**Stewart Title Guaranty Company**

**Automatic Subordination Checklist**

**All of the following statements must be marked “YES” to   
use the Automatic Subordination process.**

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| --- | --- | --- |
| **YES** | **NO** | The property is residential and an improved, platted subdivision lot, townhouse, condominium, or single residence on acreage. |
| **YES** | **NO** | The deed of trust to be refinanced and the subordinate deed of trust encumber only the subject property. |
| **YES** | **NO** | The subordinate deed of trust is for no more than $150,000.00. |
| **YES** | **NO** | The subordinate deed of trust was recorded after 7/1/2000. |
| **YES** | **NO** | The deed of trust being refinanced was of record prior to the subordinate trust. |
| **YES** | **NO** | The refinance mortgage secures no more than $5,000.00 above the current balance of the loan being refinanced (obtain figure from payoff statement).  **This procedure is not available on ‘cash-out’ refinances.** |
| **YES** | **NO** | The existing deed of trust states the interest rate in the body of the document. |
| **YES** | **NO** | The new deed of trust states the interest rate on page one. |
| **YES** | **NO** | The interest rate of the new mortgage does not exceed the interest rate of the prior mortgage. |
| **YES** | **NO** | Neither the existing deed of trust nor the new deed of trust has an adjustable rate. |
| **YES** | **NO** | The mortgage being subordinated is not payable to any county, city, town or agency, authority or political subdivision of the Commonwealth of Virginia. |
| **YES** | **NO** | The existing deed of trust does not contain language prohibiting automatic subordination. |

The refinance deed of trust must contain the following language, **in bold type**, on the first page of the document: NOTE: WE HAVE ADDED THE HIGHLIGHTED VERBIAGE TO ENSURE COMPLIANCE WITH THE STATUTE.

**THIS IS A REFINANCE OF A DEED OF TRUST RECORDED IN THE CLERK’S OFFICE, CIRCUIT COURT OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, VIRGINIA, IN DEED BOOK \_\_\_\_\_\_\_, PAGE \_\_\_\_\_\_\_, OR INSTRUMENT NUMBER \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ IN THE ORIGINAL PRICIPAL AMOUNT OF $\_\_\_\_\_\_\_\_\_\_\_\_\_\_, AND WITH THE OUTSTANDING PRINCIPAL BALANCE OF $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ at \_\_\_\_\_\_\_\_%. THE INTEREST RATE OF THIS REFINANCE DEED OF TRUST IS \_\_\_\_\_\_\_\_%.**