# MassHousing Subordinate Mortgage Repair Loan Programs

| Product Code | Product Name |
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| Product 5001 | Septic 0% Deferred 30 Year Fixed |
| Product 5002 | Septic 2.5% 15 Year Amortized |
| Product 5003 | Home Improvement 5% 15 Year Amortized |
| Product 5004 | Get The Lead Out 0% Deferred 30 Year Owner Occupied |
| Product 5005 | Get The Lead Out 0% Amortized 15 Year Non-Profit |
| Product 5006 | Get The Lead Out 3% Amortized 15 Year Investor |
| Product 5007 | Energy Saver Home Loan Program 0.5% Amortized |
| Product 5008 | Energy Saver Home Loan Program 2% Amortized |
| Product 5009 | ADULP 20 Year Amortized |

# Product Eligibility Matrix

| Home Improvement Loan Program | |
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| Product 5003 - Home Improvement 5% 15 Year Amortized | |
| **Transaction Type** | • Subordinate Mortgage |
| **Interest Rate** | • 5% Amortized – No Points |
| **Income Limits** | • Click here for Income Limits |
| **Loan Limits** | • Min $7,500 up to a Max of $50,000 |
| **Loan Term** | • 15 Year |
| **Property Type** | • 1 Unit/Condo/PUD, 2-4 Unit |
| **Partners** | • Lender |
| **MassHousing Processing Fee** | • NA |
| **Lender Fee** | • Lender Paid $1,000 per loan (paid by MassHousing upon funding) |
| **Eligible Borrower** | • All owner-occupied 1 Unit/Condo/PUD, 2-4 Units with incomes that meet the income limit guidelines<br>• Trusts will be pre-reviewed by MassHousing. |
| **Ineligible Borrower** | • Any person(s) who does not have an ownership interest in the property should NOT be on any closing documents or be a part of the loan transaction.<br>• Life Estates are not eligible for this Program. |

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| **Credit Score** | • 640 |
| **Max DTI** | • 50% |
| **Max LTV/CLTV** | • 100% of assessed or appraised value, based on a drive-by appraisal with external pictures and comps, including expected rehab |
| **Lien Position** | • The Home Improvement Loan Program has been designed as a second mortgage loan program. MassHousing will assume a third position behind a 1st and 2nd DPA or equity line, making sure the borrower meets all the eligibility requirements. |
| **Occupancy** | • Owner Occupied/Primary Residence for the Life of the Mortgage |
| **Appraisal** | • Assessed or appraised value, based on a drive-by appraisal with external pictures and comps. Value determined is based on as complete of expected renovation, including expected rehab. AVMs are also acceptable. |
| **Closing Costs and Fees** | • Borrowers will be responsible for all closing costs and fees (reasonable) which can be rolled into the loan |
| **Required Documents and MassHousing Forms** | • Click here for Document Loan Delivery |
| **Right of Recission** | • Required |
| **Eligible Improvements** | • Permanent general improvements shall include additions, alterations, renovations, or repairs upon or in connection with existing structures which materially preserve or improve the basic livability, safety, or utility of the property including lead abatement and septic repairs. Appliances not permanently affixed, pieces of furniture, or other personal property items will not be considered permanent general improvements. Refrigerators are eligible.<br>• Accessibility improvements<br>• Septic Repair<br>• Lead Abatement |
| **Contingency Fee** | • 5% Contingency Required |
| **Escrow Agent** | • Lender |
| **Maximum Construction Timeframe** | • Borrowers applying for mortgage financing have a maximum time limit of six months from the closing date of the mortgage to complete the work. |
| **Final Completion** | • Final Completion Documentation depending on the repairs, i.e. permits signed off by city/town, COO, Completion Certificate if using an Appraisal |
| **Pre-Payment Penalties** | • NA |

| ADULP (Amortized) | |
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| **ADULP 20 YR Amortized – Product 5009**<br>**ADULP 0% Deferred -Match** | |
| **Transaction Type** | • Subordinate Mortgage |
| **Interest Rate** | • Refer to MassHousing rate sheet |
| **Income Limits** | • Up to 135% of AMI |
| **Loan Limits** | Amortized:<br>• Detached unit: $150,000 *(Grid for **ADU 0% Match Loan** referenced below)*<br>• Attached unit: $100,000 *(Grid for **ADU 0% Match Loan** referenced below)* |
| | Deferred *(match):*<br>• MH will match the ADU loan amount up to the values below:<br>o Detached unit: Up to maximum of $100,000<br>o Attached unit: Up to maximum of $50,000 |
| **Loan Term** | • Amortized Loans -20 Year<br>• 0% Deferred Loans- Due upon payoff of ADULP Amortized Loan |
| **Property Type** | • 1 Unit |
| **Partners** | • Lender |
| **MassHousing Processing Fee** | • $300 – Amortized<br>• NA - Deferred |
| **Lender Fee** | • Origination fee up to 175 basis points may be charged by the lender to the borrower |
| **Eligible Borrower** | • All owner-occupied 1 Unit incomes that meet the income limit guidelines<br>• Trusts will be pre-reviewed by MassHousing. |
| **Ineligible Borrower** | • Any person(s) who does not have an ownership interest in the property should NOT be on any closing documents or be a part of the loan transaction.<br>• Life Estates are not eligible for this Program. |
| **Credit Score** | • 640 |
| **Max DTI** | • 50% |
| **Max LTV/CLTV** | • 95/95% (based *off appraised value, "subject to" completion)* |

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| **Lien Position** | • The ADULP has been designed as a second mortgage loan program. MassHousing will assume a third position behind a 1st and 2nd DPA or equity line, making sure the borrower meets all the eligibility requirements. |
| **Occupancy** | • Owner Occupied *(Subject property must be the borrower's current primary residence)* |
| **Appraisal** | • Full Appraisal Required |
| **Closing Costs and Fees** | • Borrowers will be responsible for all closing costs and fees (reasonable) which can be rolled into the loan |
| **Required Documents and MassHousing Forms** | • Click here for Document Loan Delivery |
| **Right of Recission** | • Required |
| **Eligible Improvements** | • Construction of an ADU which is typically an additional living area independent of the primary dwelling that may have been added to, created within, or detached from a primary one-unit dwelling. The ADU must provide for living, sleeping, cooking, and bathroom facilities and be on the same parcel as the primary one-unit dwelling. |
| **Contingency Fee** | • 10% Contingency Required |
| **Maximum Construction Timeframe** | • Borrowers applying for mortgage financing have a maximum time limit of six months from the note date of the mortgage to complete the work. |
| **Final Completion** | • Final Completion Documentation depending on the repairs, i.e. permits signed off by city/town, COO, Completion Certificate from the Appraiser. |
| **Pre-Payment Penalties** | • N/A |

| Energy Saver Home Loan Program – Owner Occupied | | |
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| **Product 5007-** Below 80 AMI .50% Amortized<br>**Product 5008-** Above 80 AMI 2% Amortized | | |
| **Loan Structure** | Below 80 AMI<br>• 240 Month Term structured as follows:<br>• .50% Interest only for first 18 Months.<br>• .50% Amortized (P&I) for remainder of 222 Months | Above 80% AMI<br>• 240 Month Term structured as follows:<br>• 2% Interest only for first 18 Months.<br>• 2% Amortized (P&I) for remainder of 222 Months |
| **Transaction Type** | • Subordinate Mortgage | |
| **Interest Rates** | • Up to 80% AMI – .50% Amortized<br>• 80.01 – 135% AMI -2% Amortized | |
| **Income Limits** | • Click here for Income Limits | |
| **Min/Max Loan Amount** | • Min $10,000 up to a Max of $100,000 | |
| **Loan Term** | • 240 months | |
| **Property Type** | • Single Family & 2-4 Units – NO CONDOMINIUMS | |
| **Partners** | • Lender<br>• Concierge Service Provider (CSP)<br>• Energy Service Provider (ESP)<br>• MassHousing | |
| **Lender Fee** | • $1,500 per loan (upon funding of the loan) | |
| **MassHousing Processing Fee** | • $300 | |
| **Eligible Borrower** | • All owner-occupied 1-4 family properties (not including Condominiums) with incomes that meet the income limit guidelines<br>• Trusts will be pre-reviewed by the CSP and MassHousing. | |
| **Ineligible Borrower** | • Any person(s) who does not have an ownership interest in the property should NOT be on any closing documents or be a part of the loan transaction.<br>• Life Estates are not eligible for this Program. | |
| **Min Credit Score** | • 620 – Anything below 620 to be submitted to MassHousing for review | |
| **Max DTI** | • 50% | |
| **Max LTV/CLTV** | • 105% of assessed or appraised value, based on a drive-by appraisal with external pictures and comps. Value determined is based on as complete of expected renovation, including expected rehab. | |

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| | AVMs are also acceptable. |
| **Lien Position** | • The ESHLP has been designed as a second mortgage loan program. MassHousing will assume a third position behind a 1st and 2nd DPA or equity line, making sure the borrower meets all the eligibility requirements. |
| **Occupancy** | • Owner Occupied/Primary Residence for the Life of the Mortgage |
| **Appraisal** | • Assessed or appraised value, based on a drive-by appraisal with external pictures and comps. Value determined is based on as complete of expected renovation, including expected rehab. AVMs are also acceptable. |
| **Closing Costs and Fees** | • Borrowers will be responsible for all closing costs and fees (reasonable) which can be rolled into the loan |
| **Required Documents and MH Forms** | • Click here for Document Loan Delivery |
| **Right of Recission** | • Required |
| **Eligible Improvements** | • The work to be performed (including all rebates and incentives) must demonstrate modeled energy savings of at least 20% determined by the Department of Energy (DOE).<br>• Once the borrower reaches 20%, they will be allowed to add additional improvements. (Click here for Eligible Improvements) if they are qualified for the loan amount. |
| **Contingency Reserve** | • 10% Contingency Required |
| **Escrow Agent** | • MassHousing will act as Escrow Agent |
| **Maximum Construction Timeframe** | • Borrowers applying for mortgage financing have a maximum time limit of 12 months from the closing date of the mortgage to complete the work. |
| **Final Completion** | • QA/Inspection Report from Energy Service Provider |
| **Pre-Payment Penalties** | • NA |

| Septic Repair Loan Program – Owner Occupied | |
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| **Product 5001- Septic 0% Deferred 30 Year Fixed<br>Product 5002- Septic 2.5% 15 Year Amortized** | |
| **Transaction Type** | • Subordinate Mortgage |
| **Interest Rates** | • Interest Rate based on Income |
| **Income Limits** | • Click here for Income Limits |
| **Min/Max Loan Amount** | • $1,000 Min/$25,000 Max |
| **Loan Term** | • 2.5% Amortized Loans -15 Year<br>• 0% Deferred Loans- Due upon Sale/Transfer/Refinance |
| **Property Type** | • 1 Unit/Condo/PUD, 2-4 Unit |
| **Partners** | • Lender |
| **Lender Fee** | • Lender Paid $1,000 per loan (paid by MassHousing upon funding) |
| **MassHousing Processing Fee** | • NA |
| **Eligible Borrower** | • All owner-occupied 1 Unit/Condo/PUD, 2-4 Units with incomes that meet the income limit guidelines<br>• Trusts will be pre-reviewed by MassHousing. |
| **Ineligible Borrower** | • Any person(s) who does not have an ownership interest in the property should NOT be on any closing documents or be a part of the loan transaction.<br>• Life Estates are not eligible for this Program. |
| **Min Credit Score** | • No Minimum credit score is required. |
| **Max DTI** | • 50% (No Max DTI for 0% Deferred Loans) |
| **Max LTV/CLTV** | • Loan to value ratios do not apply to this program. No appraisal is required. |
| **Lien Position** | • The Septic Repair Loan Program has been designed as a second mortgage loan program. MassHousing will assume a third position behind a 1st and 2nd DPA or equity line, making sure the borrower meets all the eligibility requirements. If there are more than 2 lines on the property, the Lender should contact MassHousing |
| **Occupancy** | • Owner Occupied/Primary Residence for the Life of the Mortgage |
| **Appraisal** | • NA -For Data Collection, Appraised amount should be collected from Tax Bill when registering a loan |
| **Closing Costs and Fees** | • Borrowers will be responsible for all closing costs and fees (reasonable) which can be rolled into the loan |
| **Required Documents and MH Forms** | • Click here for Document Loan Delivery |

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| **Right of Recission** | • Required |
| **Eligible Improvements** | • All costs associated with the upgrade of a failed sewage disposal system within the meaning of Title 5 including connecting homes to an available public sewer. This may also include repairing retaining walls, driveways, and landscaping if these were affected by the repair of the Septic System. |
| **Contingency Reserve** | • No Contingency Required |
| **Escrow Agent** | • Lender will act as the Escrow Agent |
| **Maximum Construction Timeframe** | • Borrowers applying for mortgage financing have a maximum time limit of six months from the closing date of the mortgage to complete the work. |
| **Final Completion** | • Following completion of the Septic Repair, the Mortgage Lender must obtain a completion certificate from Board of Health |
| **Pre-Payment Penalties** | • NA |

| **Septic Repair Loan Program – Condominium Associations** | |
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| **Product 5002- Septic 2.5% 15 Year Amortized** | |
| **Transaction Type** | • Subordinate Mortgage |
| **Interest Rate** | • 2.5% Amortized – No Points |
| **Income Limit** | • NA |
| **Loan Limits** | • Loan size may range from $1,000 to $50,000 for condominiums with 25 or fewer units. Loan size may equal up to $100,000 for condominiums with more than 25 units. Loans more than these parameters are possible but must be approved by MassHousing. |
| **Loan Term** | • 15 Year |
| **Property Type** | • Condominium Associations |
| **Partners** | • Lender |
| **MH Processing Fee** | • NA |
| **Lender Fee** | • Lender Paid $1,000 per loan (paid by MassHousing upon funding) |
| **Eligible Borrower** | • Condominium Association |
| **Min Credit Score** | • No credit minimum credit score.<br>• The underwriter must make a reasonable and good faith determination of the borrower's ability to repay the loan based on Operating Budget and Financial Statements. |

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| **Max DTI** | • NA<br>• The underwriter must make a reasonable and good faith determination of the borrower's ability to repay the loan based on Operating Budget and Financial Statements |
| **Max LTV/CLTV** | • Loan to value ratios do not apply to this program. No appraisal is required. |
| **Lien Position** | • The condominium association or trust must not have outstanding liens prior security interest in its income or property. A Uniform Commercial Code search (UCC-11) must be performed in the name of the condominium at the Massachusetts Secretary of State and the clerk of the city or town where the condominium is located. |
| **Occupancy** | • Owner Occupied/Primary Residence for the Life of the Mortgage |
| **Appraisal** | • NA -For Data Collection, Appraised amount should be collected from Tax Bill when registering a loan |
| **Closing Costs and Fees** | • Borrowers will be responsible for all closing costs and fees (reasonable) which can be rolled into the loan |
| **Required Documents** | • A completed commercial loan application<br>• Current association operating budget.<br>• Financial Statements for the previous two years.<br>• Copy of the Master Insurance Policy.<br>• Copy of the Master Deed.<br>• Copy of the Declaration of Trust.<br>• Executed Certification of Votes; (I will send this form to you in a separate word document)<br>• Construction Contract.<br>• Subsurface Sewage Disposal System Inspection Form.<br>• Disposal System Construction Permit.<br>• Contractor's Disposal System Installer's Permit. |
| **Right of Recission** | • NA |
| **Eligible Improvements** | • All costs associated with the upgrade of a failed sewage disposal system within the meaning of Title 5 including connecting buildings in a Condominium to an available public sewer. |
| **Contingency Reserves** | • 5% Contingency Fee |
| **Escrow Agent** | • Lender will act as the Escrow Agent |
| **Maximum Construction Timeframe** | • Borrowers applying for mortgage financing have a maximum time limit of six months from the closing date of the mortgage to complete the work. |
| **Final Completion** | • Following completion of the Septic Repair, the Mortgage Lender must obtain a completion certificate from Board of Health. |
| **Prepayment Penalties** | • NA |

| Get The Lead Out Loan Program | |
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| **Product 5004 - Get The Lead Out 0% Deferred 30 Year Owner-occupied**<br>**Product 5005 - Get The Lead Out 0% Amortized 15 Year Non-Profit**<br>**Product 5006 - Get The Lead Out 3% Amortized 15 Year Investor** | |
| **Transaction Type** | • Subordinate Mortgage |
| **Interest Rate** | • 0% Deferred -Owner-Occupied<br>• 0% Amortized – Non-Profit<br>• 3% Amortized - Investor |
| **Income Limits** | • 0% Deferred loans Based on household size property location.<br>• Click here for Income Limits<br>• Income Limits do not apply to Investor or Non-Profit Amortized loans |
| **Max Loan Limits** | • 1 Unit-$30,000<br>• 2 Unit-$35,000<br>• 3 Unit-$40,000<br>• 4 Unit-$45,000<br>• There is no min loan amount for this program |
| **Loan Term** | • 15 Year – Investor and Non-Profits<br>• Due upon Sale/Transfer/Refinance: 0% Deferred |
| **Property Type** | • 1 Unit/Condo/PUD, 2-4 Unit<br>• Investors - Financing is limited to eight (8) units per investor or non-profit. |
| **MH Processing Fee** | • NA |
| **Partners** | • Lenders<br>• Local Rehab Agencies (LRA) |
| **Lender Fee**<br>**LRA Fee** | • Lender Fee -$1,500 per loan (paid by MassHousing upon funding)<br>• LRA Fee - $1,500 |
| **Eligible Borrower** | • Owner Occupied<br>• Investors<br>• Non-Profits<br>• All owner-occupied 1 Unit/Condo/PUD, 2-4 Units with incomes that meet the income limit guidelines<br>• Trusts will be pre-reviewed by MassHousing. |
| **Ineligible Borrower** | • Any person(s) who does not have an ownership interest in the property should NOT be on any closing documents or be a part of the loan transaction.<br>• Life Estates are not eligible for this Program. |

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| **Min Credit Score** | • No Minimum credit score is required. See Seller Guide for Guidance. |
| **Max DTI** | • 50% (No Max DTI for 0% Deferred Loans) |
| **Max LTV/CLTV** | • Loan to value ratios do not apply to this program. No appraisal is required. |
| **Lien Position** | • The Get the Lead out Loan Program has been designed as a second mortgage loan program. MassHousing will assume a third position behind a 1st and 2nd DPA or equity line, making sure the borrower meets all the eligibility requirements. If there are more than 2 liens on the property, the Lender should contact MassHousing |
| **Occupancy** | • Owner Occupied/Primary Residence for the Life of the Mortgage for 0% Deferred Loans<br>• Does not apply to Investor or Non-Profit |
| **Appraisal** | • NA -For Data Collection, Appraised amount should be collected from Tax Bill when registering a loan |
| **Closing Costs and Fees** | • Investors and Non-Profits: Borrowers will be responsible for all closing costs and fees which can be rolled into the loan. Closing Costs may include, but not limited to, Recording Fees, MERs Fee, Credit Report, Attorney/Title Rundown, Flood Cert, Overnight Fees, LRA Fee.<br>• 0% Deferred Owner Occupied: No closing costs or fees associated with the loan |
| **Required Documents and MassHousing Forms** | • Click here for Document Loan Delivery |
| **Right of Recission** | • Required only on 0% Deferred Loans<br>• Not required on Investor/Non-Profit Loans |
| **Eligible Improvements** | • All costs associated with the removal of lead paint from the property and obtaining a Certificate of Compliance |
| **Contingency Reserves** | • NA |
| **Escrow Agent** | • Local Rehab Agency (LRA) |
| **Maximum Construction Timeframe** | • Borrowers applying for mortgage financing have a maximum time limit of six months from the closing date of the mortgage to complete the work. |
| **Final Completion** | • Following completion of the deleading, the LRA must obtain a Certificate of Compliance from the Board of Health. The LRA must obtain all necessary lien releases or take any other action that may be required to ensure that the title to the property is clear of all liens and encumbrances (if applicable). |
| **Pre-Payment Penalty** | • NA |