

Home Modification Loan Program

www.cedac.org/hmlp

Frequently Asked Questions

What is the Home Modification Loan Program? The HOME MODIFICATION LOAN PROGRAM ([HMLP](#)), is a Massachusetts state-funded loan program that provides loans to homeowners or landlords to make homes more accessible for older adults and individuals with disabilities.

What kinds of projects are eligible? The program is NOT a general home repair program. To be eligible for an HMLP loan the project must directly help someone living in the home to function daily. Some examples of projects funded through the program include ramps and lifts, hardwired alarm systems, fencing, sensory integration therapy spaces, ADUs or accessory dwelling units, as well as accessible bathrooms and kitchens.

What do I need to do to prove that a household member needs home modifications because of a disability or functional limitation? There is a form in the application called Documentation of Need from Professional Form. The form must be completed by a medical professional that has a relationship with the household member who has a disability or limitation impacting daily life. This one-page form can be completed by someone like a primary care doctor, specialist, case manager or social worker.

How do I apply? There are nine (9) agencies, serving ten (10) regions, throughout the Commonwealth. These agencies receive applications and work directly with applicants throughout the loan process. Visit: www.cedac.org/hmlp, to view a list of communities served by each agency. You can also contact Susan Gillam for assistance at: 1-866-500-5599.

How much can I borrow, and when will I need to pay it back? Loans for property owners are from \$1,000 up to \$50,000. Loans for owners of manufactured or mobile homes are from \$1,000 to \$30,000.

All approved homeowners receive a 0% interest, deferred payment loan. This means that no interest or fees are added, and there are no monthly payments, with the full loan amount due when you sell or refinance your home, unless you violate the terms of your loan agreement.

HMLP loans made to owners of homes or condo units are secured with a mortgage against the property. Loans made to owners of manufactured or mobile homes are secured with a UCC-1 lien filed against the home.

Some landlords may be eligible for a 3% interest, amortizing loan to make modifications for an eligible tenant. Please see below for more information on loans for landlord property owners.

What are the income limits? Income limits for this loan program are updated annually and are based on the information published by the U.S. Department of Housing and Urban Development. Homeowners can have a total gross household income of up to 200% of the area median income (AMI).

“Gross household income” means the total income, before any taxes or deductions, for all household members from all sources. This includes wages, tip income, Social Security and pensions, interest and dividends, cash benefits like SSI, SSDI or TANF, alimony or child support, and other sources.

2026 Income Guidelines

Updated by HUD yearly around April

Household Size	Eligible with Gross Income up to:
1	\$240,000
2	\$274,400

3	\$308,600
4	\$342,800
5	\$370,400
6	\$397,800
7	\$425,200
8	\$452,600

What documents do I submit for proof of my current household gross income? Applicants should submit pay stubs, benefit letters, or other proof of income for the last 60 days for all household members. If someone in your household receives income other than wages, please provide the individual's benefit statement (SSI, SSDI, Veterans), pension statement, income tax returns, or other documents to prove income.

Please note, you may have to update your income documentation at the time of loan closing, with documentation provided for the 60 days before the loan closing.

How much in countable assets can I have and still qualify? The primary head(s) of household (i.e. property owners) cannot have more than \$175,000 in assets from the following sources: cash savings, deposits held in checking, savings, money market and brokerage accounts, cash value of stocks, bonds, mutual funds, ETFs, index funds, or other capital investments, real estate (investment or 2nd properties only), recreational vehicles, and personal property held as investment (such as gold, jewelry, coins, etc.).

HMLP does not include retirement accounts, your primary residence or vehicles, home equity loan funds or the funds necessary to complete your home modifications as part of your countable assets.

How do I apply? There are nine (9) agencies, serving ten (10) regions, throughout the Commonwealth. These agencies receive applications and work directly with HMLP applicants throughout the loan process. The regions and the provider agencies are listed on page 2. Or visit: www.cedac.org/hmlp, to view a list of communities served by each agency. You can also contact Susan Gillam for assistance at 1-866-500-5599 or (cell) 857-939-7227.

If you need help or reasonable accommodation during your application process, please let your local provider know.

Can a landlord apply for a loan to modify a rental unit? A landlord owning fewer than 10 housing units can apply for an HMLP loan of up to \$50,000 to address accessibility in a rental unit. Income and countable asset eligibility is based on the tenant household's gross annual income and assets. The Documentation of Need form will also be completed for a member of the tenant household requiring modifications to the unit.

NOTE: Any landlord with a unit in a building of 10 or more units is required to make modifications under MGL Chapter 151B, Section 4, Paragraph 7A, and is **NOT** eligible for the Home Modification Loan Program unless the landlord can prove hardship through litigation under this statute.

Landlord loans require monthly payments of principal and interest with the repayment period based on the total loan amount. For example, loans of \$50,000 have a monthly payment over 15 years.

What is the loan application process? Watch [this](#) short video on the loan process. We also have a video on application tips, which you can view [here](#). These videos can be found at www.cedac.org/hmlp

In most cases, the Home Modification Loan Program does not reimburse applicants for already completed construction projects, but please speak with your Provider.

Step-One

Applications are taken anytime and reviewed on a first-come, first-served basis. When submitting your application please complete all pages of the application, and submit the documents listed on the *Application Checklist* on page 8.

If you need help completing your application, or want to check its status, contact your local provider agency. Provider staff are also available to answer any questions.

Step-Two

Once the provider agency has your full application, including the *Home Modification Loan Program Bid, Scope of Work and Contract Form* (Bid Form) completed by your qualified contractor. A construction monitor (a construction professional who advises HMLP) will schedule a time to visit your property to review your construction project.

The program also has dedicated resources for contractors. Visit and/or direct your qualified contractor to www.cedac.org/hmlp-for-contractors download the Bid Form or complete the Bid Form online and learn more.

Step-Three

Following the inspection, the provider agency prepares the HMLP loan documents for your review and signature. The loan will be then secured either with a mortgage filed with the county land records or a UCC-1 Financing Statement filed with the Massachusetts Secretary of State. The fees to record a mortgage or file the UCC-1 may be included in your loan, or you may pay these fee(s) directly.

Step-Four

Once your mortgage or UCC-1 is filed, the provider agency will be able to request your loan funds. Then your loan funds can then be paid according to the payment schedule you and your contractor outlined in the Bid Form. This payment schedule can also be found in your HMLP Loan Agreement.

Please note, your loan funds will be available about 4 – 6 weeks after the inspection.

Your contractor must apply for the necessary construction permits from your city or town. Loan funds cannot be paid until copies of these permits are submitted to your provider. If the contractor requests money before any work starts, the first payment can only be for construction materials and cannot be more than 1/3 of the price of the total project.

All loan funds are sent to you after you submit receipts or invoices from your contractor. Please note, invoices submitted directly by your contractor to your provider cannot be paid. It is your responsibility to confirm that you have approved the work, and it is complete. We also suggest that you confirm the payment milestone, such as demo complete or dry wall installed, has been finished so you can confidently request your loan funds. Homeowners should never pre-sign invoices from their chosen contractor.

Step-Five

The construction monitor conducts a final inspection only when your project is finished to your satisfaction, and city/town inspection(s) have been conducted. The final payment (at least 10% of the total contract price) is paid after the final HMLP inspection. The contractor must also sign a “lien waiver” – a document saying they have been paid everything they are owed for the work.

What happens if my application is determined not eligible? The provider agency will notify you by phone or in writing. They will try to refer you to other programs or sources of funding.

What if my project will cost more than my available loan amount? You will be responsible for any additional funds needed to complete the project. As part of your HMLP loan application, you will need to provide documents showing you have the additional funds to complete your project. Also, during construction, you will need to pay your contractor with these other funds before using your HMLP loan

funds, to be sure the project can be completed.

Information on organizations or other programs that may have funds available can be found on our website or your provider can provide you with a handout with this information.

Who will do the actual work to modify the home? HMLP and your provider cannot recommend contractors. You will hire a qualified contractor of your choice to complete your project. All contractors must have the required license(s) for your project scope and be insured in the state of Massachusetts. Also, the person who signs the legally binding construction contract and gets the required building permits should be a licensed individual. For resources on hiring a contractor visit <https://www.mass.gov/info-details/homeowners-guide-to-hiring-a-home-improvement-contractor>.

Does HMLP does have any energy efficiency requirements? Yes. If your project scope includes new appliances, water heater or a heating and/or cooling unit, your contractor must use [EnergyStar](#) certified products. Products using fossil fuels (gas, oil, propane, etc.) will not be permitted, unless there is insufficient grid capacity or other unusual circumstances.

The project scope includes creating additional living space or is an ADU or Accessory Dwelling Unit – What are the requirements? First, for an ADU project we encourage you to visit mass.gov to learn more about these unit types. There are many conversations and additional resources taking shape around the development of these units.

Please note, HMLP can only help with creating an ADU in limited circumstances. Usually, for a family member such as an elderly parent or adult child with a disability, so that other family members can help care for them. Please see this [short video](#) on the most common circumstances where HMLP can be a funding source to assist with building an ADU.

We also encourage you to look at [HMLP's resource list](#) of additional funding sources, as you may find additional programs listed here to help assist with project financing.

ADU Energy Efficiency requirements:

- HMLP encourages all projects to explore the use of solar energy. Any ADU project funded by HMLP will be asked to certify that this energy option was considered.
- ADU and property additions are required to use electricity for heating, cooling and hot water, unless this is not possible due to grid capacity or if the project will tie into the property's existing systems.
- [EnergyStar](#) certified heating & cooling units, insulation, windows, doors and appliances are required. Please note, absolutely no gas appliances or water heaters will be allowed, unless there is insufficient grid capacity.

What should I expect during construction? Be sure to review [Step Four](#) above about how your loan funds will be paid during construction. Please note, your provider cannot negotiate or discuss the details of your project or application with your chosen qualified contractor.

The website for general contractors www.cedac.org/hmlp-for-contractors has more information about what happens during construction.

Homeowners are responsible for overseeing their contractor and deciding when to make a payment.

You should keep a copy of your construction contract nearby and refer to it often. If something is not going the way you feel it should or if you have questions, you need to speak to your chosen contractor. You should also notify the provider, who can advise you on the next possible steps you can consider.

What if I have a dispute with my contractor? HMLP, your provider and the construction monitor cannot be involved in disputes between you and your chosen contractor. It is very important that you

and your qualified chosen contractor both sign a legally binding contract with details outlining materials, labor, timeline, etc.

More information about hiring a construction contractor and consumer protection laws, including how to file a complaint can be found on the Massachusetts Office of Consumer Affairs and Business Regulation at: <https://www.mass.gov/info-details/home-improvement-contractor-law-resources> or call the state office's toll-free hotline at (888) 283-3757.

May I do any of the work myself? If you are a licensed contractor, you may do the work yourself, but HMLP loan funds can pay for the cost of materials only. You will not be allowed to use HMLP loan funds to pay for the labor costs of yourself or your immediate family member(s).

What happens if I need to refinance my primary mortgage in the future. Or obtain a HELCO or Equity Loan? Your new lender will ask that HMLP "subordinate" its mortgage (meaning the new mortgage will be in first place and will be the lender to be repaid first or before your HMLP loan).

Since HMLP is a state-funded program, the conditions under which the program can subordinate are more limited. HMLP will consider subordination only when a homeowner is refinancing to take advantage of a lower interest rate on their primary mortgage or if the refinance will extend the loan term, allowing for lower monthly payments.

Please note, HMLP will only subordinate its mortgage to a cash-out loan, including a home equity loan or line of credit, if the cash is being used to pay down other debt(s) or for necessary, non-luxury home repair(s).

To request a subordination, you'll work directly with your provider agency. You will need to provide them with a copy of your loan application, home appraisal, and credit report(s) to determine if HMLP will be willing to subordinate.

Regardless of the above information, HMLP reserves the right to deny any subordination request and recommends that you contact your provider agency before you contemplate a refinance of an existing loan or a new loan.

Is a Mortgage Protection Plan a requirement of the program? No. Some borrowers have received notices in the mail about a mortgage protection plan after they get a mortgage, including the HMLP mortgage. These notices are not from your provider or HMLP. You should consult an attorney, insurance agent or other trusted advisor for information on mortgage protection plans.

My home is in a Trust, am I eligible? A Trust does not prevent you from being eligible for an HMLP loan. Your provider will require copies of your trust documents for review by HMLP's legal counsel. This review is so your provider can correctly document your loan.

I bought my home using an affordable home ownership program, am I eligible? This does not prevent you from being able to get a HMLP loan. These home ownership programs have restrictions that require you to seek approval for any construction on your home. They also require permission to get mortgage financing, so the resale price of your home remains affordable for the next homeowner.

Your provider agency will work closely with you to ensure you get the necessary permission(s) you need for your HMLP mortgage.