



# SUBORDINATION AGREEMENT

This subordination agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by Pentagon Federal Credit Union (PenFed), of 6191 N. State Hwy 161, Suite 500, Irving, TX 75038, (“Mortgagee”) and \_\_\_\_\_, of \_\_\_\_\_, \_\_\_\_\_ County, \_\_\_\_\_ (“Lender”).

## **RECITALS**

A. The mortgagee is the owner and holder of a certain note, dated \_\_\_\_\_, \_\_\_\_\_, for \$ \_\_\_\_\_ and interest, secured by a certain mortgage for that sum and interest, made by \_\_\_\_\_ to the mortgagee, dated, and recorded on \_\_\_\_\_, \_\_\_\_\_, in the office of the \_\_\_\_\_ of \_\_\_\_\_ County, \_\_\_\_\_, in book \_\_\_\_\_, page \_\_\_\_\_, document (no.) \_\_\_\_\_ and covering the following-described premises:

B. \_\_\_\_\_, of \_\_\_\_\_, \_\_\_\_\_ County, \_\_\_\_\_ (“Borrower”) applied to the Lender for a loan to be made to the Borrower and to be evidenced by a promissory note secured by a mortgage covering the above-described real property.

C. To induce the Lender to make the loan, it is necessary the mortgage held by the Mortgagee be subordinated to the lien of the mortgage about to be granted to the Lender as set forth above. In consideration of the matters described above, and of the mutual benefits and obligations set forth in this agreement, the parties agree as follows:

## **SECTION ONE - SUBORDINATION**

The Mortgagee covenants, consents, and agrees with the Lender the above-mentioned mortgage held by the Mortgagee is and shall continue to be subject and subordinate in lien to the lien of the mortgage about to be made to the Lender as stated above.

## **SECTION TWO - CONSIDERATION**

In consideration of the Mortgagee so subordinating the mortgage held by it to the mortgage to be made to the Lender, the Lender shall make the above-described loan and, in further consideration, shall pay \$ \_\_\_\_\_ to the Mortgagee.

## **SECTION THREE - LOAN TERMS**

The terms of the loan from the lender to the Borrower are as follows: \_\_\_\_\_. The Mortgagee agrees its mortgage shall be subordinate to the lender’s mortgage under these terms, it being understood the subordination hereunder does not alter, diminish or otherwise limit the Mortgagee’s rights under its mortgage.

## **SECTION FOUR - BINDING EFFECT**

This agreement shall be binding on and inure to the benefit of the respective heirs, legal representatives, successors, and assigns of the parties.

The undersigned has executed this agreement by its authorized representative at \_\_\_\_\_ on \_\_\_\_\_, \_\_\_\_\_.

**PENTAGON FEDERAL CREDIT UNION**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

State of: \_\_\_\_\_

County/City of: \_\_\_\_\_

Personally appeared before me, the undersigned Notary Public in and for the said County/City and State, on this day of \_\_\_\_\_, \_\_\_\_\_ the within named \_\_\_\_\_, who acknowledged s/he is \_\_\_\_\_ of \_\_\_\_\_, a corporation, and for and on behalf of the said corporation, and as its act and deed, s/he executed the above and foregoing subordination agreement, after first having been duly authorized by said corporation so to do.

Notary's Signature: \_\_\_\_\_

Notary's Printed Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_