



CITY OF MILPITAS

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479 • www.ci.milpitas.ca.gov

City of Milpitas BMR Program Refinance Policy Statement

The purpose of the City Loans and Liens are to assist in increasing first-time homeownership affordability for low and moderate-income buyers. Further, it is the goal of the City of Milpitas Housing Authority to continue the availability of these subsidies through re-use where possible.

Acceptable Reasons for Refinance:

- Rate Reduction
- Decreased Monthly Mortgage Payment
- Loan Term Reduced
- Necessary repairs (i.e. water damage, fire damage, water heater replacement, foundation, electrical, roofing, heating etc.)

Terms for Refinancing a BMR Unit:

- The home can only be refinanced for the amount that is due on owner's current mortgage
- If the owner has a loan from the City of Milpitas in addition to their own loan, they can refinance for the total amount of both loans (ex. if the owner has a personal loan \$60,000 and a City loan for \$40,000, they can refinance for the total balance due of \$100,000)
- The City will assist with finding comparable units for appraisal purposes, as standard appraisals do not provide an accurate assessment
- No cash will be taken out of the refinance

Procedure:

1. Home owner will identify a lender to review interest payments and loan scenarios, while ensuring that the lender is aware the home is subject to BMR restrictions.
2. The home owner will notify the City of their desire and reasoning for refinance, by submitting the Refinance Request on the following page along with a copy of the **most recent Mortgage Statement**.
3. The lender/owner will ensure the City receives a copy of the **Commitment Letter** and **Estimated Closing Statement**.
4. The City will review the request and confirm the loan does not exceed the amount due.
5. The City will provide the home owner with a letter that conditionally authorizes the refinance.
6. For homes with a City loan - the City will prepare and send a Subordination Agreement to the escrow/title company, should the loan not be paid off in the refinance process.

For any questions or concerns, please contact:
housing@ci.milpitas.ca.gov

**City of Milpitas BMR Program
Refinance Request**

Date: _____

Homeowners Name(s): _____

Address: _____

Do you have an outstanding loan from the City of Milpitas?

- Yes – Amount \$ _____
- No

I/We are working to refinance our current first mortgage loan. I/We are pursuing this refinance because: (please explain why you are wishing to refinance at this point and time):

- Rate Reduction
- Decreased Monthly Mortgage Payment
- Loan Term Reduced
- Necessary repairs (i.e. water damage, fire damage, water heater replacement, foundation, electrical, roofing, heating etc.)
- Other:

I/We are working the following lender to refinance our loan and grant this person permission to release and exchange information with The City of Milpitas regarding this transaction:

Name of Lender	Bank Name	Email Address	Phone #

Additionally, below is a list of all household members on title and/or on the loan as well as their contact information should you have any questions:

Name	On Title? (Y/N)	On Loan? (Y/N)	Email Address	Phone Number

Homeowners Signature(s)
(If more than one homeowner – all members on title and loan must sign.)

Please submit a copy of your current mortgage statement with this form