

CHAMPLAIN HOUSING TRUST



Dear Homeowner,

This letter is in response to your possible refinance of your first mortgage.

Because Champlain Housing Trust has an interest in your home, and would also like to help homeowners make the best financial decisions possible, we require financial counseling for all homeowners wishing to either refinance their home or take out a home equity loan. I would encourage you to call me as soon as possible so that the counseling can be of maximum benefit.

If you have already chosen a lender, please give me their contact information as soon as possible, or have them contact me. CHT does not endorse nor require you to work with a particular lender, but please be aware that many lenders are unable to refinance land trust properties. Be sure to mention to your lender that you own a land trust property. If you want help in choosing a lender we can provide you with a list of lenders who have helped CHT homeowners refinance their homes.

Your lender will need to provide copies of your loan documents and appraisal. If the terms of your loan are unaffordable, or if you do not have enough equity in the property to support the new loan, CHT may not be able to approve your loan.

Please be aware that you may have loans with CHT, or back taxes or fees, that will need to be paid off before refinancing (i.e., closing cost assistance loans). Some CHT homeowners have sources of funding in their original purchase that have to be paid back in the case of a refinance, for example, single family assistance loans.

Our review and legal process takes approximately 3 weeks from the time we receive all the required information from your lender including the appraisal. There is a \$300.00 processing fee for this service plus the cost of legal work and extra recording fees (beyond what the lender needs). These legal fees can be as high as \$800 (a bit lower for condo owners because of the different legal structure), and the recording fees as high as \$400. Some lenders will allow you to pay these as extra closing costs, but they are in addition to, and not included in, the closing costs that your lender will quote you. You are responsible for making sure that you have asked for a high enough loan amount to cover these costs unless you would prefer to pay for them yourself at closing. Some lenders will not process our fees and you must pay for them out-of-pocket at or before the closing. You can potentially include them in your loan amount and get reimbursed after the three day right to rescind.

Please call me with any additional questions related to your refinance or home equity loan.

Sincerely,

Janet Harvey-Coutrayer
Shared Equity Specialist
802-861-7339
jharvey-coutrayer@getahome.org

HEADQUARTERS 88 King Street, Burlington, Vermont 05401 | P: (802) 862-6244 | F: (802) 862-5054
FRANKLIN/GRAND ISLE 13 Lake Street, St. Albans, Vermont 05478 | P: (802) 527-2361 | F: (802) 527-2373

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