

Refinancing and Home Equity Lines of Credit Policy (Effective June 2025)

As a homeowner in the LCHT program, you may refinance your mortgage or borrow against your home's equity. However, your borrowing power is limited by the terms in your ground lease or affordability agreement.

The LCHT program supports affordable housing in Douglas County and helps low- and moderate-income families build and preserve equity. We aim to protect long-term housing affordability, prevent foreclosure and ensure you don't take on loans that exceed the equity you have in your property based on your resale formula.

Key Requirements

Refinancing must meet the standards in **Article 8 of your Ground Lease**, which defines what qualifies as a **Permitted Mortgage**. These rules apply whether you own a house or a condo.

Eligibility Criteria

1. **Equity Limits:**
 - **Rate/Term Refinance:** Borrow up to **95%** of your current resale price (including closing costs).
 - **Cash-Out Refinance:** Borrow up to **85%** of your current resale price (including closing costs).
 2. **Permitted Mortgage:**
 - Only mortgages that meet Ground Lease requirements will be approved.
 3. **Good Standing:**
 - You must be current on Lease Fees and Maintenance Account payments.
 4. **Loan Conditions:**
 - Fixed interest rate, no more than **2% above prime**.
 - Lender must qualify under the LCHT's Permitted Mortgage criteria.
 - **No prepayment penalties.**
 - **No required purchases** (e.g., insurance or banking products).
 - Full loan terms must be provided to both you and TTH **at least 15 days before closing**—no last-minute changes allowed.
 - HELOCs must have a term of **5 years or less**.
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Steps to Apply for a Refinance or HELOC

1. **Check Your Status**
Contact TTH to confirm you're in good standing on Lease Fees and Maintenance Account.
2. **Review Your Mortgage**
Talk to your lender to find out your current mortgage balance.

3. **Request a Resale & Refinance Calculation Report**

Contact TTH with your mortgage balance to request this report.

4. **Submit Refinance Request**

File a “Request to Refinance with a Permitted Mortgage” with TTH.

5. **Provide Loan Documents**

Submit your mortgage application and either a Good Faith Estimate or draft Settlement Statement to TTH.