



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

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Janelle Chan, 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 LIP. ***We wish to emphasize that before you may close on a new first or second mortgage, the Department of Housing and Community Development (DHCD) and your municipality 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. 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., 15-yr, 30-yr)
    - APR (Annual Percentage Rate)
  - \* Payoff Statement showing amount of all current debt on the property

The above documents should be emailed to [bertha.borin@mass.gov](mailto:bertha.borin@mass.gov) or mailed to the following address:

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 AND YOUR MUNICIPALITY. OTHERWISE, YOU WILL BE OUT OF COMPLIANCE WITH LIP.**

**NEW FIRST AND/OR SECOND MORTGAGE GUIDELINES**

Your proposed new or first 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 two (2) percentage points above the current MassHousing rate. For the current MassHousing Rate, please call 617-854-1000.
- \* Have no more than two (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 or to inquire about the status of your request,  
please contact Bertha Borin of DHCD's Division of Housing Development at  
617-573-1309 or [bertha.borin@mass.gov](mailto:bertha.borin@mass.gov)*

## LIP REFINANCE REQUEST FORM

*Please complete this form and return with your refinance documents*

**Owner Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Phone:** \_\_\_\_\_ **Email:** \_\_\_\_\_

**Amount Requested:** \_\_\_\_\_

**Reason for Request**  
(i.e., better interest rate, cash out, etc.): \_\_\_\_\_

**Lender:** \_\_\_\_\_

**Lender Contact:** **Name:** \_\_\_\_\_  
**Phone:** \_\_\_\_\_ **Email:** \_\_\_\_\_

**Closing Firm:** \_\_\_\_\_

**Attorney Contact:** **Name:** \_\_\_\_\_  
**Phone:** \_\_\_\_\_ **Email:** \_\_\_\_\_

**About the Unit:** **#/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., 15-yr, 30-yr)
  - APR (Annual Percentage Rate)
2. Payoff statement showing all current debt on the property

### Your proposed new or first 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 two (2) percentage points above the current MassHousing rate. For the current MassHousing Rate, please call 617-854-1000.

Have no more than two (2) points

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

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