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. 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 mail or email 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. 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)

The above documents should be emailed to Bertha Borin at 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 AND/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, the Planning Department or the Town Manager/Town Administrator/ Mayor’s office.
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 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

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
LIP REFINANCE REQUEST FORM
Please complete this form and return with your refinance documents

Owner Name: ____________________________________________________________

Address: __________________________________________________________________

Phone: ___________________________ Email: __________________________________

Amount of Loan Requested: ________________________________________________

Request for Request (i.e., better interest rate, cash out, etc.): ______________________

____________________________________________________________________________

Lender: ____________________________________________________________________

Lender Contact: Name: _______________________________________________________

Phone: ___________________________ Email: _________________________________

Lender’s Attorney (Firm): __________________________________________________________________________________________

Name of Attorney: _____________________________________________________________

Phone: ___________________________ Email: _________________________________

About the Unit: # of Bedrooms

☐ One

☐ Two

☐ Three

☐ Four

Monthly condo or HOA Fee: ______________________

The following information is required 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 all current debt on the property

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