



Home Modification Loan Program (HMLP)

Application Guide

Thank you for your interest in the Home Modification Loan Program. HMLP is a lending program that provides funds for homeowners to modify their homes for a household member of any age with a professionally documented limitation or disability. HMLP lends, from \$1,000 to \$50,000 to property owners, secured by a promissory note and mortgage that is recorded as a lien on the property. HMLP also lends from \$1,000 to \$30,000 secured by a promissory note and security agreement to individuals who own manufactured or mobile homes.

Please read the Brochure, and other information carefully before completing this application.

HMLP does not reimburse for completed work.

If you have any questions, or need assistance completing any part of the application, please do not hesitate to contact your provider agency.

- **All of the information and documents required as part of this application are necessary for HMLP provider agencies to determine home modification project and loan product eligibility.** Your chosen contractor must complete the required Home Modification Loan Program Bid Form and Scope of Work (Bid Form), and it must be submitted with your Home Modification Loan Program application to help determine project eligibility.
- **Refer to the checklist with this application to make sure your application is complete.**
- **Please be aware your loan application cannot move forward until the Bid Form has been submitted and has the required detail.**
- ***This is not a home repair, roof, septic or heating system replacement program.*** The modifications made to the home must relate to the beneficiary's ability to function on a daily basis.
- **Income guidelines for eligibility** are included with this application in the section entitled *Frequently Asked Questions*.
- **If you are an employee or a relative of an employee of the provider agency**, who sent you this application, call your local provider agency to be assigned to another provider agency.
- **Reasonable accommodations** will be provided as needed by the provider agency to assist in completion of the application. If you need any assistance with the application please let your provider agency know how they can be of assistance.
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Provider Agencies

Your completed application should be sent directly to the agency serving your community. If you are unsure of where to send your application, please visit our website www.mass.gov/mrc/hmp where you can search by city/town to determine which agency serves your community or call 1-866-500-5599.

Western, MA Regions

Way Finders
322 Main Street
Springfield, MA 01105
Contact: Carmen Pagan
413-233-1615

cpagan@wayfindersma.org

Serving: Agawam, Chicopee, Holyoke, Northampton, Springfield, West Springfield and Westfield

Pioneer Valley Planning Commission (PVPC)
60 Congress Street
Springfield, MA 01104
Contact: Shirley Stephens
413-781-6045

sstephens@pvpc.org

Serving: all other Western MA communities

Central, MA Region

RCAP Solutions, Inc. (RCAP)
205 School Street
Gardner, MA 01440
Contact: Lovette Chislom
978-630-6725

Lchislom@rcapsolutions.org

Metrowest, MA Region

South Middlesex Opportunity Council (SMOC)
7 Bishop Street
Framingham, MA 01702
Contact: Linda Hochen
508-620-2682

lhochen@smoc.org

Northeast/North Shore, MA Region

Community Teamwork, Inc (CTI)
155 Merrimack Street
Lowell, MA 01852
Contact: Alan Trebat
978-654-5741

atrebat@commteam.org

Southeastern, MA/Cape/Islands Region

South Middlesex Opportunity Council (SMOC)
HMLP-SMOC
P.O. Box 309
Buzzards Bay, MA 02532
Contact: Amy Allen
508-202-5919

aallen@smoc.org

Metro Boston Region

Metro Housing Boston
1411 Tremont Street
Boston, MA 02120
Contact: Jennifer Shaw
617-425-6637

Jennifer.shaw@metrohousingboston.org

Home Modification Loan Program

www.cedac.org/hmlp

Frequently Asked Questions

What is the Home Modification Loan Program?

The HOME MODIFICATION LOAN PROGRAM (HMLP) was established by the Massachusetts legislature and is a lending program that finances housing adaptations or modifications to improve accessibility for seniors and individuals with disabilities. These modifications are intended to allow the household member to live more independently in the community. The program is funded through a state-bond and most loans are secured by a mortgage in order to guaranty repayment. Repaid loan funds will be lent out to other similar borrowers in the future.

What kinds of projects are eligible?

First, the program is NOT a general home repair program. In order to be financed by an HMLP loan, modifications must relate to the functional limitation of the beneficiary as documented by a professional with whom there is a client history. Some examples of projects funded through this program include ramps and lifts, hardwired alarm systems, fencing, sensory spaces, accessory units, as well as accessible bathrooms and kitchens.

Projects that are not directly related to the beneficiary's ability to function on a day-to-day basis and would benefit anyone living in the home are not eligible for financing under the HMLP program.

What types of loans are available?

Loans for property owners, secured by a promissory note and mortgage, are made available in amounts from \$1,000 up to \$50,000. Loans for owners of manufactured or mobile homes, secured by a promissory note and security agreement, are made available in amounts from \$1,000 to \$30,000. All applicants are eligible for a one-time per-property loan.

All applicants receive a **0% deferred loan**. Some landlords may be eligible for a 3% amortizing loan for a tenant.

What are the income guidelines?

HMLP serves households with gross income up to 200% area median income (AMI) for Boston MESA, published by HUD. HMLP applies these income guidelines to all homeowners in cities and towns in Massachusetts. Please note, income guidelines are updated annually.

2018 Income Guidelines

| Household Size | Eligible with Gross Income up to: |
|----------------|-----------------------------------|
| 1 | \$151,000 |
| 2 | \$172,600 |
| 3 | \$194,200 |
| 4 | \$215,600 |
| 5 | \$233,000 |
| 6 | \$250,200 |
| 7 | \$267,400 |
| 8 | \$284,600 |

What are the loan terms?

All applicants with a total gross household income of up to 200% area median income (AMI) qualify for a 0% interest, deferred payment loan. Monthly payments are not required. Payment of the HMLP loan will be required when the property is sold or the property title is transferred to someone else or into a Trust, or if any condition of the loan agreement is not met.

How do I apply?

There are six agencies, serving seven regions throughout the Commonwealth that administer the program. To find the provider serving your community, look up your town on our website, www.mass.gov/mrc/hmlp and find the provider's contact information or contact Susan Gillam at 1-866-500-5599.

If you need assistance or reasonable accommodations during your application process, please let your local provider know.

Can a landlord apply for a loan to modify a rental unit?

A landlord who has an identified tenant with a disability or plans to have an identified tenant with a disability may apply for the loan. As in the case of a homeowner loan, the modifications to be made must be documented and must relate to the tenant's (beneficiary) functional needs. A landlord owning fewer than 10 units in the building may apply for a Home Modification loan at 3% interest.

NOTE: Any landlord with a unit in a building of 10 or more units is required to make modifications under MGL Paragraph 7A, Chapter 151B Section 4 and is **NOT** eligible for the Home Modification Loan Program unless the landlord can prove hardship through litigation under this statute.

What is the loan application process?

The Home Modification Loan Program does not reimburse for completed construction projects.

Applications are accepted anytime and applicants are served on a first-come first-served basis. Applications are reviewed by the regional Provider Agency to determine eligibility. The application includes an *Application Checklist*, please be sure to include all items on this Checklist so your loan can be processed efficiently. Your loan application cannot move forward without all the necessary documents and pages of the application completed.

Please contact your regional provider agency if you are unsure of the status of your application or if you have any questions regarding the program requirements.

Once the Provider Agency has received a complete, signed application with all of the required documentation, including the *Home Modification Loan Program Bid, Scope of Work and Contract Form* (Bid Form), filled out by your chosen contractor, a program construction monitor will come to the home and perform an initial inspection. Once the provider agency has the inspection report they will draw up the loan documents for review and signature and will then record the mortgage at a Registry of Deeds/Registry District of the Land Court or file a UCC-1 with Massachusetts Secretary of State.

Please note, the Registry charges a fee to record a mortgage (or any other documents such as Certificate of Trustee or Change of Name Affidavit that may be necessary). This cost is the borrower's responsibility. The borrower may wrap these fees into their loan or pay these fee(s) up front.

Once the mortgage is recorded or UCC-1 is filed, the provider agency will be able to request funds from its funding source, CEDAC. Once the provider agency has received the loan funds, funds may be disbursed as anticipated by the agreed upon loan disbursement schedule attached to your Loan Agreement. **Please note that it can take up to 4 – 6 weeks until the first disbursement can be made.**

Loans are disbursed in increments throughout the modification project. An initial disbursement of no more than 1/3 of the loan can be made to allow contractors to start work, please be aware labor costs cannot be included in an initial up-front disbursement. Subsequent disbursements are made after the homeowner submits contractor receipts or invoices showing a given percentage of work has been completed. It is the responsibility of the homeowner to verify the work completed was done to their satisfaction prior paying an invoice.

A final inspection will be conducted by the construction monitor at project completion. The final payment (at minimum 10% of the total loan amount) will not be released to you or the contractor until the final inspection has been performed, the contractor signs a lien waiver and you have indicated your satisfaction with the modifications.

What happens if my application is determined not eligible?

If the application is not eligible for the HMLP funding, the applicant will be notified by the provider agency. The provider agency will attempt to provide appropriate referrals to other programs or sources of funding. Information on other programs which fund home modification can be found on our website or you can request a list from the provider agency.

What if my project will cost more than my available loan amount?

Many HMLP borrowers have projects that exceed the maximum loan amount and need to find other sources of funds to supplement the loan. HMLP funds can only be disbursed after other sources of funding are utilized. Information on organizations or other programs which may have funds available for home modification projects can be found on our website or provider agencies can provide you with a handout with this information.

Who will do the actual work to modify the home?

Homeowners hire the designer and/or contractor of their choice to modify the home. Please note, all construction professionals must be licensed and insured in the state of Massachusetts. The provider agencies can give you resource materials on choosing and hiring architectural, design, and contracting professionals **but cannot recommend specific contractors**.

What should I expect during construction?

HMLP providers do not get involved directly with contractors. Please see *The Home Modification Loan Program & Contractors* handout for more information on working with contractors and using funding from HMLP. Homeowners are responsible for monitoring contractors and other home improvement professionals. We suggest that when the work begins, homeowners keep a copy of the contract handy and refer to it often. If something is not going the way you feel it should or if you do not understand it speak directly to your chosen contractor, and notify the provider agency who can advise you on possible next steps.

What if I have a dispute with my contractor?

Please understand HMLP, your provider agency and the program construction monitor cannot be involved in disputes regarding the legally binding contract homeowners enter into with their chosen contractor. More information about consumer protections and how to file a complaint can be found at the state's Consumer Affairs department, www.mass.gov/ocabr/consumer/home-improvement-contract. This website provides a consumer guide to home improvement contractor complaints, which outlines the four different program that handle complaints against residential home improvement contractors.

May I do any of the work myself?

A borrower who is a licensed contractor, may be allowed to do the work themselves in order to maximize the value of the loan funds. This is referred to as Self-help. In such cases, the HMLP funds can be used to pay for the cost of materials but cannot be used to pay for the borrower's or the borrower's immediate family member's labor.

What happens if I need to refinance my primary mortgage in the future?

If you need to refinance your primary mortgage after your HMLP loan project is completed, you must contact your Provider agency IN ADVANCE to request a subordination of the HMLP mortgage. The provider agency will need to see a copy of your home's appraisal, your credit report and real estate tax status in order to determine if they will subordinate their HMLP loan. The higher the value of all your mortgaged debt in relation to the value of your home, the more extensive the review process is likely to be. However, in most cases the subordination will be allowed. Please note that the HMLP review process can take a few weeks, so please be sure to notify your provider agency as soon as possible.

Is a Mortgage Protection Plan a requirement of the program?

No. Some of our borrowers have received notices about obtaining a mortgage protection plan in the mail after placement of a HMLP mortgage on their property. These notices are not from the HMLP. Mortgages and other filings at Registry of Deeds/Registry District of the Land Court are public record. You should consult a lawyer, insurance agent or other trusted advisor for further information on mortgage protection plans.

My home is in a Trust, am I eligible?

A Trust does not disqualify an applicant. However, the provider agency will require copies of your trust documents to be reviewed by legal counsel and in order to correctly document your loan.

I bought my home using an affordable home ownership program, am I eligible?

This does not automatically disqualify you for a HMLP loan. However, these home ownership programs frequently have rules that require you to seek approval for any construction on your home and/or any additional mortgaged debt. This is to ensure the maximum resale price of your home remains affordable, and therefore may reduce the amount of your HMLP loan.

Please provide your Provide Agency copies of any affordable housing restrictions/covenants that are attached to your deed as early in your application process as possible.

Home Modification Loan Program

Application Checklist

Applicant Name: _____

Your signed application, including each of the sections listed below, and the required application documents should be mailed directly to the provider agency serving your community.

Sections of the Application:

- Applicant or Homeowner Information (page 9)
- Household Income Information (page 10)
- Beneficiary Information and Home Modification Project Information (page 11)
- Documentation of Need from Professional Form (page 12) *MUST BE completed by your selected professional*
- Release of Information Form (page 13)
- Property Information (page 14)
- Signed PENALTY FOR FALSE OR FRAUDULENT STATEMENT (page 15)
- Landlord Form (if applicable, ask your provider agency for a copy)

Required Application Documentation:

- Proof you are up-to-date on real estate taxes (a letter from your town, or an escrow account statement from your mortgage holder)
- MA Income Tax Return (or proof you are up-to-date on your state income taxes) (If taxes were owed, you must include proof of payment)
- Household Income Documentation (state or federal tax returns, benefit statements, 1099, W-2s or current paystubs) **note in most cases providing a copy of your state income taxes satisfies both income documentation and proof you are up to date on state income taxes.*
- Copy of Current Deed for Property to be modified or a copy of the Bill of Sale for Mobile Homes
- HMLP Bid, Scope of Work & Contract Form *MUST BE* completed by your selected contractor
- For projects over \$50,000 or \$30,000 (your loan max.), proof of funds to complete the project (personal funds, lines of credit or loans, grants, gifts)
- Trust, Power of Attorney or Deed Rider documents, if applicable

Home Modification Loan Program Application

Applicant or Homeowner Information

The applicant is the individual or individuals who own the property to be modified. Landlord applicants must complete a *Landlord Form*, please ask your provider agency for a copy.

Please Print Clearly

Name (Last, First, MI): _____

Mailing address: _____

Number Street Unit #

City State Zip Code

Telephone: Home: _____ Work and/or Cell: _____

Fax: _____ TTY/TTD: _____ E-Mail: _____

Address of Property to be Modified (if different from above):

Number Street Unit #

City State Zip Code

Is any person listed in this application (including all property owners or beneficiary) an employee or a relative of an employee of the Provider Agency administering the Home Modification Loan Program?

Yes No

Has any person listed in this application (including all property owners or beneficiary) received a Home Modification Loan from this or any other HMLP Provider Agency? Yes No If yes, has it been repaid?

Yes No Please list agency _____

Ethnic Background (Optional) please circle which apply

Native American White Hispanic Black Asian Other _____

How Did You Learn About the Home Modification Loan Program?

- Internet Search Radio/TV/Print Advertisement Informational Poster
- Friend or Relative Senior Center/Council on Aging Independent Living Center
- Community or Housing Organization Municipal Office Regional MRC office
- Other State Agency (DDS, DPH, DMH, MCB, MCDHH) Disability Organization
- Healthcare Agency (home health, skilled nursing facility, doctor's office or hospital) contractor
- Other _____

Income Information

Applicant or Homeowner Name: _____

If Applicant is a landlord renting to a family member, list all individuals in both the beneficiary's household and the property owner's household.

If Applicant is a landlord renting to a non-family member, list all individuals in the tenant's household.

Please list all persons in household (attach additional sheet if needed):

1. NAME: _____ Date of Birth _____ SOCIAL SECURITY NO. _____

Insurance: Private Medicare Medicaid None

2. NAME: _____ Date of Birth _____ SOCIAL SECURITY NO. _____

Insurance: Private Medicare Medicaid None

3. NAME: _____ Date of Birth _____ SOCIAL SECURITY NO. _____

Insurance: Private Medicare Medicaid None

4. NAME: _____ Date of Birth _____ SOCIAL SECURITY NO. _____

Insurance: Private Medicare Medicaid None

5. NAME: _____ Date of Birth _____ SOCIAL SECURITY NO. _____

Insurance: Private Medicare Medicaid None

Indicate in the table below all income for each individual in the household listed above.

| Name (# From above) | Source of Income | Documentation | Income/Month | Income/Week | Annualized |
|---------------------------|------------------|---------------|--------------|-------------|------------|
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Please DO NOT fill out the section below the dotted line. This is for Provider Use Only:

Total # Persons in Household: _____ **Total Annual Household Income:** \$ _____

20__ Income Limit for family size listed above: \$ _____ 100% 125% 200%

Loan Product Eligibility: yes no

Verified By: _____ Date: _____

DOCUMENTATION OF NEED FROM PROFESSIONAL FORM

Your selected professional MUST complete all section of this form and sign it for it to be considered valid.

The Home Modification Loan Program provides funding for necessary home modifications or adaptations which are required because the individual’s ability to function on a daily basis is limited by the configuration of their home. When completing this form, please be SPECIFIC and identify the functional aspects of the individual’s limitation(s) that directly relates to a need for improved accessibility and/or safety.

1. Name of Individual: _____ Age: _____

2. What is the individual’s primary impairment? _____

What is the individual’s secondary impairment? _____

List any additional impairments: _____

3. What types of functional limitations does the individual’s impairment(s) involve? (Please check all that apply):

- | | |
|---|---|
| <input type="checkbox"/> Mobility (uses wheelchair) | <input type="checkbox"/> Sensory |
| <input type="checkbox"/> Mobility (uses walker/other mobility device) | <input type="checkbox"/> Sight |
| <input type="checkbox"/> Mobility (currently uses no mobility device) | <input type="checkbox"/> Hearing |
| <input type="checkbox"/> Dexterity | <input type="checkbox"/> Chemical sensitivity |
| <input type="checkbox"/> Difficulty breathing/shortness of breath | <input type="checkbox"/> Developmental |
| <input type="checkbox"/> Emotional or behavioral | <input type="checkbox"/> Cognitive |
| <input type="checkbox"/> other – Please specify _____ | <input type="checkbox"/> Limited safety awareness |

4. List the necessary permanent home modifications or the changes to the current configuration of the home which directly relate to improving the individual’s day-to-day function or will allow the person to live independently in the community. *For example, Sally has gait issues and is unable to safely get in and out of her current shower. She would benefit from a barrier-free shower.*

Signature of Professional

Print Name

Phone #

Mailing Address

Release of Information

I hereby give authorization to _____ (*Provider Agency*) to make inquiries for the Home Modification Loan Program as needed regarding information and documentation supplied by me to verify:

_____ Household income

_____ Unsafe conditions noted at time of inspection

_____ My need for modifications as documented by _____, (*a professional with whom I have a client history*)

Address of the residence to be modified is:

| | | | |
|---------------|---------------|------------------|------------|
| Number | street | city/town | zip |
|---------------|---------------|------------------|------------|

| | |
|--------------|---------------|
| Phone | e-mail |
|--------------|---------------|

This information is in regard to my request for a Home Modification Loan.

Signature: _____ Date _____

This authorization is valid until my loan has been closed and all modification work completed.

Property Information

I, the undersigned Borrower/Property Owner for the Home Modification Loan Program, affirm and attest that the following is true of the property to be modified under this program at

_____, _____, _____
Address Town Zip

1. Type of property: Single Family Multi-family Mobile Home Condominium

If multi-family: number of units: _____ How many units are occupied? _____

2. **Owner(s) of record of the property to be modified:** (those listed on the property's deed)

1. _____ 2. _____
3. _____ 4. _____

You must include a copy of your property's current deed with your application. *If you need help obtaining a copy of your deed, please contact your Provider Agency for assistance.*

Please verify by Book: _____ Page: _____ of deed at the Registry of Deeds in the County of Residence.

You must include a copy of your mobile home's Bill of Sale.

3. **Lead Paint Verification** I understand that it is my responsibility to comply with all applicable laws and regulations regarding the presence of lead paint in my home. The provider agency and HMLP are not responsible for lead paint abatement in my home.

YES NO
 (1) The home was built before 1978.
 (2) The property is subject to an emergency lead management plan and letter of interim control.

4. **Historic Certification**

My property is **NOT** listed in, or located within or near another home or historic district listed in the Historic Register.

My property **IS** listed in, or located within or near another home or historic district listed in the Historic Register

5. If your home is owned by a **Trust**, please attach the Declaration of Trust and Schedule of Beneficiaries (please note there are additional recording fees; please ask your provider agency for more information).
6. If you or the beneficiary has a **Power of Attorney**, please attach (please note, there are additional recording fees, please ask your provider agency for more information).
7. If your property has a **Deed Rider** or affordability restriction through your town or state (example an LIP unit or 40B project), please attach. A deed rider may affect our ability to offer you an HMLP loan.
8. Are you currently filing or planning on filing for **bankruptcy**? Yes No

PENALTY FOR FALSE OR FRAUDULENT STATEMENT

The applicant(s) certifies that all information provided herein, and all information in support of this application, is given for the purpose of obtaining assistance from the Home Modification Loan Program.

I/We hereby certify that all of the above statements are true, accurate and complete to the best of my/our knowledge and belief.

I hereby consent to the verification of any information given in this application. I understand that the information will be used to determine eligibility for this program and is subject to the requirements of HMLP Program Guidelines. The applicant(s) agree(s) to abide by the HMLP requirements in connection with any assistance received pursuant to this application.

I understand that HMLP may deny my application if I am currently filing for bankruptcy and/or have a bankruptcy case pending. I will notify the Provider Agency of any current, pending or future bankruptcy or foreclosure action against me.

All information generated as a part of this program is confidential between the program applicants and program administrators.

Signature(s) of Property Owner/Borrowers: *The signatories below acknowledge that this document is signed under pains of penalties and perjury.*

All persons listed on the deed must sign below.

Signature:

Date:
