

April 1999

Vermont Housing & Conservation Board
Single-Family Housing
Refinancing Guidelines for Restricted Homes

These guidelines pertain to the refinancing of single-family homes, including home equity loans.

1. Grantee makes a request in writing for approval of the total amount of the refinancing or equity loan sought.
2. In the case of a home equity loan, the grantee shall demonstrate that the homeowner has equity equal to or greater than the balance of all mortgage obligations, including the proposed loan, which are superior to the VHCB covenant or mortgage and the VHCB Single Family Assistance Loan, if any.
3. Calculation of the buyer's equity shall be based on the restricted value of the property and in conformance with the procedure established in the grantee's groundlease or other affordability mechanism.
4. Grantee shall submit an updated worksheet showing the impact of refinancing or additional loan on the affordability of the home to the owner for the review and approval of VHCB. The worksheet shall include current income, tax, and other cost information.
5. The grantee shall demonstrate that the unrestricted value of the property is or will be greater than the sum of all financing superior to VHCB, the VHCB grant, and the VHCB Single Family Assistance Loan, if any.
6. Grantees are encouraged to consider and discuss with owners the impact of refinancing on the marketability of the property.
7. Grantees shall provide the proposed Promissory Note and Mortgage Deed for the review and approval of VHCB prior to approval.