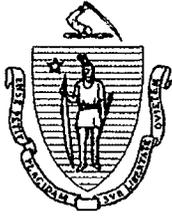


Deed w/ Resale Price Multiplier  
9/24/09



Commonwealth of Massachusetts  
**DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT**

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Tina Brooks, Undersecretary

**LOCAL INITIATIVE PROGRAM  
REFINANCING YOUR FIRST MORTGAGE OR OBTAINING A SECOND MORTGAGE**

Dear Local Initiative Program (LIP) Homeowner:

The following is a summary on how to refinance your first mortgage or to obtain a second mortgage under the LIP program. *We wish to emphasize that before you may close on a new first or second mortgage, your town/city and the Department of Housing and Community Development (DHCD) must review your written request to refinance, and issue a written approval.*

To begin the review process, please mail the following information to your town/city and DHCD:

**A letter from you, the Homeowner, requesting approval to refinance or obtain a second mortgage.**

**Your letter should include:**

- The amount of the refinance or second mortgage requested
- The reason for the request (i.e., better interest rate, cash out, etc.)
- A phone number where you may be reached during the day
- The name and contact number of the closing attorney
- The full name of the lending institution

**The following information is required from your lender**

1. **Commitment Letter** or any written documentation of the new loan terms which must include:

- Interest Rate
- Loan Type (i.e., Conventional, Fixed)
- Rate Lock Expiration Date
- Points
- Length of Loan (i.e., 15yr, 30yr)
- APR (Annual Percentage Rate)

2. **Payoff Statement** showing all current debt on the property

**The above documents should be mailed to the following address:**

The Department of Housing and Community Development  
100 Cambridge Street, Suite 300  
Boston, MA 02114  
Attn: Division of Housing Development - LIP Program

Please contact your town or city hall for information on who will handle your refinance or second mortgage request. You may inquire at the Board of Selectmen's office, the Housing Authority or the Planning Department.

## NEW FIRST &/OR SECOND MORTGAGE GUIDELINES

Your proposed new first or second mortgage must meet these guidelines:

- Have a fixed interest rate through the full term of the mortgage
- Have a current fair market interest rate no more than 2 percentage points above the current MassHousing Rate. For the current MassHousing Rate, call (617) 854-1000 or visit [www.masshousing.com](http://www.masshousing.com)
- Have no more than 2 points
- Have a loan amount no greater than 97% of the Maximum Resale Price\* (Applies to first mortgage refinance)
- Have a loan amount of the combined first and second mortgages no greater than 97% of the Maximum Resale Price\* (Applies to second mortgages)

\*The Maximum Resale Price is derived by using the formula that appears in your LIP deed rider.

*For more information, please contact Nicole Alberino of DHCD's Division of Housing Development at 617-573-1313.*

*To inquire about the status of your request, please contact Elbert Baquero; DHCD paralegal, at 617-573-1508.*

Deed w/ Discount rate  
9/24/09



Commonwealth of Massachusetts  
**DEPARTMENT OF HOUSING &  
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  - Rate Lock Expiration Date
  - Points
  - Length of Loan (i.e., 15yr, 30yr)
  - APR (Annual Percentage Rate)
2. Complete copy of an **Appraisal Report** for the property, completed by a certified residential appraiser. The home should be appraised as a market rate property and the appraisal report should be **no older than 120 days** past its completion date.
3. **Payoff Statement** showing all current debt on the property

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Boston, MA 02114  
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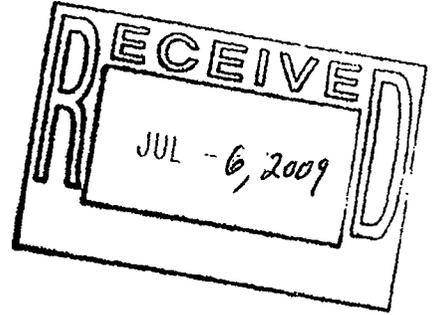
\*The Maximum Resale Price is derived by using the formula that appears in your LIP deed rider.

*For more information, please contact Nicole Alberino of DHCD's Division of Housing Development at 617-573-1313.*

Sample letter



TOWN OF [redacted]  
MASSACHUSETTS  
Office of the Town Administrator



[redacted]  
Town Administrator

July 2, 2009

[redacted]  
[redacted]

Dear [redacted]

At their meeting of July 1, 2009, the [redacted] Board of Selectmen voted to approve your request to refinance your home at [redacted]

The enclosed "Consent for Refinance" form has been signed by the Selectmen and notarized. Note that the vote of approval stipulated that the loan be at a fixed rate and the principal loan amount not exceed \$ [redacted]

You may now proceed with your loan, subject to obtaining the prior written consent of the Secretary of the Department of Housing and Community Development. By copy of this letter to that agency, we are confirming the Town has approved your request.

Sincerely,

[redacted signature]

Town Administrator

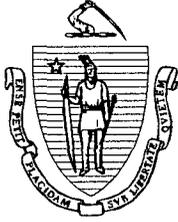
[redacted]

enclosure

cc: Elbert Baquero, DHCD Division of Private Housing

[redacted]

[redacted]



Commonwealth of Massachusetts  
**DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT**

Date

Name  
Address  
Address

Dear \_\_\_\_\_:

This letter is to remind you of the resale and refinance restrictions which are described in your unit's Local Initiative Program (LIP) Deed Rider. **Before** you may sell your LIP unit or refinance your first or second mortgage, you must receive **written approval** from the Department of Housing and Community Development (DHCD) **and** the Town of Acton.

To sell your LIP unit, refinance your first mortgage or obtain a second mortgage under the LIP program, you must mail the following information to DHCD and the Town of Acton:

- A letter requesting approval to sell or refinance your LIP unit;
- A copy of an appraisal report for the property, completed by a certified residential appraiser;
- A copy of the commitment letter from your lender – for a refinance or equity loan.

***Selling Your LIP Unit***

After receiving your notice of intent to sell, the Town of Acton or DHCD will send you a response letter within thirty days stating the *Maximum Resale Price* for which you may sell your home. For a period of 90 days, the community and/or DHCD reserves the right to restrict the sale of the home to a buyer who is income-eligible under the LIP program.

***Refinancing Your LIP Unit***

If you are seeking to refinance your unit, please note the following:

- Your new loan must be a fixed rate loan
- The interest rate cannot exceed the current fair market interest rate
- The closing points must be no greater than the prevailing industry standard for points (approx. 2 points)
- The total debt on the property, including the new loan, cannot exceed 95% of the Maximum Resale Price

For questions or more information, you may contact Elsa Campbell at the DHCD at 617-573-1321. Your local contact, the Acton Community Housing Corporation, can be reached through the Town Manager's Office at Acton Town Hall, (978) 264-9612. The mailing address is: ACHC, Acton Town Hall, 472 Main St., Acton MA 01720.

Sincerely,

Elsa Campbell, Program Coordinator

11/09



# Commonwealth of Massachusetts DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Tina Brooks, Undersecretary

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