

RESOLUTION #2012-028

**A RESOLUTION REGARDING SATISFACTION OF MORTGAGE INSTRUMENTS
ISSUED BY THE CITY OF RAPID CITY**

WHEREAS, the City of Rapid City receives Community Development Block Grant (“CDBG”) funding from the United States Government; and

WHEREAS, a portion of the City’s CDBG funds the City’s Neighborhood Restoration Loan Program (“NRLP”); and

WHEREAS, the NRLP has been in place in the City of Rapid City, in one form or another, since approximately 1972; and

WHEREAS, under the NRLP the City currently grants both zero percent (0%) forgivable loans and low-interest amortized loans to applicants meeting certain household size to income ratio requirements; and

WHEREAS, as a result the NRLP the City becomes a lienholder on the real properties subject to the issued mortgages; and

WHEREAS, under SDCL 44-3-8, as a lienholder the City is required to provide a “Satisfaction of Mortgage” instrument to each mortgagor who satisfies his or her lien, “[e]ither by payment, foreclosure, or other legal means. . .”; and

WHEREAS, a satisfaction of mortgage is a legal instrument, and under SDCL 9-1-5 Common Council authorization is required in order for the Mayor and Finance Officer to sign “contracts and other instruments”; and

WHEREAS, since the program inception, certain mortgagors under the City’s NRLP have been granted satisfaction of mortgage instruments; and

WHEREAS, a majority of the satisfaction of mortgage instruments issued pursuant to satisfied NRLP mortgages have been executed without prior Common Council authorization; and

WHEREAS, the Common Council deems it is in the best interests of the City and of NRLP recipients to ratify all previously executed satisfaction of mortgage instruments issued under the NRLP; and

WHEREAS, SDCL 44-3-8 further requires that satisfaction of mortgage instruments be delivered to the debtor “[w]ithin thirty days of satisfaction. . .”, and alternatively within ten days when a debtor who has satisfied his or her obligation makes a written demand for satisfaction; and

WHEREAS, SDCL 9-1-5 further provides that a municipality may delegate contracting authority in certain instances, including the delegation of authority to execute “[a]ny [] instrument necessary or convenient for the performance of the contract subject to the limitation delegated by the governing body”; and

WHEREAS, in order to comply with the timing requirements of SDCL 44-3-8, and further to promote the expedient conduct of the City’s business, the Common Council desires to delegate to the Mayor and Finance Officer the authority to sign all future satisfaction of mortgage instruments issued for satisfied NRLP mortgages.

NOW, THEREFORE, BE IT RESOLVED by the City of Rapid City that all previously executed satisfaction of mortgage instruments issued to NRLP mortgagors who satisfied their mortgage obligation(s) are hereby ratified and deemed authorized and valid satisfaction of mortgage instruments.

BE IT FURTHER RESOLVED, by the City of Rapid City that the Common Council hereby delegates to the Mayor and Finance Officer authorization to sign all future satisfaction of mortgage instruments for NRLP mortgages that the Community Resources Director, or his or her designee, deems fully satisfied under the terms of any such issued NRLP mortgage.

Dated this _____ day of _____, 2012.

CITY OF RAPID CITY

Mayor

ATTEST:

Finance Officer

(SEAL)