Refinancing Your 40B Property

As the monitoring agent for your affordable housing unit, Citizens’ Housing and Planning Association (CHAPA), must review and approve all requests to refinance before you may close on a new loan. This includes all second mortgages and home equity lines of credit.

If you have any questions about this process, please contact: David Gasser, Program Manager, (617) 701-7498, dgasser@chapa.org.

**PROCESS**
To begin the refinance process, you must submit the following information to CHAPA:

- **Request Letter**: stating the property address, your contact information, type of loan requested, the amount of the refinance or second mortgage, the reason for refinancing, the name of the lending institution, and name and contact information of loan your loan officer
- **Loan Application (1003 Form)**: completed and signed.
- **Loan Estimate**: provided by your lender and containing information on the estimated closing costs.
- **Commitment Letter**: providing information on the loan terms, including the interest rate, points, length of loan terms, APR (annual percentage rate), and any other pertinent information

CHAPA may also request the following from you, depending on your deed rider and particular situation:

- **Refinance Fee**: first time refinance reviews are free of charge; subsequent requests are a $100 fee per request.
- **An appraisal report**: an appraisal report for the property, completed by a certified residential appraiser within the last 120 days, valuing the market rate for the property as though it were free of all deed restrictions.
- **Information on your monthly condominium/HOA fee (if any), your town’s current tax rate per thousands, and monthly homeowner’s insurance amount**

Please submit documents via secure email to CHAPA Program Manager David Gasser at dgasser@chapa.org. Refinance Fees can be mailed to our office address. Requests will be process within five business days. If approved, a certificate will be issued to be recorded with the new mortgage.

CHAPA may deny your request to refinance or require that you consult with a non-profit credit counselor if the benefit of the loan is unclear. Examples of this may include loans with high closing costs, a higher interest rate than you currently hold, or loans that roll in unsecured debt, like credit card debt, into your mortgage. **CHAPA strongly suggests that you compare rates and loan costs from several lenders.**
MORTGAGE GUIDELINES
Your proposed new first or second mortgage must meet the following guidelines:

- Be a fully amortizing, fixed-rate mortgage with no prepayment penalty or balloon payment.
- Have a current fair market interest rate, no more than 2 percentage points above the currently prevailing interest rate.
- Have a loan amount no greater than 95% of your current Maximum Resale Price. For a second mortgage, the combined amounts of all mortgages may not exceed 95% of the Maximum Resale Price.

ADDING ANOTHER PARTY TO YOUR DEED
If you will "convey" the home by adding or removing your spouse/partner/household member, CHAPA considers this a transfer of the property. Your attorney must prepare a new deed and submit it to CHAPA for review prior to recording. The new deed must specifically reference the current recorded deed rider, listing the book and page numbers of the original deed rider.

Refinance requests and questions can be directed to:

David Gasser
Program Manager
Phone: 617-701-7498
Email: dgasser@chapa.org