

# **Home Modification Loan Program Guidelines**

Providing no-interest loans to modify or adapt the homes of elders and individuals with disabilities, residing in the Commonwealth of Massachusetts

A Collaboration of the  
Massachusetts Rehabilitation Commission  
and  
Community Economic Development Assistance Corporation

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# Home Modification Loan Program Guidelines

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## I. Index of Appendices

The documents below are updated frequently, please check with CEDAC to be sure you are using the most up-to-date version of these documents. They are also available electronically for personalization.

### Appendix 1: **Information/Application Packet**

- Info packet includes: Application w/Frequently asked Questions, HMLP and Contractors Flyer, HMLP Guide and Bid, Scope of Work and Contract Form, Funding Sources for Home Modification
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## II. Definitions

**Amortized Loan:** Payments of principal and interest are due monthly for a length of time identified in the loan agreement (maturity date).

**Applicant:** The individual applying for the loan; must also be the owner of record of the property to which the modifications are being made.

**Beneficiary:** The individual with the disability for whose benefit the home will be modified.

**Borrower:** The individual or individuals to whom the loan is made, who have signed all loan documents, and who are responsible for its repayment.

**CEDAC:** Community Economic Development Assistance Corporation.

**Construction Monitor:** CEDAC contracts with independent construction professionals, who conduct most all property inspections required as part of the HMLP application process.

**Default:** A failure to meet the legal obligations or conditions of a loan.

**Deed:** The deed recorded in the applicable Registry of Deeds that conveyed ownership of the property into the applicant, and that names all persons who have an ownership interest in the property.

**Deferred Payment Loan:** A loan requiring no payments of principal until the loan's maturity date.

**Functional Limitation(s):** a physical or mental impairment that is of a permanent or long and continued duration and that substantially limits one or more major life activities. Major life activities include self-care, learning, receptive and expressive language, mobility, cognitive functioning, emotional adjustment and economic self-sufficiency.

**HMLP:** Home Modification Loan Program.

**Homeowner:** The person or persons who are listed on the deed as having an ownership interest in the property.

**Income:** HMLP determines income eligibility based on an individual or family's "*gross household income*" as reflected on income tax documentation.

**Landlord:** The owner of record of property having a rental unit that is occupied or to be occupied by the beneficiary.

**Lien Waiver:** A document from a contractor, subcontractor, or materials vendor stating they have received payment and waive any future lien rights to the property owner.

**Loan Pool:** Funds collected from loan repayments, interest payments, or de-authorized funds that were not used by a Borrower. These funds must be reconciled separately from program operations funds and are not to be used without written authorization from CEDAC.

**Loan Servicing:** Includes sending monthly payment statements and collecting monthly payments, maintaining records of payments and balances, issuing 1998 tax statements and following up on delinquencies.

**Maturity Date:** Refers to the final payment date of a loan or other financial instrument, at which point the principal and all remaining interest is due to be paid.

**MRC:** Massachusetts Rehabilitation Commission.

**Personal information:** A person's first and last name or first initial and last name – in conjunction with one or more of the following: Social Security Number; Driver's license or State ID number; or Financial Account number or credit card number. This information should never be transmitted via fax or email.

**Provider or Provider Agency:** An agency under contract with CEDAC to administer the Home Modification Loan Program.

**Punch List:** Is a document prepared at the end of a construction project listing work not complete or conforming to contract specifications and must be completed by the contractor prior to final payment.

**Rate:** The annual interest rate of a loan made through the HMLP.

**Reasonable Accommodation:** A necessary and appropriate modification and/or adjustment, where needed in a particular case, to ensure persons with disabilities equal access to participate in the application process and equal ability to access information regarding the application process and loan obligations.

**Relative:** For purposes of this program, relative is mother, father, son, daughter, sibling or in-law by current marriage.

**Rent:** The consideration demanded or received for or in connection with the use or occupancy of a rental unit.

**Rental unit:** Any building, structure, or part thereof, or any other real or personal property rented or offered for rent for living or dwelling purposes, including apartments or other properties used for living or dwelling purposes, together with all services connected with the use or occupancy of such property.

**Tenant:** Anyone who resides in and occupies a rental unit.

## **GUIDELINES FOR THE HOME MODIFICATION LOAN PROGRAM**

These Guidelines (the Guidelines), developed by Community Economic Development Assistance Corporation (CEDAC) and the Massachusetts Rehabilitation Commission (MRC), are intended to help the Provider Agencies underwrite and service the loans for the Home Modification Loan Program (HMLP). As well as, understand their roles and responsibilities in underwriting, documenting, and disbursing Home Modification Loans, and strategies on conducting outreach to potential applicants. It is the Provider Agency's responsibility under its contract with CEDAC to perform these functions in accordance with these Guidelines.

These Guidelines contain as much information as reasonably possible but are not considered exhaustive. If you have a question that is not answered here, please contact CEDAC (617-727-5944 or 1-866-500-5599) and ask to speak with the Home Modification Loan Program Project Manager.

### **III. Introduction and Program Summary**

In 1999, HMLP was initially established by the State Legislature with \$10 million in state bond funds. These funds were fully expended to serve over 400 elders, adults with disabilities, and families with children who have disabilities. In 2004, the State Legislature enacted a second authorization for the HMLP in the Housing Bond Bill authorizing \$25 million to fund loans for access modifications to the primary residence of elders, adults with disabilities, and families with children who have disabilities.

In 2008, a third authorization was awarded to the HMLP by the State Legislature in the amount of \$50 million. This new bond bill expanded the scope of the HMLP by amending the existing statutory language to allow additional people with disabilities, such as cognitive and neurological disabilities, to now be served. The program continues to receive strong support, and in November 2013, HMLP was awarded a fourth authorization for \$55 million. In May 2018, HMLP was awarded a fifth authorization for \$60 million.

MRC contracts with CEDAC to administer HMLP funds and to contract with the Provider Agencies who implement the HMLP at the local level. There are currently six Provider Agencies who serve seven distinct regions of the Commonwealth. Each Provider Agency enters into a contract with CEDAC specifying terms and scope of services. CEDAC and MRC jointly oversee the HMLP and the Provider Agencies.

Modifications completed with HMLP loan proceeds must be for the specific purpose of improving accessibility of the primary residence of a person with vision impairments or disabilities, or to allow such individuals to live independently in the community.

The HMLP offers 0% interest, deferred payment loans to households with gross income up to 200% of the area median income, as determined by the U.S. Department of Housing and Urban Development, using the Boston metropolitan statistical area (MSA) for all community in the Commonwealth. The program offers loans from \$1,000 up to **\$50,000** to property owners and up to **\$30,000** to owners of manufactured homes. Eligible landlords are offered 3% interest, amortizing loans, with the tenant's gross income used to determine eligibility.

#### **Cultural Competency**

The Provider is required to demonstrate cultural competency and ensure that the Provider and its staff do not discriminate on the basis of disability in accordance with the following:

- **Provider Commitment:** The Provider's Board of Directors and administrators make a commitment to creating an environment that clearly supports services for cultural and linguistic minority populations through the mission and goals of the Provider.

- Consumer Services: HMLP policies include language that contributes to enhancing equal access to services for all individuals residing in the Commonwealth. HMLP design, content, and materials are culturally and linguistically appropriate. Planning, implementation, and evaluation efforts include members of the target population. The HMLP location and outreach activities are in settings that are most effective in reaching the target population.
- Staff: Staff and volunteers, especially those who have direct contact with consumers, reflect the diversity of the culture and language of the community/target population. Services to non-English speaking clients are provided by bilingual/bicultural staff. Policies on recruitment, screening, and interviewing encourage hiring of individuals whose cultural and linguistic backgrounds reflects the community to be served. If the Provider does not have bilingual/bicultural staff, there is extensive training and systems in place to ensure sensitive and language appropriate services.

#### **IV. Eligibility Requirements**

The Provider is responsible for determining that the applicant, the property and the proposed modifications are eligible under these guidelines. The applicant must meet income requirements, and the modifications must be related to the ability of the beneficiary to function on a day-to-day basis.

**Provider Jurisdiction:** Each Provider is responsible for ensuring that an applicant resides in a municipality that has been assigned to that Provider. If the applicant is under the jurisdiction of another Provider, appropriate referral and transfer of documents must be made.

**Applicant relationship with Provider:** The applicant *may not be a Board Member, employee, or relative of an employee* of the Provider Agency or of any agency involved in decisions regarding a HMLP loan (a Related Applicant). Applicants who are a Related Applicant should be referred to CEDAC who will assign them to a different Provider Agency that is outside their region. The loan would then be funded from the Provider Agency's allotment in the region to which applicant has been transferred.

If there is **any** question about the eligibility of any requested modification or any proposed applicant, please contact CEDAC.

##### **A. Eligible Applicants**

The applicant must be the *owner of the property to which the proposed modifications are to be made*. The applicant can, but is not required to, be the direct beneficiary of the modifications to be financed by the loan. The modifications must be related to the functional limitations of a disability as documented by a professional with whom the beneficiary has a patient/client history. This professional may be a doctor, physical therapist, occupational therapist, audiologist, social worker, case manager or other relevant professional. The professional must fill out the Documentation of Need from Professional Form (Documentation of Need) that is part of the application. The Documentation of Need must clearly identify the functional aspects of the beneficiary's disability and state directly what is needed for improved accessibility or for the beneficiary to remain living independently in the community. The proposed modifications must allow the beneficiary to remain in or return to the home and must specifically relate to their ability to function on a daily basis.

##### **HMLP Income Guidelines**

HMLP income guidelines are based on HUD's annual determination of the gross household median income in the Boston metro area, and will be updated annually as such information is made available from HUD. The Provider should refer to the HMLP Frequently Asked Questions, which are part of the application, for the most recent income guidelines.

## **Income eligibility**

Income eligibility is based on the gross household income. In most cases, it is not necessary to count the income of the individuals having an ownership interest in the property as identified in the Deed who do not reside at the property.

Applicants only need to supply their state income tax returns to show proof of income. Providers should not require multiple forms of income verification. If the applicant(s) do not file state taxes, other documentation to verify income should be collected, such as SSI or SSDI benefit statements, pay stubs, pension statements, or bank statements. *If pay stubs or bank statements are collected for proof of income, documentation for 3 pay periods must be collected.*

Adoption, foster care subsidies, and Veteran's benefits do not need to be included in the calculation of gross household income. However, child support is considered income by HMLP.

Please note that occasionally an applicant's income for the current year may be significantly different from the previous year's income due to a life-changing event, such as a severe accident, one-time withdrawals from retirement plans or monetary awards. In such cases, the Provider should document the reason for the aberration in income and use income documentation that best represents the household's current income.

## **B. Eligible Properties**

- The property must be located in the Commonwealth of Massachusetts.
- All applicants must be current on their property taxes. Alternatively, applicants must show proof they have entered into a payment plan with their municipality to address any shortfall and must show proof they have been current on this plan for 6 months.
- The beneficiary must use the property as his/her/their permanent primary residence. If the beneficiary is the child of divorced or separated parents, who divide their time between two (2) primary residences, both properties may be eligible. Please consult with CEDAC on how to proceed in determining primary residence and income eligibility.
- Providers should review the deed for the property carefully and identify early in the process any unusual forms of ownership or restrictions on ownership, such as real estate trusts, revocable trusts, life estates, reverse mortgages, or deed rider restrictions. If the applicant is not listed on deed as having an ownership interest, but states that the applicant is the devisee or heir of the record owner(s) of the property, please consult with CEDAC on how to proceed. Please see Legal Review on page 25 for more information. Please be sure to explain to applicant(s) that these situations require legal review in order for HMLP to ensure a loan can be made and that this review will likely delay their application process.

### **(i) Owner-Occupied Properties**

For ***owner-occupied properties***, where the homeowner resides with the beneficiary, the applicant's household must meet HMLP Income Guidelines. Household income will be calculated as gross annual income according to the Income Guidelines in the HMLP Frequently Asked Questions that are included as a part of the information/Application Packet.

### **(ii) Non-owner occupied properties: Landlord/Tenant applicants**

For ***Non-Owner occupied properties***, where the Landlord is the applicant, the beneficiary must qualify under HMLP Guidelines and the beneficiary's household income must be equal to or less than 200% of the median income. Please note if this is a Section 8 unit, the tenant must have a Mobile Voucher. Units subsidized with Project Based Section 8 vouchers are not eligible.

To be eligible for a HMLP loan, a Landlord must also demonstrate that the property is not covered by section 4 of Chapter 151B of Massachusetts General Law. That is, the property must have less than 10 units, or if there are 10 or more units, the Landlord must provide a judgment from a court of law to prove undue administrative or financial burden. Under this state law, owners of properties with 10 or more contiguous units - or publicly subsidized developments - are required to make and pay for reasonable modifications.

(iii) Non-owner occupied properties: Family member rents to beneficiary

In cases where the homeowner is a family member who does not live with the beneficiary, the Provider need not consider this a landlord/tenant arrangement. The Provider should calculate the total gross household income of the homeowner *plus* the total gross income of the beneficiary's household to determine income eligibility.

If the total income of the homeowner's and the beneficiary's households exceeds 200% of the median income, the homeowner may be considered a landlord applicant. Example: Ms. Jones owns a two-family home. She lives with her spouse and child in one unit and her mother and father live in the other unit. Ms. Jones's father has a functional disability. In order to determine income eligibility, the Provider would include the income of Ms. Jones and her spouse, plus that of her mother and father. The total household size would be 5. If the income of Ms. Jones and her spouse together with the income of her parents were at or below 200% of the median, they would qualify for a 0% interest loan. If the total income exceeds 200%, they would qualify for the 3% landlord loan.

If Ms. Jones lives in Quincy and owns her parents' home in Weymouth, income is calculated in the same manner.

**C. Eligible Modifications**

Modifications requested must relate to the functional limitations of a disability of the beneficiary as documented in the Documentation of Need by a professional with whom there is a client history. Requested modifications may provide improved access in the home or improved egress to the home. Home repairs or home modifications that are not directly related to the disability of the beneficiary are not eligible for financing under the HMLP program.

For more information regarding reimbursement for modifications already completed, please see page 34.

*Providers are expected to verify that the requested modifications will address the specific needs of the beneficiary as set forth in the Documentation of Need and will enable the beneficiary to remain in or return to the property and live as independently as possible in the community. Although a modification may be deemed generally eligible for HMLP funding, it does not mean all modifications are eligible for HMLP funding in every situation or for every individual applicant.*

**Eligible Modifications:**

- Permanent Ramps: metal and built ramps are acceptable, but the contractor must obtain a building permit and the ramp must be inspected by a building inspector. If the contractor is unable to obtain a permit or secure an inspection from the Building Department for the ramp, the Provider must collect from the contractor something in writing from the Building Department to this effect.
- Elevators, Wheelchair Lifts and Stair Lifts: Elevators and Wheelchair lifts must be installed by a state licensed elevator mechanic. They must also be installed pursuant to a building permit and must be inspected and approved by the State Department of Public Safety and Inspections.

- Accessible Kitchen Features, including cabinetry hardware, such as knobs and tracks. Replacement of cabinetry is eligible in limited circumstances, primarily only when the beneficiary requires a lower height cabinet. In these cases, the lower cabinets must be modified to a height ranging between 28” and 34”.
- Increasing square footage of the house, including the creation of accessory dwelling units
- Widening of Doorways
- Accessible Door Hardware
- Home Security features – such as specialized locks and alarms for windows and doors for those with concerns of bolting, wandering, or severe cases of anxiety or PTSD.
- Floor or motion detection lighting
- Kitchen and bathroom safety features – such as locked refrigerators, stoves and cabinet space; added drains; and anti-scald devices
- Other safety modifications such as bolting furniture to the floor, plexi-glass windows, protective covering for outlets and light fixtures
- Sensory or therapy spaces
- Relocation of laundry facilities from an inaccessible location
- Some appliances including a built in stovetop and oven, dishwasher, and side-by-side refrigerators.
- Accessible Bathroom Features
- A garage or driveway may be modified, or an accessible garage built to improve access or transitioning from a vehicle to the home.
- A garage may be modified to add living space to the home.
- Central air conditioning
- Fences, to address limited safety awareness or for someone with significant safety anxiety such as PTSD
- Generators, only when necessary to maintain life sustaining equipment
- Any modification not listed above must be approved by CEDAC and the Loan Committee

If an applicant is requesting environmental remediation (i.e. air quality, mold, asbestos, lead etc.) to be covered by HMLP funds, Providers must submit a Loan Committee Review form to CEDAC for consideration.

The following types of home modifications are ***NOT eligible for financing by the HMLP:***

- Pools
- A/C units or other appliances such as, washers/dryers and portable microwaves.
- Windows
- Decks & Porches. HMLP is willing to fund a landing for stairs or a ramp that is no larger than 64 square feet (examples of eligible sizes, 8’ x 8’, 4’ x 16’, 5’ x 12’ or 6’x10’). This allows for flexibility regarding site considerations including location of doorways and other site consideration.

#### **D. New Construction**

For those applicants who are starting new construction and have requested a loan, HMLP will fund ONLY the difference between the cost of the access modifications and the cost of the same items if they had not been made accessible. Please note, the creation of additional square footage, and/or the creation of an accessory dwelling unit are exempt from this policy.

**Requests for loans for new construction are processed slightly differently than other loans, although these requests for funding must meet all other qualifications for the HMLP program:**

- Documentation showing the costs associated with the necessary accessibility features and what the cost would be if the accessibility feature(s) were not constructed, submitted with the HMLP Bid Form for review and assignment to a construction monitor.
- The disbursement schedule of funds does not apply. All loan funds are to be held by the Provider Agency until after the final inspection is completed and signed off by the construction monitor and the Borrower.

## V. Loan Terms

### A. Loan Amount and Security

The Home Modification Loan Program can make one-time per property loans to eligible applicants from ***\$1,000 up to \$50,000 to property owners and up to \$30,000 for owners of a manufactured home***. The final loan amount will need to include the projected cost of the modifications (as determined by the construction contract) plus any other fees associated with the loan (for example: permitting fees, recording fees, etc.) but may not exceed the program's loan maximum.

HMLP loans of up to \$2,500 will not be secured by a mortgage lien. The Borrower will be required to sign all other loan documents, including a promissory note, and be obligated to repay the loan on the terms stated below. Loans greater than \$2,500 will be secured by a mortgage lien on the property or a security agreement for manufactured homes.

### Projects over \$30,000

If the cost estimate for the project is more than the program's loan maximum, the Provider must collect evidence from the applicant that the applicant has a commitment of funds from another source or sufficient personal funds to cover the balance of the funding needed to pay the total cost of the project. The Provider Agency may accept written documentation from other programs or charitable organization, bank statements, home equity loan funds, or proof of a credit line on a credit card as evidence of sufficient funds to cover the cost of the applicant's project over and above the program's loan maximum.

Evidence of these funds must be obtained prior to loan closing. These additional funds must also be disbursed prior to disbursement of the Home Modification Loan funds. Evidence of this should be filed in the Borrower's loan file. Providers should enter the total project cost in the HMLP database on the project tab. HMLP uses this field to track the percentage of a Borrower's modification project covered by HMLP funds.

### B. Loan Types and Interest Rate

This program offers ***deferred payment loans*** to applicants with gross household incomes up to 200% of the area median income (see section above regarding program income guidelines) and ***amortizing loans*** to eligible landlords. Please refer to the Frequently Asked Questions in the HMLP application for the most up-to-date income guidelines. HMLP uses HUD published median income by household size for the Boston MSA, and the income guidelines are updated annually. Eligible Landlords can qualify for a 3% interest, amortizing loan. Providers should be sure to use the amortization templates provided by CEDAC when drafting amortization schedules.

**0% Interest, Deferred Loan:** All Homeowners with a total gross household income of up to 200% median income qualify (AMI) for the 0% interest, deferred payment loan. Repayment 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.

**3% Interest, Amortizing loans:** All eligible landlords qualify for a 3% amortizing loan. 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 loan amount.

Homeowners with a total household income of more than 200% AMI are not eligible for any HMLP loan.

### **C. Maturity Dates**

The maturity date of the loan is the date by which all principal and/or interest on the loan will be due for repayment to the HMLP. Repayment of the 0% interest, deferred payment loan is required when the first of the following occurs: 1) When the property is sold or title is transferred, or 2) the date that is fifty (50) years after the date on which the loan documents are signed. Any loan is due and payable in full if any condition of the loan agreement is not met.

The maturity date for all amortizing loans will be based upon the following:

If the original principal amount of the loan is:	Then the repayment period of the loan is:
\$1,000 - \$5,000	5 years
\$5,001 - \$10,000	10 years
\$10,001 - \$50,000	15 years

For amortizing loans, Providers should be sure to double-check that both the maturity date and monthly payment amounts are clearly and correctly recited in the Promissory Note. The maturity date should also be specified in the mortgage. When determining the maturity date, as a general rule of thumb, Providers should have payments begin about 6 months after the loan is closed, but should also consult the timeline specified on the contractor's bid scope. A Homeowner should not begin making HMLP loan payments until their project is complete and all loans funds have been disbursed.

## **VI. Technical Assistance Provided to Borrower**

**It is the intent of the HMLP loan program to empower Borrowers to manage their entire modification project from design concept to completion. Homeowners determine the modifications necessary for their household members' needs, they choose and hire the design and construction professionals, and monitor and approve the construction work.**

### **A. Reasonable Accommodations**

The Provider Agency will work closely with each applicant to assist them as necessary in completing the application – this includes providing translation services. Providers may find some applicants would benefit from meeting in-person, either in the Provider's office, a public meeting place or at their home to review the application and discuss the steps in the process. Providers should never assume all applicants need the same assistance with the application process and need to plan to assist applicants in a manner which suits their needs best.

Provider materials should be made available in alternative formats as needed. The Provider is expected to have TTY communication available.

As early on in the application process as possible, the Provider should work with the applicant and their existing support system to assess the beneficiary's and applicant's needs and make community referrals as necessary. When necessary, the Provider Agency should assist eligible applicants in obtaining loan application assistance. This assistance could include helping to identify a family member, outside state or local agency to assist the applicant or to help identify how to find a paid design or accessibility professional. For applicants needing more assistance completing the loan application process, Providers should refer the applicant to the local Council on

Aging, Area Agency on Aging, Independent Living Center, or other disability specific advocacy organization within the Provider's HMLP service region.

Examples of services which should be made available by the Provider include:

- Distribution of the flyer "Home Modification Loan Program & Contractors" (Appendix 1) to all HMLP applicants.
- Distribution of a list of contractors for reference only to an applicant with the appropriate disclaimer language approved by CEDAC, please see the Application Process, Section IX, Contractors on page 19.
- Assistance identifying where the Applicant can find an architect or other professional who can assist the Homeowner in developing plans and/or writing specifications for the requested modifications and/or assistance identifying criteria for selecting an appropriate professional.
- Explaining the bid process, review of bid proposals for work to be performed and suggesting to the applicant they may find it useful to obtain additional bids for comparison.
- Assistance identifying where the Applicant can find accessibility experts who can help in designing modifications and/or identifying accessible products and/or assistance identifying criteria for selecting an appropriate access expert.

Costs associated with technical assistance needed by an applicant – such as fees from an architect, designer, or accessibility expert – may be wrapped into the HMLP loan. **Under no circumstances may or should the Provider ever recommend a specific contractor or other building professionals or a design or accessibility expert to an applicant.**

Providers may not prevent a homeowner from selecting a particular contractor, who is properly licensed and insured. Providers may indicate that a contractor is problematic only if the Provider can refer the applicant to an independent information source such as the Better Business Bureau or State licensing board for verification of such claim.

### **B. Project Management Assistance**

In highly unusual cases, the Applicant could receive additional funding for technical assistance from a professional to provide project management services for their home modification project.

Funds in these cases will not need to be wrapped into the applicant's loan but will be paid from a separate CEDAC account funded by the HMLP. These funds cannot be used to reimburse costs already incurred by the Applicant. The Provider Agency should submit a Loan Committee Review form and documentation that the following conditions are met:

- Medical documentation provided early in the loan application process identifying significant functional impairment that limits the applicant's ability to cognitively navigate a relationship with an architect, designer or contractor.
- A list of the Provider Agency's referrals to where the applicant could obtain additional assistance, such as those listed above, and the outcome of applicant's attempts to obtain assistance.

If approval is received from the Loan Committee stating that paid technical assistance is allowable the documentation submitted to the Loan Committee and evidence of the committee's decision must be maintained in the Borrower's paper file.

### **C. Communication Regarding Unusual Borrower Situations**

Providers will consult with CEDAC prior to making a determination with regards to an applicant's or Borrower's request that is not addressed in these Guidelines. CEDAC's HMLP Project Manager will work

closely with the Provider to bring the case to the Loan Committee, if applicable. Providers should not refer an applicant or Borrower to CEDAC or MRC or the Loan Committee without notifying and consulting with CEDAC's HMLP Project Manager in advance.

Providers are expected to keep notes regarding the applicant's/Borrower's request(s) in the applicant's/Borrower's paper file and the HMLP database record.

If an applicant or Borrower alerts the Provider of their intent to reach out to a State Representative, Senator or other State/Local official, Providers are expected to alert CEDAC's HMLP Project Manager immediately.

When there is an applicant or Borrower dispute (with either the Provider or contractor), Provider staff must add notes in the HMLP database outlining the situation. Providers should also alert CEDAC's HMLP Project Manager if and when they believe the situation has escalated. If it is a Borrower/contractor dispute Providers should be sure to remind both parties that HMLP, the Provider Agency and construction monitor are not a party to the construction contract. Providers should send both the Homeowner and contractor the HMLP dispute letters, which can be found at Appendix 2.

#### **D. Loan Committee**

The Loan Committee will review issues that cannot be solved by the Provider and CEDAC and/or that are not addressed by these Guidelines. Examples of issues that might be brought to the Loan Committee are: applicant eligibility issues from the Provider, reimbursement cases, hardship requests, resolution of disputes or claims or demand letters or lawsuits brought against the Provider, and any other unusual circumstances which may arise that require the committee's attention as CEDAC/MRC may decide.

The Loan Committee is made up of CEDAC and MRC staff and a consumer advocate. If an issue arises that, the Provider believes should be brought to the attention of the Loan Committee, please contact CEDAC's HMLP Project Manager. If Provider Agency and CEDAC's HMLP Project Manager agree the Loan Committee should review and discuss the situation, the Provider should use the Loan Committee Request Form (Appendix 6) for all questions directed to the Loan Committee.

The Loan Committee attempts to respond in a timely manner to all inquiries, however cannot guarantee immediate results, please allow up to two weeks. CEDAC's HMLP Project Manager will advise the Provider on the eligibility of the application or request by email. Providers should maintain records of this decision in the Borrower's paper file. Providers are expected to convey the decision of the Loan Committee in writing to the applicant or Borrower within two (2) business days.

If a Provider has deemed an applicant ineligible, and has not already consulted the Loan Committee, and the consumer remains unsatisfied with the Provider's explanation, Providers are expected to inform the applicant they may appeal the decision to the Loan Committee. The Provider would then work with CEDAC's HMLP Project Manager to submit the case to the Loan Committee. The Loan Committee may also revisit applications for which there is new evidence or documentation.

## **VII. Application Process**

All applications should be accepted on a first-come, first-served basis, treated fairly and equally, and reviewed and evaluated using identical criteria without discrimination.

In the event it becomes necessary, Providers will be expected to maintain a waitlist on a first-come, first-served basis. Applicants who do not complete their application (excluding the contractor bid) within six months should

be removed from the list. A letter should be sent 30 days prior to removing an applicant from the waitlist stating what is missing from their application and at what date their name would be removed and their application considered abandoned.

If it becomes necessary, CEDAC may authorize a Provider to use their recycled funds or loan pool. Providers must still submit the same complete requisition package to CEDAC (see section VIII Requisition and Disbursement).

### **A. Inquiries and Intake Meeting**

During the initial inquiry email or phone conversation or in some cases intake meeting, the Provider should explain the basic principles and intent of the HMLP to the potential applicant. Providers should be sure the applicant understands the following completely:

- The documents that must be provided to verify income
- All loans over \$2,500 are secured with a mortgage lien on their property (or a Uniform Commercial Code security interest if the property is a manufactured home)
- All loans require repayment
- A professional of the beneficiary's choosing must fill out the entire Documentation of Need form to verify the need for the requested modifications
- HMLP does not reimburse for completed work
- Applicants are responsible for finding, hiring and managing a licensed and insured general contractor to design and complete their scope of work.
- Applicants cannot have any unpaid tax obligations, including income and property taxes. If an applicant is not current, HMLP will accept proof of a payment plan along with proof the applicant is current on the plan for 6 months.
- Applicants are responsible for contributing any funds necessary to complete the modifications over the program's loan max. Applicants must contribute the additional funds necessary prior to release of any HMLP funds
- It is also important for Providers to ask if the potential applicant has filed for bankruptcy or plans to file for bankruptcy in the near future. Please see Section C below for more information.

If a potential applicant and Provider believe that the potential applicant may be eligible for the HMLP, the Provider should be sure the individual receives a complete HMLP information package (Please be sure to check with CEDAC to ensure you are using the latest up-to-date version of the package). Each HMLP information packet should include:

- An Application, with the Frequently Asked Questions,
- Brochure,
- HMLP & Contractors flyer,
- Guide & Bid, Scope of Work and Contract Form.

If requested, the Provider must provide reasonable accommodations to the potential applicant to ensure non-discrimination, please see Section VII. Technical Assistance Provided to Borrower.

When a potential applicant contacts a Provider about HMLP, the inquiry should be entered into the database. The Provider should enter the potential applicant's name, address, contact information, and use the "status" drop down menu on the project tab to select "application sent".

If the database does not permit the potential applicant to be entered, it most likely means there is an existing Borrower with the same last name within the zip code area. This feature is designed to catch any possible duplicate loans. Please follow the prompt given in the database and call CEDAC's HMLP Project Manager.

Providers are expected to maintain a system to monitor and track inquiries from potential applicants. It is important for Providers to periodically check in with applicants regarding the status of their application, to determine if assistance is required and to ensure the applicant understands their application status. Evidence of this communication should be maintained in the applicant's paper file and HMLP database.

The HMLP database Pipeline Report (see Section X. Reporting and Record Keeping on all database reports) should be updated at least every 3 months. If a Provider has not heard from an applicant in one (1) year, the applicant's status in the HMLP database should be changed to abandoned/declined and therefore removed from the pipeline.

### **B. Eligibility & Documentation**

When an application is received, the Provider will contact the applicant to request any additional information needed and answer any further questions the applicant might have regarding the application process. The Provider will also be responsible for updating the status of the application and documents received in the database at this point.

Please note the applicant's Documentation of Need from Professional Form remains valid indefinitely. However, it must always clearly support the requested modifications. An applicant's income documentation remains valid for 6 months. However, updated or additional documentation is not necessary to collect within a one-year timeframe. After six months, Providers should obtain a signed statement attesting to the fact the applicant's income has not changed.

When reviewing applications, Providers should identify early in the process any unusual forms of ownership or restrictions on ownership, such as real estate trusts, revocable trusts, life estates, reverse mortgages, or Deed rider restrictions. If the applicant is not listed on the deed as having an ownership interest, but states that the applicant is the devisee or heir of the record owner(s) of the property, please consult with CEDAC on how to proceed. Please see VII Loan Documents, Legal Review on page 25. In some cases, these ownership structures may affect the Provider's ability to enter into a loan with this applicant. In all situations, these ownership structures require review by CEDAC's attorney and may take up to 3 weeks for review.

The applicant must provide all application documentation to the Provider, including but not limited to, income verification, Documentation of Need from Professional Form, copy of Deed (or bill of sale for manufactured homes) and verification of paid state income and property taxes. Providers should use the File Review and Documentation Checklist (Appendix 1) for each applicant paper file to ensure all documentation is collected.

It is the responsibility of the Provider Agency to maintain this documentation in a paper file. The Provider Agency may choose to assist the applicant by obtaining a copy of the applicant's Deed (with book and page number) by visiting the applicable County's Registry of Deeds accessible online at [www.masslandrecords.com](http://www.masslandrecords.com).

With the assistance of the application and the supplemental documentation required as part of the application, the Provider will determine:

- The eligibility of the applicant and the property;
- The eligibility of the modifications requested; and
- The loan product for which the applicant is eligible, if any.

Once the Provider has made the above determination, the Provider will inform the applicant of the loan terms, recording fees, repayment policy and procedure, as well as subordination policy. Applicants who show income in excess of eligibility requirements should be promptly notified of their ineligibility.

### **C. Bankruptcy**

The application and loan documents require that applicants/Borrowers certify that they are not currently in bankruptcy and do not plan on filing for bankruptcy in the near future. If an applicant is currently in bankruptcy, HMLP may not be able to make a loan to this applicant. The Provider Agency should alert CEDAC and send any bankruptcy filing information to CEDAC's HMLP Project Manager for attorney review.

Below are some tips and guidance Providers should reference when working with applicants:

1. Providers should ask *every* applicant if they are thinking about filing for bankruptcy as part of basic due diligence.
2. If an applicant says maybe, Providers should tell them to consult a lawyer to help advise them whether it makes sense for the applicant to incur additional debt and apply for a HMLP loan.
3. If the applicant indicates that they probably will be filing for bankruptcy, Providers should tell them that HMLP will not make a loan until:
  - a. After the court has issued its final order (in a Chapter 7 bankruptcy) or
  - b. The court has approved a reorganization plan (in a Chapter 13 bankruptcy).
4. If the applicant's debts are discharged under Chapter 7, HMLP could make a loan to the applicant if HMLP concludes the applicant meets HMLP's eligibility.
5. If the applicant(s) are living under a Chapter 13 reorganization plan, HMLP cannot lawfully make them a loan unless the court approves the loan.
6. If HMLP has made a loan to a Borrower, and the Borrower files for bankruptcy before the loan has been fully disbursed, any further disbursements made after their bankruptcy filing would be treated as a "new" loan, and HMLP cannot make any further disbursements until it has evaluated the final bankruptcy court order or approved reorganization plan referred to in #3 above.
7. When a Borrower is going through bankruptcy and HMLP has fully disbursed the loan – the bankruptcy court should send all notices, applications, petitions, court filings, and court orders and approved plans to the Provider Agency, who will forward these documents onto CEDAC's HMLP Project Manager for attorney review.

### **D. Contractors**

In order to ensure there are no conflicts of interest situations, the Provider Agency or its staff cannot be paid by the Borrower as a contractor or consultant. Providers must also inform CEDAC of any personal relationships they may have with a contractor chosen by an HMLP applicant.

Under no circumstances may or should Providers refer or recommend a contractor to an HMLP applicant. Additionally, under no circumstances may or should Providers prevent an applicant from selecting or hiring a contractor, who has the proper licenses and liability insurance.

In general, Providers should have limited communication with an applicant's/Borrower's chosen contractor.  
**Providers should not convey information to a contractor regarding an applicant's/Borrower's application status, scope of work, invoice or payment or any issues related to dissatisfaction or quality of work.**

Providers are encouraged to develop and maintain a list of contractors who work in their identified region. All lists must include the following legal disclaimer:

*"This List of Contractors is compiled as an informal service to Borrowers under the Home Modification Loan Program (HMLP). The contractors listed below have been hired by other HMLP Borrowers. Neither the HMLP*

*nor [the Provider Agency] has any liability for, nor endorses, nor assumes any responsibility for, any of the contractors on the list. All Borrowers are encouraged to follow good consumer protection procedures when hiring a contractor:*

- *Obtain multiple bids*
- *Obtain references or referrals from previous clients of the contractor*
- *Check the contractor's complaint record with the Local Consumer Program ("LCP") in your area (<https://www.mass.gov/service-details/local-consumer-programs-of-the-attorney-generals-office>) or the Better Business Bureau <https://www.bbb.org/us/ma>*
- *Verify that the contractor has the required state contractor's license"*

While three bids are preferable to ensure a fair price, one bid is sufficient to proceed with loan processing. The applicant's chosen contractor is responsible for completing the "Home Modification Loan Program Guide and Bid, Scope of Work and Contract" form ("Bid Form"). Provider staff are expected to review the bid form to ensure all the necessary detail is provided and the costs for materials sum correctly. Please be mindful that cost allowances on the bid will require more work for all parties, as detailed information must be supplied and reviewed when preparing and processing invoices. Please see the Invoices section (page 32) for more information.

Providers may be required to provide technical assistance to either the applicant or contractor directly in connection with completing the Bid Form. This assistance can include discussing the Bid Form details, such as quantity and type of materials to be used or providing a sample bid to help show the level of detail required (if using a former Borrower's bid, please redact any personal information as well as pricing information). Providers may and should not discuss or make suggestions to the contractor on the modifications requested or work scope generally without the applicant present or cc'd on email communication.

The applicant must engage only Massachusetts licensed and insured contractors and design professionals who will ensure that the modifications meet applicable state and local building code requirements.

The Bid Form is a legally binding contract between the applicant and the contractor. If a Provider receives a Bid Form or construction Change Order not specifically addressed or made out to the homeowner, it should be rejected. All construction documentation must be addressed to the applicant/borrower only. The homeowner(s) should be the only individual(s) signing the Bid Form. The individual signing the contract on behalf of the contractor or company must be the same individual who is pulling the permits and whose HIC license information is supplied on the Bid Form.

The Bid Form requires that the contractor supply information regarding the appropriate licenses for the work that is to be conducted. Please see Appendix 2, Department of Public Safety License & Permit Requirements. Providers are responsible for verifying that all the contractor's licenses are valid by using the Commonwealth of Massachusetts' websites:

- Home Improvement Contractors: <https://services.oca.state.ma.us/hic/licenseelist.aspx>
- Construction Supervisors: <https://www.mass.gov/how-to/check-a-construction-supervisor-license>

Providers must also ensure the contractor identifies on the Bid Form their Department of Labor Standard's license that shows that they are trained and registered with regards to the Lead Safe Law. Providers are expected to verify the license listed on the bid on the Department of Labor Standard's websites:

- Deleading contractors: <http://www.mass.gov/lwd/docs/dos/lead-asbestos/lead/la-rpt-list-dc.pdf>
- Renovation, Repair & Painting contractors: <http://www.mass.gov/lwd/docs/dos/lead-asbestos/lead/la-rpt-list-lr.pdf>

- Certified Lead-Safe Renovator Supervisors, Approved for Moderate Risk Deleading  
<http://www.mass.gov/lwd/docs/dos/lead-asbestos/lead/la-rpt-list-mr.pdf>

The contractor is responsible for pulling all necessary building permits, and no funds can be disbursed until the Provider obtains a copy of the building permit. HMLP, in most cases, does not pay subcontractors directly.

Please note, all elevators, and wheelchair lifts (not stair lifts) must be installed by someone with an elevator mechanic's license. Providers should verify these projects are being completed by someone with the proper license at: <https://madpl.mylicense.com/Verification/>. Providers should make sure Borrowers are aware; the State Department of Public Safety and Inspections must also inspect these devices. The licensed installer will schedule the initial state inspection.

### **Self-Help**

If the Borrower or an immediate family member is a licensed contractor, they may be allowed to do the work themselves in order to maximize the value of the loan funds. In such cases, the HMLP funds can be used to pay for the cost of the materials but cannot be used to pay for the Borrower or a family member's labor. In cases where the Borrower or a family member has performed the labor, the Provider Agency will obtain the "Self Help Certification" from the Property Owner/Borrower prior to **each** disbursement (See Appendix 2 for Self Help Certification). The Borrower or such family member must comply with all applicable laws and regulations of general contractors, including providing documentation of applicable licenses and insurance and copies of the necessary permits. Providers must still collect a copy of the permits prior to releasing funds.

### **E. Lead Certification**

The Massachusetts Lead Law applies only to residential properties built prior to 1978 in which a child under the age of six lives or will live as a result of the modification being made with the loan proceeds. Lead paint removal is the Borrower's responsibility, both legally and financially.

Provider Agencies are not responsible for monitoring the Borrower's compliance and obligations under the lead paint statute M.G.L. ch. 111. The Provider will, however, provide the Borrower with information about the current lead paint laws and a list of funding resources for lead paint removal. The HMLP will consider a request for funds to pay for lead removal/abatement work that is directly related to the modification work as long as the total amount of the loan is still under the loan's maximum amount. This request should be forwarded by the Provider to the Loan Committee for approval.

The Massachusetts Lead Law does not expose the Provider Agencies to liability under the Massachusetts Lead Law except in the rare circumstances in which a Provider Agency acquires legal title to, and actual physical possession of, a property and thus becomes the "owner" of that property for the purposes of the Massachusetts Lead Law. If the Provider Agency does take title to a property subject to the Lead Law, through foreclosure for example, the Provider would have 90 days (if no child has elevated blood levels) after acquisition to obtain a letter of interim control, obtain a letter of full compliance or transfer the property. However, the HMLP does not anticipate HMLP foreclosures, and Provider Agencies should not consider foreclosure without MRC and CEDAC approval.

A Provider must also collect a copy of a contractor's Department of Labor Standard license that shows that they are trained and registered with regards to the Lead Safe Law. Please see contractor section above.

### **F. Historic Certification**

Applicants are required to disclose on the Property Information page of the HMLP application if their property is listed in, located within or near another home or historic district listed in the Historic Register. However,

Providers should look up each property address on the Massachusetts Historical Commission's website (<http://mhc-macris.net>) to ensure the property is not listed or adjacent to a property listed in the State Register of Historic Places (the Historic Register). Each Borrower's paper file should contain evidence the property has been looked up on the Commission's website.

If the HMLP loan is made to fund any modifications to a home that is either an individual property listed in the Historic Register, or to fund exterior modifications to a home physically located adjacent to an individual property listed in the Historic Register, or physically located within or immediately adjacent to the boundaries of an historic district listed in the Historic Register, they will require review and determination of effect by the Massachusetts Historical Commission (Mass Historic).

When Mass Historic review is required, a loan may not be closed until review is complete and a determination of "no adverse effect" has been obtained from Mass Historic. If Mass Historic determines that the proposed project will have an adverse effect on a Historic Register property, Mass Historic and the Provider Agency are required to consult with one another to discuss ways to eliminate, minimize or mitigate such adverse effects. It is important to note that state law does not give Mass Historic veto power over proposed developments, but does require state bodies or the private proponent of a project receiving state financing to adopt all prudent and feasible means to avoid damaging Historic properties.

***Projects Requiring Mass Historic Review*** If the property and/or the modifications being funded by a HMLP loan meet any of the following criteria, then the Provider Agency should file a Project Notification Form ("PNF") and wait for Mass Historic's determination before closing the HMLP Loan:

- If the home is listed as an individual property in the Historic Register, regardless of whether the modifications are interior or exterior modifications.
- If the home is located within an historic district listed in the Historic Register and is identified as one of the properties that contribute to the historic character of the historic district, regardless of whether the modifications are interior or exterior modifications.
- If the home is located within a historic district listed in the Historic Register, but is not identified as one of the properties that contributes to the historic character of the historic district and if any part of the modifications are *exterior* modifications.
- If the home is located next to or within view of any individual Historic Register property or historic district and if any part of the modifications include *exterior* modifications.

If Mass Historic's review is required, the Provider Agency should fill out and file a PNF with Mass Historic. The PNF is a short, two-page form that describes the project, where it is located, lists all approvals and financing being sought from state agencies, and asks whether the applicant knows if there are any "historic or archeological properties known to exist within the project's area of potential impact." This form may be found on the Mass Historic's website <http://www.sec.state.ma.us/mhc/mhcpdf/pnf.pdf>. Mass Historic's regulations require it to make a determination of effect – adverse or no adverse effect – within thirty (30) days after receipt of a PNF. If Mass Historic does not make a determination of effect within that thirty (30) day period, the Provider Agency may proceed with closing the loan.

## **VIII. Inspections**

CEDAC engages the services of independent construction professionals ("construction monitors") to conduct initial and final inspections of projects being financed with HMLP loans. Appropriate documentation of all inspections from the monitors must be placed in the paper Borrower's file (See Appendix 2 for initial and final inspection forms).

## **A. Unsafe Conditions**

At the time of the home visit or inspection, if the construction monitor observes unsafe conditions that may “materially endanger” the health of the residents and would be in violation of State Building or Sanitary Code, the construction monitor should notify the Provider Agency. The Provider Agency should then prepare a letter to the Borrower detailing the conditions found and that these conditions must be repaired or remedied to the satisfaction of a building inspector before the loan is closed. Examples of such conditions may include:

- No heat;
- No electricity or gas;
- No safe water supply;
- No working toilet or sewage disposal system;
- Any other violation of State Building or Sanitary Code that the construction monitor finds to be a danger to health & safety

If any of the above conditions are directly observed by the construction monitor during the course of their normal inspections of a project being financed with a HMLP loan, such conditions may not be ignored. The following must happen to correct the situation:

- If the Homeowner is the applicant/Borrower: The unsafe condition must be fixed. If the condition relates to the modification, the Provider may lend additional dollars toward the renovation such that total renovation and combined costs do not exceed the program’s loan maximum. If the condition does not relate to the modification, the Provider should refer the Homeowner to other known funds or resources to repair the condition.
- If a Landlord owns the property: The unsafe condition must be fixed. If the condition relates to the modification, the Provider may lend additional dollars toward the renovation with the total renovation and combined costs not to exceed the loan maximum. If the condition does not relate to the modification, the Landlord must repair it in order to receive home modification loan dollars.

## **B. Initial Inspection**

After the Provider has verified that the Bid Form is complete and the applicant has a complete HMLP application, including income documentation, the Documentation of Need from Professional form, and documentation of paid state income taxes and property taxes, the Provider will contact CEDAC who will assign a construction monitor to the project.

Providers should submit to CEDAC via email the applicant’s Bid Form as well as their Documentation of Need form for construction monitor assignment. The email must contain a brief description of the proposed modifications and the beneficiary’s needs along with the contact information for the applicant. Providers should inform the applicant of the limited role of the construction monitor, and that Provider staff will remain their main contact throughout the process. Additionally, Providers should inform applicants it is their responsibility to coordinate with their contractor to attend the initial inspection. Providers should also explain construction monitors will make every attempt to schedule their inspection within 2 weeks of assignment.

Generator, fence or stair-lift only projects do not require a construction monitor. Provider Agency staff must still submit the applicant’s Bid Form and Documentation of Need form to CEDAC for review, but should plan to conduct the inspections on these types of projects themselves.

The construction monitor will conduct an initial inspection of the property, prior to any work or demolition starting, to discuss the proposed modifications and Bid Form with the applicant and contractor and to view the home prior to the commitment of funds or creation of any loan documents. The intent of the inspection is to

ensure all parties understand and agree to the scope of work before work begins. The applicant's chosen contractor is expected to attend the inspection so they can address any questions and discuss any possible revisions to the scope of work that may be discussed. It is not the role of the construction monitor to determine eligibility or to develop the modification project scope of work. Provider Agency staff is not required to attend inspections, but it is expected with some applicant's individual circumstances, such as fear of strangers, language barriers, confused easily, etc. If the Provider does not attend the inspection, the construction monitor will mail or email the original initial inspection form and forward photos of the property to Provider Agency for the applicant's/Borrower's paper file.

If a construction monitor identifies an issue or raises a question at initial inspection, it is the responsibility of the Provider to discuss the items raised with the applicant directly to determine next steps. For example, a construction monitor may highlight that the contract does not address who is responsible for painting the new accessible bathroom. If the applicant was unaware of this and wants to include this in their scope of work, the applicant is responsible for discussing this with the contractor and obtaining a revised bid scope or addendum. It is not the role of the construction monitor to develop or alter the applicant's scope of work. In cases where there might be a possible code violation, Providers should communicate to the applicant that any issue(s) related to code must be addressed by the contractor prior to the start of work.

If Provider staff attends initial inspections, in some cases it may be possible to draft loan documents and close the loan on the same day as the initial inspection. If any issues or concerns are raised during the initial inspections, Providers are *not* to close the loan until these items are addressed completely.

Once the Provider has the initial inspection form and photos, the Provider will update the database on the project tab, including the "Type of Modification" section, Contractor, Construction monitor, project status tracking section, Deed information and Date of Initial Inspection.

For information and instructions regarding invoicing please see Disbursing Loan Funds in Section VIII on page 32.

### **C. Disputes between Applicants/Borrowers and Contractors**

Disputes and issues are likely to come up between some applicants/Borrowers and their chosen contractors. Providers should make clear early in the process to applicants/Borrowers and contractors that HMLP, including the Provider Agency, CEDAC, MRC and the construction monitors are not a party to the construction contract. The Provider may not and shall not negotiate or communicate applicant's/Borrower's concerns to their chosen contractor or visa-versa. Applicants/Borrowers are expected to communicate any and all issues directly to their chosen contractor. Additionally, it is always the Borrower's sole decision to pay an invoice submitted to them from their chosen contractor.

**Providers are *not* to discuss the status of an applicant's/Borrower's application, invoices or payment directly with contractors. Contractors must be referred back to the applicant/Borrower, their client, for any information regarding the status of their application, relationship, or payment.**

Please refer to Appendix 2 for dispute letter templates for both Borrowers and contractors.

### **D. Change Orders**

Borrowers should be made aware that before they agree to any changes in the scope of work with their chosen contractor they must submit a change order to their Provider for review. If the Provider is unsure if this change in scope is eligible for HMLP funding, the Provider should discuss the change with CEDAC. In most cases, change orders are simple items found during the construction process, such as unexpected rotten wood or cost

overruns on materials. All change orders should be shared with the assigned construction monitor so the monitor is informed of any changes prior to conducting a final inspection.

If the change order will require additional loan funds and the Borrowers have not borrowed the loan maximum, please see Documenting Increase to Loans on page 30. Please note that multiple loan increases is time consuming for all parties. Providers should make an effort to consolidate increase requests and wait to process an increase if the change order is submitted early in the construction project. If the change order will require more funds than available through the HMLP loan, Providers must convey to the Borrower that the Borrower is responsible for identifying the additional funds to cover the expense. It may also mean the Borrower and contractor will have to alter the work scope or materials to financially fit the work within the loan proceeds.

### **E. Interim Inspections**

Interim inspections are not usually necessary or encouraged for HMLP projects. However if the original contract is terminated before completion of construction of the modifications, an interim inspection will be required once a new contractor is identified and a new bid scope is prepared and reviewed by the Provider and by CEDAC.

If a dispute arises (see section above) and a Borrower or contractor requests an interim inspection, the Provider must let the Borrower or contractor know this is not something done by HMLP. Borrowers may want to explore the possibility of requesting an interim municipal inspection regarding the permit pulled for the project with their city or town's building department.

In some cases involving a change order a construction monitor may request an interim inspection to review the scope of work with the Borrower and contractor. Providers are expected to share all change orders with the assigned construction monitor, to ensure the assigned monitor is made aware of the change. Please be sure CEDAC is involved in determining if an interim inspection is warranted. *If a Provider schedules an interim inspection without permission from CEDAC, the Provider will be responsible for reimbursing CEDAC for the cost of the construction monitor's time.*

### **F. Final Inspection**

When the Borrower informs the Provider that construction is complete, the Provider Agency will contact the construction monitor who will schedule a final inspection. A final HMLP inspection should only be conducted after the final municipal inspection has been done and the homeowner reports that the work was completed to their satisfaction. This final inspection of the property is to ensure that construction has been completed in compliance with the contract specifications and that the HMLP funds expended were utilized in a manner consistent with the purpose of the loan. An original final inspection form, including the Borrower Satisfaction Statement, must be in the Borrower's paper loan file and be completed prior to the final disbursement of funds by the Provider. Providers must also collect lien waivers from the contractor and/or all installers prior to final disbursement(s). Monitors will also take photographs at the final inspection. If the Borrower and contractor agree there is a "punch list" of items remaining to be finished, the Provider should not release final payment.

Please see Section VII, Requisitions and Disbursement, page 31, regarding all program requirements related the final disbursement of funds.

The database should be updated to include the date of the final inspection and the date of the final disbursement. Any remaining funds should be de-authorized on the authorization tab. Any remaining funds should also be de-authorized with the agency's accounting department, and the funds should be transferred to the Provider's loan pool account.

## **IX. Loan Documentation**

Once the Bid Form has been approved by CEDAC, a construction monitor assigned and the initial inspection has occurred, the Provider will draft the loan documents. **At no point should the loan documents be drafted or signed prior to the receipt of the initial inspection form and a final Bid Form signed by the applicant and contractor.**

Please note if the Provider brings loan documents for signature to an initial inspection, under no circumstances should those documents be signed if there remain unresolved issues regarding the project scope or if the Bid Form needs to be revised.

### **A. Legal Review**

Provider staff should review the Homeowner's Deed and the Property Information form in the HMLP application as soon as they receive this information from the Homeowner. If there is evidence of a Trust owning the property, an affordability restriction attached to the Deed as a Rider, a Power of Attorney, a Life Estate, a Tenant-in-Common or Guardianship, a life estate, the Provider must email CEDAC's HMLP Project Manager the Deed and the additional documentation for legal review *prior* to drafting loan documents. If the applicant is not listed on the deed as having an ownership interest, but states that the applicant is the devisee or heir of the record owner(s) of the property, the Provider must email to CEDAC's HMLP Project Manager whatever documentation evidences the applicant's claim of ownership with for legal review *prior* to drafting loan documents. Please be aware this review process can take up to 3 weeks. Please see the sections below for further detail:

#### **(i) Land Court Land**

The land is "registered" and the mortgage needs to be filed at Land Court (instead of/or in addition to being recorded at the Registry) if it meets one or both of the following conditions:

- If the Borrower submits a certificate of title or a certificate of title is mentioned in Deed, etc.; and/or
- If there is a land document number (#) somewhere in Deed or a certificate number (#).

If this is land court (a.k.a. registered) land, CEDAC will need the following:

- A copy of the Deed – to see if the complete parcel of land is registered or if a portion is recorded land and therefore the mortgage needs to be recorded at both the Registry of Deeds and the Land Court.
- A copy of the certificate of title.

The Land Court is stricter than the Registries about the condition of the mortgage to be recorded. Therefore, please check that the mortgage contains no white outs or blank spaces; signatures are in blue ink, if possible; an absolutely complete and correct notary block; and a legal description in exhibit A that matches the description in the certificate of title *exactly*.

The Provider, the applicant or the applicant's attorney, or mortgage recording company will have to take the mortgage to be recorded at the land court and bring an original copy of the certificate of title.

#### **(ii) Manufactured Homes**

Manufactured homeowners generally do not own the land on which their home is located. Providers should collect a copy of the applicant's manufactured home's bill of sale as proof of ownership. HMLP loans to mobile homeowners are secured by a Security Agreement and a UCC-1 Financing Statement recorded with the Massachusetts Secretary of State: <https://www.sec.state.ma.us/cor/corpweb/corucc/uccfrm.htm> in lieu of a mortgage.

If the applicant owns the land, in addition to the manufactured home, please contact CEDAC to be sure the loan documents are properly prepared.

**(iii) Realty and Other Trusts**

When the Deed to the property shows that ownership of the real estate is held by a Trust (i.e., Realty Trust, Nominee Trust, and Revocable Trust, Irrevocable Trust, etc.) a legal review will determine how the Borrower(s) should be identified in the loan documents, identify the appropriate authorized signatories for the loan and any other documents that must be signed and/or recorded. Providers should forward the following documents to CEDAC for legal review:

- Brief narrative regarding the applicants and beneficiary
- Copy of the Deed
- Copy of the Declaration of Trust or Trust Agreement
- Schedule of Beneficiaries, if any
- Copy of any Certificate of Trustee(s) recorded with the Deed

Once the legal review has occurred, CEDAC will send an email with instructions on how to prepare the loan documents to the Provider to be printed and kept for the paper file. Under no circumstances shall the Provider proceed with loan processing or disbursement without legal review and receipt of a written response from CEDAC.

Please note: In some cases CEDAC will need to provide the loan documents to the Provider in Microsoft Word, the HMLP database cannot produce the documents correctly. Please be sure to request these loan documents each time they are required, to ensure the most up-to-date version of the documents is used. The Provider must use the “track changes” feature in Microsoft Word and provide drafts to CEDAC to approve, prior to circulating to the Borrower.

**(iv) Affordability Restriction**

Affordable Homeownership Programs (such as 40B, LIP or HOME) require that a Homeowner enter into an agreement to ensure the home’s affordability upon resale. This is typically documented by a Rider (i.e., an exhibit) attached to the Deed. Generally, in order for HMLP to be repaid at the time the Borrower sells their home, the HMLP scope of work must be approved by a third-party monitoring agent and be considered part of the “Maximum Resale Price” as determined by the Homeownership Program. However, the calculation of a resale price is determined at a point in time, and, therefore, subject to various variables, including the available equity and the income guidelines from HUD for the area. Please note that HMLP Loan Committee has reviewed cases and entered into a loan with homeowners with an affordability deed rider who do not have the equity available on the property at the time of the HMLP loan to allow the HMLP scope of work to be factored in to the maximum resale price as determined by the Homeownership Program. Be sure to consult with CEDAC to determine whether a HMLP loan may be made to a property subject to an affordability restriction.

Since affordability restrictions and Deed riders require the monitoring agent’s permission to offer the homeowner a loan, Providers should be sure applicants with an affordability restriction on their property understand that it is possible the Home Modification Loan Program will be unable to offer them a loan.

These Deed Riders require legal review by CEDAC’s attorney to ensure that HMLP is allowed to make a loan to the Homeowner. The Provider will also be required to obtain permission from the third-party monitoring agent(s). Providers should be sure applicants are aware these steps will add additional time to their application process.

#### **(v.) Power of Attorney**

A power of attorney is written authority to represent or act on another person's behalf. An applicant should disclose this to the Provider at the time of application. **If** the loan documents will need to be signed through a power of attorney, CEDAC's lawyer will need to review the power of attorney document to determine how loan documents should be drafted and if there will be additional documents that need to be signed and recorded with the Registry of Deeds/Land Court with the HMLP mortgage. Most power of attorney documents are not recorded; please check with applicant to see if it has been recorded.

#### **(vi.) Life Estates**

A life estate gives a person or persons the exclusive right to remain living at the property for so long as they live, with title automatically passing upon their death to the persons identified in the Deed. Providers should review the Deed to identify if a life estate is on the property. Providers should supply a copy of the Deed to CEDAC for legal review, and the Provider will receive written instructions regarding the additional language necessary for the loan documents.

#### **(vii) Tenant-in-Common**

If two or more people hold title to the property as tenants-in-common, they each hold a certain percentage interest in the property. CEDAC requires legal review of the Deed if only one, but not all, of the tenants-in-common is willing to grant HMLP a mortgage.

#### **(viii) Tenants-by-the Entirety**

Deeds with this ownership structure require HMLP loan documents to identify the Borrowers as Husband and Wife or Married Spouses and as tenants by the entirety. For example, "Jane Doe and John Doe (Husband and Wife), as Tenants by the Entirety"

#### **(ix) Joint Tenants with Right of Survivorship (a/k/a joint tenants)**

Joint tenants own the property in equal shares, and if one dies the person's interest goes to the other joint tenant(s). When drafting the HMLP loan documents the Borrowers must be identified as joint tenants. For example: "Jane Doe and John Doe, as joint tenants".

#### **(x) Name Change Affidavit**

Providers should review the Deed carefully against the Borrower's driver's license or other identification to ensure the Borrower's name has not changed since the Deed was recorded. If the names are different, a name change affidavit will need to be prepared and recorded with the HMLP mortgage. Providers should send a copy of the Deed and current identification to CEDAC for legal review.

#### **(xi) Reverse Mortgages**

If an applicant has a reverse mortgage, the Provider Agency should obtain a copy of this mortgage to be reviewed by CEDAC's attorney. HMLP may need to seek permission from the reverse mortgage holder before committing to an HMLP loan.

### **B. Drafting Loan Documents**

Prior to drafting the loan documents, the Provider should double-check that the database has all of the following information entered correctly:

- Borrower: the person(s) whose name is on the Deed to the property to which modifications are being made.
- Lender: the Provider's name.

- Loan Amount on the Authorization Tab: the final amount which has been determined will cover the modifications, plus any other fees associated with the loan such as any recording fees, but NOT including the Provider fee.
- Address: the full address of the property to which the modifications are being made.
- Deed book and page number.
- For 3% interest, amortized landlord loans: maturity date, first payment date and monthly payment. Please be sure to use the amortization templates (Appendix 5) and ensure the accounting department is using the same information that is entered into the amortization template spreadsheet and these database fields.

Once the above fields are correctly filled in, the Provider should click on the “reports” tab and choose “Loan Docs” with the corresponding interest rate and loan type. Once an interest rate and type has been chosen, the database will present “Sub-reports” to select. These are the actual loan documents. In order to generate PDF versions of these documents, the Provider must choose the Borrower’s ADDRESS from the drop down menu in addition to the relevant sub-report and then click “Run Report.” The Provider should then review and print the appropriate set of loan documents for the Borrower.

***These loan documents have been drafted by an attorney to be generally applicable to all situations and therefore under no circumstances should language in the loan documents be changed.***

The following set of documents must be sent or brought in person to the Borrower:

- Loan Document Cover Letter (Appendix 4, this letter is not generated from the database)
- Commitment Letter: Two (2) originals that should be signed by the Borrower(s) and the Provider and dated by all.
- Promissory Note: There should only be one (1) original Promissory Note. The original Note should be signed by the Borrower(s) and notarized by a Notary Public.
- Loan Agreement: Two (2) originals that should be signed by the Borrower(s) and the Provider and dated by all. A notary public will need to notarize both the Borrower and the Provider’s signatures. Exhibits A, B, C, D, & E should all be attached.
- Mortgage: Two (2) copies should be signed and witnessed by the Borrower(s) and notarized by a Notary Public. ***A property description should be attached to the Mortgage as Exhibit A*** (the Deed to the property can be used as it should contain a legal property description).
- Truth-in-Lending Disclosure
- Notice of Right to Cancel

It is preferred that Provider staff meets with Borrowers in person to review the loan documents prior to signing. HMLP and Provider Agencies, including any of its officers, staff, employees or agents, may not provide the Borrower with any legal advice with respect to these documents. If a Borrower has any questions about these loan documents and the legal obligations they create, the Provider should strongly recommend that the Borrower take the opportunity to consult with a lawyer of their choice to review and explain these loan documents before they sign and return them to the Provider Agency.

However, it is the responsibility of the Provider to explain the loan terms and obligations to the Borrower. If the Borrower prefers to receive the loan documents by mail, Provider staff should plan to set up a time with the Borrower to review the documents and loan terms over the phone.

It is the Provider’s responsibility to double-check that these documents are signed and notarized correctly according to the notary rules and regulations currently in place for the Commonwealth of Massachusetts. If the

Borrower(s) are unable to sign due to their disability, the notary may attest to the Borrower's mark upon the loan documents. If this is the case, please make sure that there is a memorandum in the Borrower's file noting the circumstances.

*If you have any questions about how the loan documents should be prepared, please contact CEDAC.*

Once all of the above documents have been signed correctly and returned to the Provider, the Provider Agency's authorized signatory should sign them.

Upon closing the loan, Providers should be sure Borrowers receive a copy of the following:

- Loan Document Cover Letter
- A duplicate original of the signed loan agreement with attachments
- A copy of the Mortgage,
- A copy of the signed Promissory Note (Providers should stamp the Note "COPY")
- A duplicate original signed copy of the Commitment Letter.

### **C. Recording the Mortgage**

In most cases, all loans should be closed within 10 business days of the initial inspection.

The mortgage is usually the only loan document that needs to be recorded at the appropriate Registry of Deeds/Land Court. **The mortgage should be recorded prior to the Provider submitting a requisition package to CEDAC.** As mentioned above, the cost to record the mortgage and any other documents can be wrapped into the total amount of the loan. The Borrower may also pay these recording fees out-of-pocket. If a Provider uses Corporation Service Company (CSC) or another mortgage recording company to record the mortgage, it will cost approximately \$300 to record each mortgage and approximately \$75 for each additional document. If a Provider records the mortgage itself, it can charge a \$100 administrative fee for this service.

When using a mortgage recording company, an original copy of the signed and notarized mortgage (with attached property description) should be sent with a cover letter. The company will send someone to record the Mortgage at the appropriate Registry in person and immediately email or call the Provider with either a book and page number or a file number. If a file number is returned, the Book and Page number will follow. The original Mortgage with the Book and Page stamp will be sent back to the Provider from the registry. The Provider is responsible for keeping track of the recording information for all of their loans and for following up if for some reason they do not get the recording information or the original stamped document in a reasonable amount of time.

Whether a Provider chooses to record the mortgages by filing it itself or by using a mortgage recording company, Providers must follow the instructions below:

***Please check for the following before filing the mortgage:*** All spaces in the Mortgage must be filled in. The name(s) listed on page 1 of the Mortgage must be the same as those who will be signing the mortgage on page 8. The Borrower(s)' name (s) should be signed, printed and notarized. Every person named as an owner on the Deed needs to sign the mortgage; if this cannot happen for some reason, please call CEDAC to see how this should be handled. If a Borrower has a deceased spouse who is still listed on the Deed to the property, Providers need to record a copy of the Death Certificate along with the mortgage. There should be a Deed Reference at the bottom of p. 8 that names the registry, book & page where the Deed was recorded. Page 9 (exhibit A) should list the address of the property. If possible, type in the relevant Deed information onto this sheet or attach a copy of the Deed with the unnecessary parts cut out. **DO NOT ATTACH THE ENTIRE DEED.**

For manufactured homes, the Provider Agency should file a UCC with the Secretary of State (see page 26).

#### **D. Documenting Increases to Loans**

If a Borrower finds that more funds are needed than initially anticipated to complete the previously agreed upon scope of work, they may request an increase in the loan amount up to the loan maximum; please see Inspections, Section V, above with regard to change orders.

Providers should encourage Borrowers to think about all necessary modifications, present, and future, at the time of the original loan application. *However, a Borrower is able to receive a loan increase after final inspection if they have not used the maximum amount of the loan allowed at the time they initially were approved.* If the Provider hears from a Borrower who had a final inspection but did not use all the loan funds available to them, they should follow the same procedures outlined for changes orders above and for documenting increases to loans. For those increase requests occurring more than one year from final inspection, Providers must obtain an updated Documentation of Need form (if necessary for the new scope of work) and household income documentation.

Once the Provider has verified the need for the additional funds, the Provider should enter the increase details in the “Increase” section of the database’s Project tab. The database will generate increase loan documents, which is almost identical to the normal procedure – except that a Provider must choose amended and increased sub-reports:

- Increased Commitment Letter: Two (2) copies that should be signed by the Borrower(s) and the Provider and dated by all.
- Amended Promissory Note: One original of the Amended Note should be signed by the Borrower(s) and Provider and notarized by a Notary Public.
- Amended Loan Agreement: Two (2) copies that should be signed by the Borrower(s) and the Provider and dated by all. A notary public will need to notarize the Borrower and the Provider’s signatures.
- Amended Truth-in-Lending Disclosure
- Amended Notice of Right to Cancel

It is the Provider’s responsibility to see that these documents are signed and notarized correctly according to the notary rules and regulations currently in place for the Commonwealth of Massachusetts. If the increase is less than \$10,000, the Provider does NOT have to generate an amendment to the Mortgage. The Mortgage has language that secures the Provider in the case of amendments of the Promissory Note.

If the increase is more than \$10,000, the Provider will complete the template “Amendment to Mortgage” (Appendix 4) this document will be recorded at the Registry/Land Court.

See section below on Requisition and Disbursement for more details on how to requisition for these loan increases and for the Provider fee.

## **X. Requisition and Disbursement**

### **A. Requesting Loan Funds**

Once all loan documentation has been completed and signed by the Borrower and the Provider, the Provider is ready to send a requisition package to CEDAC requesting the loan funds and Provider fee for the loan. Providers should send CEDAC requisition packages electronically once the mortgage (or UCC) is recorded.

The requisition package should include:

- A cover letter;
- A requisition certification signed by an authorized signatory of the Provider Agency; and
- A Requisition Package Completeness Review Form (see Appendix 3), and all of the backup documentation requested by the completeness review form.

The Borrower's database record must be updated by the Provider with all current Borrower and loan information prior to the submission of a requisition to CEDAC. CEDAC will not pay any requisition until a mortgage (or UCC) has been filed.

CEDAC will review the requisition package and the database for completeness. If the package is complete and correct, the loan will be processed for payment, and CEDAC will approve the authorization on the authorization tab in the borrower's database record. Loan checks are cut by CEDAC every two (2) weeks. All funds received by the Provider must be maintained in a segregated bank account for HMLP until they are disbursed to the Borrower.

The same requisition package process should be followed in the case of a *loan increase* or a loan using the loan pool/"recycled" funds.

### **Loan Pool**

Recycled funds or a Provider Agency's Loan Pool are the funds collected from loan repayments, monthly loan repayment, de-authorized funds that were not used by a Borrower and interest earned from the Provider's bank account(s). Providers are not to use their loan pool funds without written authorization from CEDAC. CEDAC will inform Providers when HMLP does not have sufficient bond capital and if Providers should use recycled funds.

In the event CEDAC asks Providers to use their recycled funds to fund a new loan, the Provider must submit the same complete requisition package to CEDAC with a cover letter stating CEDAC authorized the use of the recycled funds to pay the new loan and the Provider fee for the loan. These funds should not be used until written authorization from CEDAC is received.

### **Provider Fees**

The Provider will receive an annual fee of \$10,000 to be used for outreach, loan servicing, program administration, and other program costs. The Provider Agency will also receive a flat fee of \$3,400 per loan regardless of the loan amount. Provider fees are not included in the total loan amount to the Borrower. The Provider will request this fee with its submission of the requisition package to CEDAC. Providers will receive a flat fee of \$1,500 in the case of a loan increase. Please note: Providers will not receive any additional fees if there are additional increases to the loan amount.

### **B. Disbursing Loan Funds**

Once the Provider has received the loan funds from CEDAC, the Provider may disburse them as anticipated by the agreed upon loan disbursement schedule attached to the Borrower's Loan Agreement.

Please note: if a Provider receives notice that a Borrower in disbursement has filed for bankruptcy, no further HMLP loan funds can be disbursed until the final bankruptcy court order or the approved reorganization plan has been reviewed by CEDAC's lawyer.

### **C. Invoices**

*Provider should stress to Borrowers that by signing and submitting an invoice, they are agreeing that the work being invoiced for is complete and done to their satisfaction.*

All contractor invoices submitted *must* come directly from the Borrower and reflect completed work only (first disbursement can be for materials only). Borrowers are expected to review invoices from their chosen contractor closely and sign the invoice form upon review. All HMLP invoice forms should be accompanied by back-up documentation on the contractor's letterhead or from a supplier. Providers are *required*, even though the invoice is signed by the Borrower, to call or email the Borrower to receive confirmation from the Borrower that the Borrower has reviewed and approved the invoice and in fact would like to request payment. Evidence of this additional communication must be noted on the invoice form. If the Borrower does not respond to the email or phone call, Provider should follow up with a letter asking the Borrower to be in touch regarding the invoice. All such written confirmations shall be filed in the Borrower's paper file.

Providers should always review a submitted invoice against the Borrower's approved bid. Providers should double-check that the invoice includes make/model information for materials purchased and that these materials are the same items agreed to on the bid.

If there were cost allowances in the bid, contractors must supply additional information regarding the actual material(s) purchased, such as make/model information, on the invoice submitted for payment. Contractors should also identify any cost differences between the amounts listed on the bid as the material allowance and the actual items purchased and installed.

### **First Disbursement Requirements**

In their first invoices, contractors may request up to one-third of the total contract price prior to the start of work. Please note this 1/3 includes any funds required by the homeowner if the project is over the loan max. Specialized equipment material purchases, such as an elevator, wheelchair lift or a special order stair-lift included in the approved Bid Form, can be invoiced prior to the start of work for more than one-third of the total contract price. However, Providers must be sure to obtain documentation from the supplier of the specialized equipment indicating the required deposit. If a building permit is required for the project, no funds are to be disbursed until a copy is given to the Provider.

### **Final Disbursement Requirements**

The final payment or disbursement must be at minimum 10% of the total project cost. Please note this 10% should be calculated using the construction contract price, including any funds which are paid directly by the Homeowner or other funding sources. The final HMLP disbursement should only occur when 100% of the agreed upon modifications are complete and the HMLP final inspection has occurred. Providers should be sure to have a signed Satisfaction of Modification Statement, which is part of the final inspection form. Providers must also obtain lien waivers from the contractor.

### **D. Issuing Checks**

**Invoices cannot be accepted if supplied or submitted from the contractor or other vendor hired by the Borrower directly to the Provider.**

The loan proceeds should be disbursed in one of three ways:

- The Borrower delivers to the Provider Agency an HMLP invoice form from the contractor performing the eligible modifications, with additional back up documentation on the contractor's letterhead or from a supplier. The invoice must certify as of the date of the invoice: (a) what percentage of the value of the

work covered by the contract is complete; and (b) the sum of all payments previously made by the Borrower and received by such contractor for work under the contract. Once a Provider receives an invoice they must confirm receipt of the invoice by either email or phone and verify the homeowner is comfortable with issuing payment, Providers must note this verification on the invoice. If the Provider does not hear back from the Borrower they must send a letter by mail requesting the Borrower contacts them regarding the invoice received. If this is satisfactory to the Provider, the Provider may then send by mail or deliver in person to the Borrower only a check (checks **cannot** be mailed or given to a contractor directly). Providers may issue either a two-party check made payable jointly to the Borrower and the contractor (*This will be the usual disbursement procedure and the most preferable form of disbursement; the others will be less common.*). If a Provider obtains from the homeowner written authorization, which must be maintained in the borrower's paper file, a check can be made payable to the homeowner's chosen contractor only.

- The Borrower delivers to the Provider Agency an invoice from a supplier providing equipment or supplies for the eligible modifications or a consultant providing design and/or consulting services for the eligible modifications, on the letterhead of the supplier or consultant, certifying the cost of such equipment or supplies or design/consulting services. If this is satisfactory to the Provider, the Provider may then send by mail or deliver in person to the Borrower either a two-party check made payable jointly to the Borrower and the supplier or design consultant. The Provider may also choose to send by mail or deliver in person a check to the Borrower made payable to the supplier or consultant directly.
- The Borrower delivers to the Provider Agency either invoices marked paid or receipts of payment printed on the letterhead of the contractor performing the modifications or the supplier providing equipment or supplies for the modifications or the consultant providing design and/or consulting services for the modifications. If receipts are supplied, Providers will need to review these receipts carefully to ensure all items pertain to the HMLP work scope. Providers also need to collect evidence that the Borrower has already paid the contractor or supplier or consultant. If this is satisfactory to the Provider, the Provider may then send by mail or deliver in person to the Borrower a check made payable to the Borrower. (This may happen in the case of a Self-help loan for example.)

These disbursement options are also covered in the Loan Agreement with the Borrower. In each paper file, there should be a section solely for disbursements. Each disbursement record should include a copy of the check request(s), invoice with back-up documentation and a copy of the Provider check stapled together. Any unusual disbursements should be explained by a written memo placed into the paper file.

Providers should remind Borrowers that work is to be completed in a reasonable amount of time. It is suggested that Providers conduct regular review of the Borrowers In-disbursement Report and document in the paper file and database any extenuating circumstances for a particularly long construction period. If a Provider is concerned about the timeliness of a particular project, it is suggested that the Provider communicate regularly with the Borrower. If a project remains inactive for more than 4 months, Providers should send a Loan Balance Letter (Appendix 5) to the Borrower informing them their loan will be closed out in the next 30 days. This letter should confirm the Borrower's loan obligations, including their current loan balance and maturity date.

If a Borrower has signed the loan documents and has a recorded mortgage on their property but has requested no disbursements, the Borrower is still obligated to repay any recording fees before the mortgage is discharged from the property. Please see the Abandon Loan letter template at Appendix 5 for communicating with these Borrowers.

## **E. Reimbursement**

In most cases, HMLP funds cannot be used to reimburse for work that has occurred prior to the closing of the loan. The HMLP Loan Committee has considered and approved some cases for reimbursement, so please contact CEDAC to see if your request is similar and should be brought before the committee for consideration. Providers may, however, allow a Borrower to use their HMLP funds for work started after a commitment letter has been issued and before the loan is closed in similar situations as below:

- The expenditure was required to do the bare minimum of work needed to bring the beneficiary home from a nursing home, rehab center, or other institution, such as a ramp to get inside the home.
- The expenditure was necessary to meet a requirement for maintaining participation in a related benefits program (this may occur when another source of funds has funding limitations). For example, a Borrower needed to use HMLP money to become & maintain eligibility under a 6 month Medicaid spend down, and the home modification was considered a medical necessity).

Borrowers are responsible for either paying their contractor until they can be reimbursed with their loan funds or ensuring their contractor knows when their loan funds will be available. It will be important to inform the homeowner they are responsible for meeting the conditions set-forth in the commitment letter to guarantee funding.

For consumers who have ONLY had a necessary piece of equipment installed, such as a stair lift, HMLP may reimburse a potential applicant if the equipment was **installed 30 days prior to communication with the Provider**. Again, HMLP's commitment to reimburse the individual remains conditional until the Provider has a completed application and the Homeowner has demonstrated that they meet HMLP's programmatic eligibility criteria.

## **F. Reimbursement and construction in progress**

If construction is in progress at the time the Borrower contacts HMLP, the Provider Agency should issue a "Conditional Commitment" to the Applicant which states that IF the Applicant meets the programmatic eligibility criteria for both income and modifications, then the Provider Agency will be able to reimburse the Borrower for prior work completed. This letter will also ask for copies of the contractor's license, insurance certificate and contract/agreed upon scope of work with the Borrower. Please see Appendix 5 for the Conditional Commitment template.

If Borrower has "before" pictures, they should provide copies to the Provider Agency. The Provider should contact CEDAC to have a construction monitor assigned as soon as possible to conduct an initial inspection with the Borrower and their Contractor so they can review the work completed to-date.

The requisition process to CEDAC is still exactly the same, and funds cannot be released to the Borrower until CEDAC has sent a check to the Provider Agency.

To simplify the process, the Provider Agency may only reimburse a Borrower directly for prior work; however, going forward, disbursements will be made in the normal fashion (see page 32).

## **XI. Loan Servicing**

### **A. Loan Repayment**

As agreed upon in their contract with CEDAC, Providers are responsible for collecting the repayments of all HMLP loans in the Provider's region(s). This includes all principal and any interest from the region(s)' landlord

loans. Providers are also responsible for continuing to maintain regular contact with borrowers in default and attempt to assist these borrowers to become current on their loan repayment obligation.

0% interest, deferred payment loans will require minimal servicing by the Provider during the life of the loan. 3% interest, amortizing landlord loans will require on-going, monthly servicing by the Provider (see loan servicing Section D, below).

When a borrower wishes to repay their HMLP loan, Providers are responsible for issuing mortgage pay-off statements, and for collecting the repayment. Please see Section B below regarding issuing a mortgage discharge. Providers are responsible for documenting these transactions in the HMLP web-based database and their accounting/finance systems. In some cases, a borrower may be unable to repay their full loan obligation, Providers are expected to work with these borrowers and prepare a hardship request (see Section C) for the HMLP Loan Committee to consider.

All Borrower payments and payoffs, including partial repayments should be entered into the Repayment tab in the database. When entering a pay off on older HMLP loans, with limited information entered into their database record, Providers will need to ensure the authorization tab has the loan amount entered on the authorization tab.

Borrower repayments must be deposited in the Provider's loan pool, in a segregated bank account. Providers are not to use funds from the agency's loan pool without express written authorization from CEDAC. More information regarding the loan pool can be found in Section VIII Requisition & Disbursement. More information regarding Provider's reporting requirements and procedures regarding the loan pool can be found below in Section X, Record Keeping & Reporting.

***The circumstances under which a loan (all loan types) must be repaid are as follows:***

- When the home or manufactured home where the modifications have been made is either sold or transferred to a new owner.
- If any condition of the loan agreement is not met, or there is an event of default under the loan agreement.
- At the loan maturity date (see Maturity Date Section in III Loan Terms) as applicable.

***Please note that death of a beneficiary does not automatically result in repayment:***

- Repayment is not required due to the death of the beneficiary who is not a Borrower as there is no transfer of ownership.
- If a Borrower passes away resulting in the home reverting to the surviving spouse, there is also no transfer of Deed. Therefore, HMLP does not require repayment, and our mortgage remains on the property. In this case, the loan would become payable upon the death of the surviving spouse or if that spouse sells or transfers title.

### **Transfer of Title**

In cases where a Borrower wishes to transfer title to a family member as part of estate planning or create a trust to hold title on the Borrowers behalf, the Borrower must seek HMLP's consent to this transfer. If a 3%, interest landlord Borrower is requesting HMLP's consent to this type of transfer, they must be current on their HMLP loan monthly payments. The Provider Agency should request a copy of the proposed new Deed and details of the transfer for review by CEDAC. If this transfer is approved, CEDAC will prepare an Assignment and Assumption Agreement to document the new owner's agreeing to be responsible for the original Borrower's HMLP loan obligations and mortgage.

Providers should also review subordination requests carefully, to ensure the parties who entered into the HMLP loan are still the same individuals who are or will be the owners on record. Please see Section E below regarding subordinations.

### **B. Mortgage Discharges/ Release of Lien**

When a full loan repayment is received by the Provider, the Provider must draft and sign a Discharge of Mortgage. *The Provider also discharges the original promissory note by marking it "Repaid" and returning the original promissory note to the Borrower with the Repayment letter.* The Provider should keep a copy of the discharge of mortgage, the promissory note marked Repaid and repayment letter in the Borrower's file.

The Borrower's database record should be updated to reflect the repayment. The Borrower's loan status should be updated on project tab; using the status drop down menu the status of repaid should be selected to reflect the loan has been repaid. Providers should also enter the repaid amount in the repayment tab of the HMLP database. Be sure to enter both the total payment from borrower and principal amount repaid fields.

The Discharge of Mortgage should be filed at the Registry of Deeds/Land Court by the Borrower or the Borrower's attorney. Providers are not responsible for filing or paying for the Discharge of Mortgage at the Registry.

### **C. Hardship Requests**

Please note that even in the event of a hardship request, the Borrower's obligation to repay the loan must be taken very seriously and HMLP will seek to recoup as much of the loan as possible.

Providers will use the HMLP hardship request form; Request for Release and Discharge of Mortgage Lien without Payment in Full, found in Appendix 6.

If the Borrower or their designee from Probate Court is selling their home (whether on the traditional real estate market, through a short sale, or foreclosure) and does not expect to have sufficient funds available from the sale to repay HMLP in full, they must complete the Request for Release and Discharge of Mortgage Lien without Payment in Full form. This form, along with the backup documentation required, should be submitted by the Provider to CEDAC, who will share the request with the Loan Committee for review. No action should be taken by the Provider without written authorization from CEDAC. If the request is approved, the program may agree to discharge HMLP's mortgage without repayment in full (See Mortgage Discharge section above).

### **D. 3% Interest, Landlord Loan Servicing Requirements**

Providers are responsible for maintaining HMLP issued spreadsheets of amortizing loan payments by borrower (please ask CEDAC for these electronic documents). Providers are also responsible for ensuring that regular payments are being made by these landlord Borrowers. Providers should use the Coupon Booklet report in the database to provide monthly payment reminders to Borrowers.

For these 3% interest, amortizing loans: 2/3 of the interest earned will go to the Provider to help pay the costs associated with servicing the loan, and 1/3 of the interest earned must be deposited into the Provider's loan pool. The HMLP spreadsheet templates will do the above calculation.

## **E. Defaults**

If a Borrower is late with their monthly loan payments, the Provider should contact the Borrower and assess the situation. Providers should attempt to identify if there are extenuating circumstances making it difficult for the Borrower to make their payments.

However, if the above efforts do not result in receiving loan payments, and a Provider fails to receive two (2) payments in a row from the Borrower, the Provider should send the Soft Default letter (Appendix 5). If the Provider still does not receive a check or any communication within thirty (30) days, the Provider Agency should send the Hard Default letter (Appendix 5). If the Borrower continues to ignore the Provider's communications, HMLP reserves the right to declare the Borrower in default and to contact the Borrower's first mortgage lender and/or a collection agency. Provider Agencies should only proceed with this option with CEDAC's authorization. All copies of these letters and any records of conversations with the Borrower must be documented in the paper file and HMLP database.

If the Provider is notified of a Bankruptcy action by the Borrower or notice of foreclosure against the property, please immediately send a copy of any documentation received to CEDAC for legal review. Copies of any notices received should also be kept in the Borrower's paper file.

## **The Late Payment Report**

This report identifies Borrowers who are behind in their payments. Providers should run this report regularly. This report is used by CEDAC to report quarterly to the Massachusetts Rehabilitation Commission and it is imperative that it is kept current and that defaults are addressed in a timely manner.

Providers should plan to follow up with Borrowers in default on a regular basis. Please see the Default Section above regarding how these loans should be handled.

## **The Maturity Date Report**

This report lists all Borrowers who have a maturity date on their loan. Any Borrower with a maturity date within a year will appear on your home screen of the database until the loan is repaid. Providers should send a letter to a Borrower with a current payoff amount one (1) year prior to the maturity date reminding the Borrower of their obligation to repay the loan. The payoff amount should include the current outstanding principal, in addition to any back interest owed (sample letter at Appendix 5). Providers should send a subsequent reminder letter at six (6) months and continue to remind the Borrower as necessary. If the Borrower continues to ignore the Provider's communications, HMLP reserves the right to declare the Borrower in default and the loan due and payable (please see Default Section above).

## **F. Subordination**

Provider Agencies may charge up to \$100 for the processing of a subordination request.

Providers will receive requests from Borrower(s) (or from a bank) to subordinate the HMLP loan to another new loan. Providers must complete the Subordination Form (Appendix 5) for **all** subordination requests and a copy of the form and documentation must be maintained in the Borrower's paper file.

Prior to processing any subordination requests, the Provider should verify that the landlord Borrower(s) is (are) current on any payments due on their HMLP loan. Providers should deny a subordination request if the proposed refinance does not contemplate making the Borrower current on their HMLP loan.

The HMLP Subordination Request Form requires the following documentation: 1) the loan application, 2) a **current appraisal** of the property<sup>1</sup>, 3) a **credit report** on the Borrower, and 4) proof the Borrower is paying off any real estate taxes at closing.

Provider staff should review the bank's loan application and credit report to be sure they can explain the Borrower's request. This includes checking the following:

- How is the Borrower(s) reflected on the bank's loan application? Does this match how the Borrower(s) are reflected in HMLP's mortgage?<sup>2</sup>
- Does the loan application state the current mortgage's interest rate? If not, what is the current rate?
- What is the interest rate on the refinanced mortgage?
- Does the outstanding debt on the loan application match what is reflected in the credit report?
- Is the Borrower taking cash out of this refinance?
- Does the credit report reflect the delinquent accounts? How much debt is the Borrower obligated to pay monthly?

The Provider should calculate the current loan-to-value including the proposed new loan. This is calculated by summing all debt on the property (including the new loan and the HMLP loan) and dividing by the appraised value of the property. If the loan-to-value is less than 80%, the subordination request can be automatically approved by the Provider Agency. If the loan-to-value exceeds 80%, the subordination request (with attached documentation) must be reviewed and approved by CEDAC. This request should NOT be submitted via email. The Provider should upload the necessary documents to the Borrower's HMLP database record, using the Documents tab, and alert the HMLP Project Manager that there is a subordination for review.

HMLP will generally subordinate its interest in the property in the following instances:

- To allow the owner to take advantage of lower interest rates or extended terms to assist the owners in reducing their debt-to-income ratio to a more manageable level.
- Where the purpose of the subordination is to allow the owner to finance additional non-luxury improvements or repairs to their property.
- Where subordination is necessary to prevent foreclosure by another mortgagee; it is suggested that the owner agree to budget counseling in this case.

Once a subordination request has been approved, the Provider may generate, and an authorized signatory can sign, a Subordination Agreement (Appendix 5). Providers must use the HMLP approved Subordination Agreement in Appendix 5. The Provider should forward this Subordination Agreement to the bank or financial institution for recording at the Registry of Deeds/Land Court. A copy of the signed Subordination Agreement should be kept in the paper file with the documentation submitted. The Provider must update the Subordination information on the Project Tab of the HMLP database.

Sometimes Borrowers fail to notify the Provider regarding a transfer of title between family members. So, please remember to carefully review subordination requests and compare the name of the person(s) asking for the subordination with the name of the person(s) on the HMLP mortgage. If it is different, the Provider should contact the Borrower and ask for a copy of the current Deed and speak with CEDAC about the next steps. In these cases, the Provider should not approve any subordination requests when there is a transfer of title, including those under 80% LTV, until legal review has been conducted.

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<sup>1</sup> Some lenders do not require an appraisal. In those cases, HMLP may waive the appraisal requirement.

<sup>2</sup> If the Borrower(s) on the loan application are different than on the HMLP mortgage, Providers should not approve the Subordination and should call CEDAC immediately to discuss next steps.

## **XII. Reporting & Record Keeping**

### **A. Paper File Record Keeping**

Providers are responsible for maintaining a paper file on each HMLP Borrower. These files should contain all documents listed on the File Review & Document Checklist (Appendix 1). It is the responsibility of the Provider to ensure that all necessary documentation is maintained in an orderly fashion in the file. Files should be maintained in such a manner that anyone reviewing the file could easily understand the status of the application.

Paper files for each applicant/Borrower must be maintained in a secure fashion such that the public or other staff not working on HMLP will not have access to Borrowers' personal information. Providers are required to adopt a written information security program ("WISP") consistent with the Office of Consumer Affairs and Business Regulation, Standards for the Protection of Personal Information of Residents of the Commonwealth (201 CMR17.00 *et seq*). The Provider must apply the standards and requirements of this regulation to all Personal Information received, regardless of the jurisdiction in which the subject of the Personal Information resides. **Providers may not email or fax any document that has a Borrower's personal information** (please see definitions for an explanation regarding what is considered Personal information). **Providers must use the HMLP database document upload feature to transmit any information with Borrower personal information.**

At the front of each paper file, there must be the File Review & Documentation Checklist. The Borrower's file should contain the application and verification materials listed on the File Review & Documentation Checklist. The file must also include original copies of loan documents (including the recorded Mortgage). Please do not keep multiple copies of loan documents. Providers are expected to maintain copies of invoices, requests for payment and copies of disbursement checks in the Borrower's paper file. The files of landlord Borrowers who receive a 3% interest, amortizing loan should also contain information regarding the loan's payment history and copies of loan repayment checks. Paper files should also contain any other documentation that supports the application and explains any unusual circumstances, including any delays in the construction process. Providers should keep record of any communications in this file.

### **Document Destruction Policy**

All program files should be kept for at least seven years from date of Discharge of Mortgage and repayment. Providers should keep application-in-process files for one (1) year.

### **B. HMLP Database**

The HMLP uses a web-based database for tracking and reporting loan and Borrower information. Provider staff with a user name and password can access the website at: <https://homemod.cedac.org/>. Providers should use Google Chrome or Mozilla Firefox as the web browser when accessing the database; the database does not work well with Internet Explorer. Please contact CEDAC to provide a user name and password for any Provider Staff requiring access to the database.

The database allows the Providers and CEDAC to record applicant information and track all aspects of any application from intake through loan closing and servicing. Tracking information at every stage of the loan process accurately and in a timely manner is extremely important for ensuring that the HMLP program continues, works well, and is funded by the Legislature. The database is used to generate a variety of reports including loan information reports, financial reports, loan tracking worksheets, and outcome measures that can be used for program monitoring and advocacy. CEDAC is often asked to report on HMLP to MRC, the Massachusetts Department of Housing and Community Development (DHCD), and the Massachusetts

Executive Office of Administration and Finance (ANF) with little to no advance notice, so it is imperative Providers ensure the database is kept up-to-date. Please see the Application/Loan Process flow chart at Appendix 1.

The database has the capacity to produce various reports that can be found under the Reports Tab. The Reports Tab is also where loan documents can also be found.

The reports available include: Late Payment Report, Pipeline Report, Borrowers-in-Disbursement Report, Portfolio Report and Maturity Date Report. Providers are expected to run these reports on a regular basis (at minimum quarterly) to maintain their portfolio.

### **Pipeline Report**

The Pipeline Report manages and tracks applications sent, applications in process, and requisitions submitted to CEDAC. This report is a tool for Providers to follow up with individuals interested in the program. Providers are expected to reach out every few weeks to interested parties who requested an application to check on the status of the application and to ensure the interested party is clear on their application status and the next steps. In order for the pipeline report to be useful, Providers should regularly update statuses in the database, including removing Borrowers by changing their status to abandoned/declined. Applicants should be considered abandoned/declined after one (1) year of inactivity.

### **Borrower in Disbursement Report**

The Borrowers-in-Disbursement report is used to track disbursements made to Borrowers. Providers should never mail a check to the Borrower without first entering the information onto the disbursement tab of the HMLP database.

Providers should review this report regularly to ensure it accurately reflects invoices paid to current HMLP projects. Providers should also use this report to monitor projects that have been in disbursement for more than four (4) months, as this should trigger a conversation with the Borrower regarding the status of their project. Any projects that are inactive for 4 or more months will appear on the Provider's home screen of the database. If multiple attempts to reach the Borrower by email or phone have been unsuccessful, Providers should send a letter to the Borrower explaining their remaining loan funds will be de-authorized if they do not respond in 30 days. This letter should also outline the status of the loan, including the amount disbursed and their loan repayment obligations. Please be sure the Borrower's database record reflects this communication. If applicable, please refer to the section "Disputes Between Homeowners & Contractors" on page 24.

The Borrowers-in-Disbursement report and the agency's accounting records should reflect the same information regarding disbursements and the amounts remaining to be disbursed to Borrowers. Quarterly, CEDAC reviews this report against the agency's accounting records to ensure the documentation is the same. CEDAC also reviews this report to request updates on Borrowers' projects which have remained in disbursement for more than 4 months.

If the Borrower with an outstanding balance no longer requires the remaining funds, these funds should be de-authorized and their loan status should be changed to "disbursement complete." If this is a 3% or 0% amortizing Borrower, a new amortization schedule should be sent to the Borrower with a cover letter stating their new loan balance and first payment date.

## **Portfolio Report**

The Portfolio Report reflects all loans closed and fully disbursed. Providers should review any Borrower records with any loan balance on this report. The loan balance should always be zero (0) if disbursement is complete.

Please see Servicing Loans section for more information on the **Late Payment Report** and the **Maturity Date Report**.

## **C. Quarterly Reporting Requirements**

Providers are required to submit to CEDAC quarterly financial documentation within 20 days after the end of each calendar quarter, including:

- The Provider's segregated bank account statements from each month within the quarter, with a reconciliation sheet noting any un-cleared checks or administrative fees owed to the Provider.
- A reconciliation sheet tying all HMLP activity within the quarter to the Provider's bank account total.
- The Provider's list of Borrowers that are currently in disbursement, including the dollar amount of the remaining loan funds to be disbursed. This list must be reconciled against the Borrowers-in-Disbursement HMLP database report.
- The Provider's recycled loan pool balance. Documentation must be submitted detailing all transactions within the quarter, such as Borrower repayments, loan de-authorizations, interest earned and any possible CEDAC authorized usage. This documentation could be a transaction history from the Provider's general ledger or a spreadsheet tracking this activity.
- The Provider's outstanding loan receivable total, i.e. the total loan funds to be repaid on HMLP loans. Documentation must be submitted to include a list of all Borrowers and their outstanding loan balance.

Providers must also submit to CEDAC a Quarterly Application Tracking Report for review and verification of the possible bonus earned. The following must be included in the Provider's report:

- Number of closed loans
- Number of projects assigned to a construction monitor
- Number of fully disbursed/completed projects
- Number of loan requisitions submitted to CEDAC within 25 days of the initial inspection
- Number of and type of outreach tasks performed

## **D. Provider File Reviews/Financial Audit**

CEDAC conducts file reviews of Providers to ensure proper maintenance of Borrower paper files and database records and compliance with these Guidelines. CEDAC uses a similar form to the File Review and Documentation Checklist to review files and database records for completeness and compliance with HMLP Guidelines. These reviews typically focus on a percentage of the Provider's more recent Borrower files. Providers will receive a letter identifying any possible issues or weaknesses or to request additional information regarding internal policies and procedures following a file review.

CEDAC also hires an independent audit firm approximately every five (5) years to review Provider financial procedures and controls, and the firm will also conduct an audit of Provider accounting records and Borrower files to ensure compliance with standard accounting procedures and these Guidelines. Providers will also receive a follow-up letter following this audit.

## **Provider Agency Audited Financials**

Per the Provider's contract with CEDAC, Providers are expected to forward a copy of their annual A 133 audit and the audit's management letter to CEDAC within 120 days of the fiscal year end. Please see a CEDAC

memo (Appendix 6) regarding how the HMLP funds should be reflected on the agency's audited financial statements.

### **XIII. Program Outreach**

Providers are expected to conduct outreach throughout their region(s) to ensure potential applicants in all communities in the region are made aware of and understand how to apply to the program. Providers will conduct outreach to the targeted populations including elders, adults with disabilities and children with disabilities living with their families. Providers will develop or will have relationships with appropriate local and regional agencies and maintain these relationships to ensure effective outreach to all of the targeted populations.

Providers must develop an annual outreach strategy plan and submit this to CEDAC at the start of each fiscal year. Providers should refer to the HMLP Outreach Toolkit for assistance and guidance on the creation of an annual outreach plan.

Providers should plan to use outreach materials provided by the program, such as brochures or other flyers developed by HMLP. This is to ensure HMLP is marketed and branded similarly across the Commonwealth and it is clear this is a state-funded, Massachusetts Rehabilitation Commission program. If the Provider would like to develop its own or additional outreach materials, it must be reviewed and approved by CEDAC.

Statewide outreach is also conducted by the program. If you are considering attending an event hosted by a larger regional or a statewide organization, please be sure there is not already someone from HMLP planning to be in attendance.

With ample notice CEDAC, can also provide reports or queries from the HMLP database to assist Providers in assessing historic trends regarding the populations and communities currently being served in the Provider's region.

#### **Suggested Outreach Tasks and Contacts**

##### **A. Analyze applications received**

- Is there a population not applying? For example: elders, cultural communities, or particular disability types.
- Are there certain municipalities/communities within your region with limited loan activity?
- Look to staff in your organization that might be connected to local communities, cultural groups, religious groups, or Homeowner groups that might serve these under-served populations or communities to strategize ways of reaching these groups.

##### **B. Make Important Personal contact**

- Identify and visit organizations that work with people with disabilities and elders
- Make contact, either in-person or by conducting a mailing at least annually, if not more often.
- Mailings should be followed up with phone calls to be sure you are reaching the correct person within the organization.
- Work to establish a strong working relationship with staff that work directly with individuals who could benefit from HMLP

##### **C. Analyze Provider Staff and Programs**

- Does your agency have a communications department or person? Set up a meeting to help strategize or see what larger agency efforts HMLP can be included in.

- Does your agency produce a newsletter? Could HMLP be featured? Or maybe another partner organization in your region would include HMLP in their newsletter?
  - Does your agency produce an annual report? Is HMLP included?
  - Is HMLP on your agency's website? Is the information up-to-date? Easy to find?
  - Is your agency using social media? If so, how could HMLP be featured?
  - Develop and provide an in-service training to staff within your agency that might interact with potential applicants.
  - Be sure to ask this staff what other organizations within the region might also interact with potential applicants.
  - If your organization has a new staff orientation training, be sure HMLP is included.
- D. Consider developing and maintaining relationships with the following types of organizations in your region.
- Assisted living facilities
  - Nursing homes
  - Rehab hospitals
  - Visiting nurse organization
  - Council on Aging offices (COAs)
  - Independent Living Centers
  - ASAPs (Aging Services Access Points)
  - Neighborhood associations or homeowner associations
  - Homeownership centers
  - Community development agencies
  - Cultural and religious organizations
  - Town hall building departments or community development offices
- E. Outreach to Media: Local cable, local radio, local newspapers
- Identify Borrowers with interesting, compelling stories
  - With permission from Borrower, contact editors at local newspapers or websites like "Wicked Local".
  - Target editors who cover real estate, home improvement, etc.