

Home Modification Loan Program Loan Terms

The Home Modification Loan Program (HMLP) offers both *deferred payment loans* and *amortizing loans* based on household income. HMLP uses HUD published median income by household size for the Boston MESA, and the income guidelines are updated annually. Interested parties should see the HMLP Application for the most up-to-date income guidelines.

0% Deferred Loan: All Homeowners with a total gross household income of up to 100% median income qualify (AMI) for the 0% deferred payment loan. Payment of a 0% interest loan is made if the property is sold or transferred, or if any condition of the loan agreement is not met.

0% Amortizing Loan: Homeowners with a total household income between 100% AMI and 125% AMI qualify for a 0% amortizing loan. Payment of a 0% amortizing loan requires monthly payments of principal calculated by the term of the loan. These loans are repaid within 5-15 years depending on the maturity date.

3% Amortizing loans: Homeowners with a total household income between 125% AMI up to 200% AMI qualify for a 3% amortizing loan. Landlords can also qualify for this type of loan if the tenant's household income is less than 200% AMI. These loans require monthly payments of principal and interest calculated by the term of the loan. These loans are repaid within 5-15 years depending on the maturity date.

<i>Applicant Type</i>	<i>Income Range based on Household Size</i>	<i>Loan rate and type</i>
Homeowner	up to 100% of median income	0% deferred loan
Homeowner	from 100% to 125% of median income	0% amortizing loan
Homeowner	from 125% to 200% of median income	3% amortizing loan
Landlord	tenant's household income less than 200%	3% amortizing loan

Maximum Amount of Loans: Up to \$30,000

Security: Promissory Note and Mortgage on Property

Eligible Uses of Loans: 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, hardwired alarm systems and other safety modifications, 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.