



**LOAN MODIFICATION  
PROGRAM APPLICATION  
RENTAL LOAN PROGRAM  
AND  
PROJECT-BASED SECTION 8**

**I. PROGRAM ELIGIBILITY:**

A. **Loan Eligibility:** In order to be eligible for the note modification under the Program, **the program must have:**

- An existing MaineHousing loan in good standing; **and**
- Secured by a first mortgage and security agreement on the project financed under the Rental Loan Program or the Project-Based Section 8 Program **prior to January 1, 2009**. A loan which is subject to an existing prohibition against prepayment is not eligible for an interest rate modification through the Program.

A loan subject to an existing prohibition against prepayment which otherwise satisfies the loan eligibility requirements set forth above is not eligible for an interest rate modification in the Program, but is eligible for an extension of the term of the loan in accordance with the Program. Notwithstanding the foregoing, a loan subject to an existing prohibition against prepayment and with an interest rate lower than 6.5% which otherwise satisfies the loan eligibility requirements is eligible for an interest rate modification, and will be modified to reflect the Program interest rate in connection with the modification of the term of the loan.

Additionally, in order to qualify for a loan modification under the Program, borrowers requesting modification of an eligible loan must modify all other eligible loans secured by the same project in accordance with the Program. Deferred loans are not eligible for an interest rate modification, but are eligible for an extension of loan term in order to be coterminous with the extended term of an eligible loan modified in accordance with the Program.

**NOTE: Loans financed through and loans related to, and secured by, Financial Adjustment Factor projects (and 236 Projects) as identified by MaineHousing are not eligible for the loan modification program.**

B. **Borrower Eligibility:** An entity with an eligible loan in good standing, which is secured by a first mortgage and security agreement on a project financed under the Rental Loan Program or Project-Based Section 8 Program **prior to January 1, 2009** is eligible to apply under the program.

No application for the Program will be considered or approved if the borrower, any of its principals, any entity controlled by the borrower, any affiliates or any guarantor of a borrower's loan applications:

- Is in default or violation of any obligation to Maine Housing;
- Has been more than 60 days delinquent on any loan with MaineHousing within the past year from the date of this application or has been issued a Notice of Default or loan documentation violation in the last six months from the date of application, unless an approved payment or workout plan is in place and in good standing; **or**
- Was the owner of any Maine Housing financed project upon which MaineHousing foreclosed.

For any proposed changes in ownership, the borrower must demonstrate sufficient previous experience in the development of projects of similar scale and complexity, and satisfy the requirements of MaineHousing's Ownership Transfer Process, a copy of which is available upon request.

A borrower or member of a development team may not participate if the borrower or the development team member:

- Is disbarred, suspended, or excluded from any federal program; or
- Has ever had a professional license to provide the services the party seeks to provide for the project suspended or revoked; or
- Is debarred, suspended, or voluntarily excluded from any MaineHousing programs.

Borrowers and their contracts and agents will be required to certify that they are not so classified.

MaineHousing may direct applicants to other financing programs for any proposed capital improvements, as it deems appropriate.

**NOTE: MaineHousing will make the final determination regarding whether or not each loan and borrower is eligible for the Program, including whether or not a loan is subject to a prohibition against prepayment, in its sole discretion.**

I/We are requesting the following Loan Modification Option (**please check only one option**):

**OPTION 1:**

A fifteen (15) year loan term calculated on a thirty (30) year amortization schedule with a balloon payment at the end of fifteen (15) years.

A prepayment prohibition for the first ten (10) years with prepayment allowed at any time throughout the remaining five (years) of the term.

A prepayment penalty will apply in years eleven (11) through (15) as follows:

- Year 11: 5% of the original loan amount
- Year 12: 4 % of the original loan amount
- Year 13: 3% of the original loan amount
- Year 14: 2% of the original loan amount
- Year 15: 1% of the original loan amount

**OPTION 2:**

A thirty (30) year loan term with an election by the owner of either a thirty (30) year amortization schedule or a forty (40) year amortization schedule with a balloon payment in year thirty (30).

A prepayment prohibition for the first fifteen (15) years with a sliding scale prepayment penalty applied in years sixteen (16) through twenty (20) as follows:

- Year 16: 5% of the original loan amount
- Year 17: 4% of the original loan amount
- Year 18: 3% of the original loan amount
- Year 19: 2% of the original loan amount
- Year 20: 1% of the original loan amount

Loan may be prepaid without penalty after year twenty (20).

**OPTION 3:**

A thirty (30) term with an election by the owner if:

- A thirty (30) year amortization schedule;
- A forty (40) year amortization schedule with a balloon payment in year thirty (30); or
- Interest-only for thirty (30) years with a balloon payment in year thirty (30).

There will be a prepayment prohibition for the first twenty (20) years. No prepayment penalty will apply after the end of the twenty (20) year prepayment blackout period.

A point twenty-five (.25) basis point reduction will be applied to the applicable mortgage interest rate.

## **Non-Discrimination and Compliance with Federal Laws**

MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, ancestry, age, physical or mental disability, or familial status in the admission or access to, or treatment or employment in, its programs, and activities. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Louise Patenaude, Equal Access Coordinator, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number (207) 626-4600 or 1-800-452-4668 (voice), or 1-800-452-4603 (TTY).

Applicants are cautioned to be aware of the potential applicability of provisions of the Americans with Disabilities Act, the Maine Human Rights Act, federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973 to any housing proposed for funding. Procedures for selection of residents, conditions of residency, and rules regarding termination may fall within the scope of these laws. Providers must make reasonable accommodations of rules, policies, and procedures and may be required to allow reasonable structural modifications of buildings to be made, if necessary, to allow persons with disabilities equal access to housing.

**II: APPLICATION INFORMATION:**

NAME OF APPLICANT:

TNN/SSN:

CONTACT/ TITLE:

MAILING ADDRESS:

CITY, STATE, ZIP:

EMAIL ADDRESS:

TELEPHONE NUMBER:

ALTER. TELEPHONE:

FAX TELEPHONE:

TYPE OF OWNERSHIP:  Individual  Bond for Deed  
 Corporation  Non-Profit  
 Partnership  Limited Partnership  
 Limited Liability Corporation  
 Other (specify)

**III. PROJECT/BUILDING INFORMATION:**

NAME OF PROJECT:

PROJECT NUMBER:

ADDRESS:

CITY, STATE, ZIP

TOTAL UNITS:   ELDERLY  FAMILY  Special  
Needs

REMAINING TERM OF COVENANTS: YEARS:  COVENANT EXP. DATE:

DATE OF PURCHASE:  PURCHASE PRICE:

**IV. PROJECT FINANCIAL INFORMATION:**

	SOURCE	INTEREST RATE	CURRENT LOAN BALANCE	MATURITY DATE	PREPAYMENT PROHIBITION DATE (Y/N)
1					
2					
3					
4					
5					
6					

	GROSS RENT AMOUNT	# OF UNITS
0 BR		
1 BR		
2 BR		
3 BR		
4 BR		
5 BR		

**UTILITY ALLOWANCE:**  YES  NO

If, YES, complete the following:

**TYPE:**  Heat  Hot Water  Cooking  Other Electric

**FISCAL YEAR END CASH POSITION FOR THE LAST THREE (3) YEARS**

Year 1  Year 2  Year 3

I/We understand that this is a preliminary application. MaineHousing reserves the right to request additional information deemed necessary for processing this Application.

I/We certify that the information provided is true and correct to the best of my/our knowledge.

<input type="text"/>	<input type="text"/>	<input type="text"/>
NAME	DATE	TITLE
<input type="text"/>	<input type="text"/>	<input type="text"/>
NAME	DATE	TITLE

MaineHousing will process signed applications only. Application may be submitted in hard copy or by scanning the signed application as a PDF file and sent via mail.

**CONFLICT OF INTEREST:** State and federal law and MaineHousing’s policy of conflicts of interest prohibit current employees or Commissioners from working on certain transactions with applicants with whom they have a financial or personal relationship, prohibit past MaineHousing employees from working on certain transactions, and prohibit persons who exercised responsibility in connection with certain federal funds from benefiting from those funds. Accordingly, applicants for funding under MaineHousing’s programs must complete a Conflict of Interests Disclosure Form and comply with the law and policy and any requests by MaineHousing to ameliorate potential or perceived conflicts of interest.