



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

Deval L. Patrick, Governor ♦ Aaron Gomstein, 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. **Please note that before you may close on a new first or second mortgage, your municipality 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 email or mail the following information to DHCD and your municipality:

1. **The completed Refinance Request form (attached)**
2. **A letter from you, the Homeowner, requesting approval to refinance or obtain a second mortgage.**
3. **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.
4. **Required information from your lender:**
 - **Loan Commitment Letter** stating the new loan terms including:
 - Interest Rate
 - Loan Type (i.e., Conventional, Fixed)
 - Rate Lock Expiration Date
 - Points
 - Length of Loan (i.e., 15yr, 30yr)
 - APR (Annual Percentage Rate)
 - **Payoff Statement** showing amount of all current debt on the property

The above documents may be emailed to bertha.borin@state.ma.us or mailed to the following address:

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

PLEASE NOTE THAT YOU MAY NOT CLOSE ON YOUR NEW LOAN WITHOUT WRITTEN RECORDABLE CONSENT FROM DHCD – OTHERWISE YOU WILL BE OUT OF COMPLIANCE WITH THE LIP PROGRAM.

NEW FIRST &/OR SECOND MORTGAGE GUIDELINES

Please contact your municipality for information on who will review and approve your refinance or second mortgage request. You may inquire at the Board of Selectmen's office, the Housing Authority or the Planning Department.

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
- Have no more than 2 points
- Total debt on the property may not exceed 97% of the Maximum Resale Price - to be determined by DHCD

For more information, please contact Bertha Borin of DHCD's Division of Housing Development at 617-573-1309.

To inquire about the status of your request, please contact Jess Haley at 617-573-1313.

LIP REFINANCE REQUEST FORM

Please complete this form and return with your refinance documents

Owner Name: _____

Address: _____

Phone: _____ **Email:** _____

Amount of Loan Requested: _____

Reason for the request (i.e., better interest rate, cash out, etc.): _____

Lender: _____

Lender Contact: Name: _____

Phone: _____ **Email:** _____

Lender's Attorney: _____

Name: _____

Phone: _____ **Email:** _____

About the Unit: # of Bedrooms: One Two Three Four

Monthly condo or HOA fee: _____

The following information is required from your lender:

1. **Loan Commitment Letter** stating the new loan terms including:
 - 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. **Appraisal or other evidence used by the lender to determine market value**
3. **Payoff Statement** showing all current debt on the property

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Have a current fair market interest rate no more than 2 percentage points above the current MassHousing Rate.

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Total debt on the property may not exceed 97% of the Maximum Resale Price – to be determined by DHCD

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