortgage release.

FMVE is defined as the aggregate amount of compensation for all takings from the same land owner.

Mortgage releases will only be required on temporary construction easements when the temporary has a permanent and negative effect on the residue (such as the removal of a structure).

Common sense and judgment must be exercised in every situation. If unusual circumstances would place the property owner's or ODOT's title in jeopardy, a release must be obtained."

Please insert this memo in your Policies and Procedures Manual at page 52-21. This memo modifies policy contained in Section 5203.05-II-B and 5203.05-III-D. All other terms of Section 5203.05 remain the same.

These provisions will be incorporated into the manual at the time of our next update.

JJV:ms