

SUBORDINATION OF MORTGAGE POLICY DISCLOSURE AND APPLICATION

The Massachusetts Housing Finance Agency (MassHousing) will consider subordination of its Junior Mortgage liens which secure loans made **under the following loan programs only: (a) Get the Lead Out Program (Lead Paint Abatement Program); (b) Septic Repair Program; and (c) Home Improvement Loan Program (HILP)**, subject to satisfaction of the below Terms, Conditions, and Documentation Requirements. **Loans made under any MassHousing program other than those listed above including first mortgage loan programs are NOT eligible for subordination.** However, MassHousing will consider making an **exception** to subordinate Junior Mortgages other than those listed above on a case-by-case basis **ONLY** if the first mortgage is being refinanced into a MassHousing program. **Documentation evidencing the refinance into a MassHousing program must be provided along with a letter signed by all the borrowers requesting an exception to MassHousing's subordination policy.**

TERMS & CONDITIONS

1. The proposed new loan amount **will not exceed 103% of the total amount required to payoff the existing loan(s)** which already take priority over MassHousing's lien.
2. The new loan is to be subject to a **fixed** interest rate that is **lower** than the existing loan(s) that have priority over MassHousing's lien. *Adjustable Rate Mortgages require an exception, see first bullet on next page.*
3. The new loan is to be for a **term greater than or equal** to the remaining term of the existing loan(s) that have priority over MassHousing's lien.
4. If your MassHousing loan was issued subject to the property being occupied by the borrower as his/her **primary residence**, the property **MUST** continue to be so occupied.
5. If monthly mortgage payments are required for your MassHousing loan, there cannot have been any occurrences during the immediately preceding twelve month period in which a payment was more than **30 days past due**.
6. If the borrower(s) have filed bankruptcy since taking out their MassHousing loan, we also require copies of any and all of the **Bankruptcy schedules and agreements**. **Important Note: A bankruptcy filing may prevent MassHousing from granting a subordination.**
7. Other terms and conditions as may be deemed necessary by MassHousing in its sole discretion.

DOCUMENTATION REQUIREMENTS

IMPORTANT NOTE: Incomplete documentation **WILL** result in processing delays. It could also result in significant additional costs to the borrower(s) in having to extend the expiration date of the locked interest rate and decline of the subordination request.

- Subordination of Mortgage Application**
 - All fields on this form **MUST** be completed. Please do not leave any fields blank.
 - This document **MUST** be signed and dated by all the MassHousing borrowers.
- Commitment Letter from the Lender listing all the terms and conditions of the proposed loan including, but not limited to:**
 - Loan Amount (which conforms to the above policy);
 - Interest Rate (must be **Fixed and Locked**; ARM requires an exception, see first bullet on next page);
 - Principal and Interest Payment Amount;
 - Term in Months or Years;
 - Interest Rate Lock-In Expiration Date (must expire no earlier than 30-days from the date we receive all the required documents for the subordination request);
 - Commitment Expiration Date (must expire no earlier than 30-days from the date we receive all the required documents for the subordination request);

This letter must be on the Lender's letterhead, signed and dated by the Lender and all the Borrowers; any hand-written changes to the letter must be initialed by all the parties that signed the letter.

- If the new loan is an **Adjustable Rate Mortgage (ARM)**, we **MUST** receive the following:
 - A letter signed by all the borrowers requesting an exception to MassHousing's policy;
 - Copies of the **fully executed Adjustable Rate Mortgage Disclosure** and **Truth-In-Lending Disclosure**.

- Current Payoff Statements** on the existing loans which currently have priority over MassHousing's lien and are being paid-off in connection with the subject refinance transaction. Each statement must give a **detailed breakdown of the payoff figures and include the following**:
 - **The interest rate;**
 - Per Diem (daily interest amount);
 - The name of the mortgage servicer;
 - The names of all the borrowers;
 - The property address;
 - **IMPORTANT NOTES:**
 - **The statements must have been prepared no more than 7 days prior to the date we receive all the required documents for the subordination request;**
 - **The figures should be calculated 30 days from the date we receive all the required documents;**
 - If the lien being paid-off is an **Adjustable Rate Mortgage**, a copy of the **fully executed Note** is needed.

- Current Title Search showing all the liens on the property including, but not limited to:**
 - The order of the lien positions; the dates of the liens; the lien amounts;
 - The names of the lenders;
 - The recording information;
 - The assignment information;
 - **The signature of the attorney or title examiner;**
 - **The attorney or title examiner's name and address;**
 - **The date that the search was done;**
 - **IMPORTANT NOTES:**
 - **This title search must have been done no more than 7 days prior to the date we receive all the required documents for the subordination request;**
 - If there are any liens being subordinated that are junior to the MassHousing lien, we will need a copy of the **fully executed Subordination Agreement(s) from the holder(s) of the junior lien(s).**

- \$100.00 Check** made payable to MassHousing.
 - This amount represents a **non-refundable** application fee that is retained by MassHousing whether the subordination is approved, declined, or withdrawn.

GENERAL INFORMATION

- **All of the above documentation is required for MassHousing to process a Subordination request and must be sent in one package to following address:**

Massachusetts Housing Finance Agency
HomeOwnership Mortgage Service Center
One Beacon Street
Boston, MA 02108-3110
Attention: Loan Administration

- MassHousing reserves the right to establish conditions and/or documentation requirements in addition to those stated herein and to amend any and all information contained in this Subordination of Mortgage Policy Disclosure at any time without prior notice.

- **The standard turnaround time for processing subordination requests is ten (10) business days following the date that we receive all the required documents. Processing times may vary.**

- If you have any questions regarding this information, please contact our HomeOwnership Mortgage Service Center through our toll-free number **888.843.6432 (888-the-MHFA)** between the hours of 9:00 A.M. to 4:00 P.M. (Eastern Standard Time), Monday through Friday.



SUBORDINATION OF MORTGAGE APPLICATION

This Application is designed to be completed by the Borrower(s) with the Lender's assistance. All MassHousing Borrowers must complete this form. **All fields on this form MUST be completed.**

BORROWER INFORMATION			
Borrower's Name <i>(include Jr. or Sr. if applicable)</i>	Borrower's Name <i>(include Jr. or Sr. if applicable)</i>		
Social Security Number	Social Security Number		
Home Phone <i>(include area code)</i>	Home Phone <i>(include area code)</i>		
Business Phone <i>(include area code)</i>	Business Phone <i>(include area code)</i>		
Cell Phone <i>(include area code)</i>	Cell Phone <i>(include area code)</i>		
MASSHOUSING MORTGAGE LOAN INFORMATION			
Loan Number	Property Address <i>(street, city, state, zip)</i>		
Property is currently held/occupied by Borrower as <i>(check one)</i> <input type="checkbox"/> Primary Residence <input type="checkbox"/> Investment Property	Loan Type <input type="checkbox"/> "Get the Lead Out" (Lead Paint Abatement) <input type="checkbox"/> Septic Repair <input type="checkbox"/> Home Improvement Loan Program (HILP)		
TRANSACTION DETAILS			
Purpose of refinance <i>(check all that apply)</i> <input type="checkbox"/> Lower interest rate <input type="checkbox"/> Change from adjustable interest rate to fixed rate loan <input type="checkbox"/> Other <i>(please explain)</i> _____			
<input type="checkbox"/> Lower monthly payments by eliminating Private Mortgage Insurance (PMI)			
IMPORTANT: If this application is approved by MassHousing, a Subordination Agreement will need to be executed by the new Lender agreeing to our terms. Please indicate below where to send the Subordination Agreement for execution.			
Name of Lender <i>(as it should appear on Subordination Agreement)</i>			
Lender's Principal Business Address <i>(street, city, state, zip)</i> <i>(P.O. Box not acceptable)</i>	Lender Mailing Address <i>(street, city, state, zip)</i>		
ATTENTION:			
TRANSACTION PRIMARY CONTACT			
IMPORTANT: To avoid complications MassHousing must limit to ONE the number of individuals it communicates with in processing this Subordination Application. Please identify this individual below and ensure that ALL communication with MassHousing on this transaction is routed through this primary contact. By signing below, the borrower(s) is/are giving MassHousing permission to discuss and release documentation pertaining to their MassHousing mortgage loans(s) and this subordination request to the individual contact person named below and the designated company.			
Contact Person's Name & Identity	<input type="checkbox"/> Borrower <input type="checkbox"/> Closing Attorney/Agent Contact	<input type="checkbox"/> Lender Contact	
Contact Person's <i>(include area code and extension)</i> Phone: Fax:	Closing Attorney Firm/Agent Company Name		
BORROWER(S) ACKNOWLEDGMENT AND AGREEMENT			
By signing below I/we acknowledge that I/we have read this entire Subordination of Mortgage Policy Disclosure and Application and acknowledge my/our understanding of all terms and conditions stated herein. I/We certify that the information stated herein is, to the best of my/our knowledge, true and correct as of the dates set forth opposite my/our signature(s) below. I/We further certify that the attached documentation is, to the best of my/our knowledge, true and correct as of the dates that the documents were prepared. I/we acknowledge my/our understanding that any intentional or negligent misrepresentation(s) of the information contained in this application, may result in civil liability and/or criminal penalties and liability for monetary damages to MassHousing, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation(s) which I/we have made on this application. This document MUST be signed and dated by all borrowers.			
Borrower's Signature	Date	Borrower's Signature	Date
X		X	