



Home Modification Loan Program

FAQs for General Contractors

This is a document to help answer questions general contractors often have about working with a homeowner who is receiving financial assistance from the state-funded Home Modification Loan Program. Additional program information and how a homeowner can apply can be found at www.cedac.org/hmlp.

Homeowners are responsible for finding, choosing and overseeing a qualified contractor under the Home Modification Loan Program (HMLP). General contractors are an important partner to successful home modification(s), so, we hope you find this information helpful.

Please visit: www.cedac.org/hmlp-for-contractors to find everything you need (program forms, a link to the online HMLP Bid form, helpful tips, regional contacts) to assist you.

Frequently Asked Questions

What is the Home Modification Loan Program? The HOME MODIFICATION LOAN PROGRAM ([HMLP](http://www.cedac.org/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.

How do homeowners 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.

Where can I learn more about residential accessibility design guidelines? We encourage you to visit, the state's Architectural Access Board website to learn more about all the state's building code for persons with disabilities: [521 CMR - 2006 Edition | Mass.gov](http://www.mass.gov/doc/521-cmr-2006-edition).

In particular, the diagrams provided in these PDFs are particularly helpful:

- Space allowance and reach ranges: <https://www.mass.gov/doc/521-cmr-600-space-allowance-and-reach-ranges-2006-pdf/download>
- Ramps: <https://www.mass.gov/doc/521-cmr-2400-ramps-2006-pdf/download>
- Bathrooms: <https://www.mass.gov/doc/521-cmr-3100-bathing-rooms-2006-pdf/download>

Does HMLP have any energy efficiency requirements? Yes. If the project scope funded by HMLP includes new appliances, water heater or a heating and/or cooling unit, [EnergyStar](http://www.energy.gov) certified products must be used. 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 Accessory Dwelling Unit or ADU, what are the requirements? First, for an ADU project we encourage everyone 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 be used to create 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 homeowners to review [HMLP's resource list](#) of additional funding sources, these other programs might provide additional financial resources for the project.

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 are the requirements of contractors working with an HMLP borrower? For most modification projects, homeowners are required to hire a general contractor to complete their modification project. The general contractor will be responsible for hiring any sub-contractors required to complete the project.

Additionally, general contractors must have the required Massachusetts licenses (HIC and/or CSL) to complete the proposed project, and the program will verify that these licenses are in good standing. General contractors must also have insurance and will be asked to provide their policy information.

General contractors and homeowners enter a legal construction contract, with HMLP used by the homeowner to help fund their project.

As the selected general contractor, what documents do I need to complete? In most cases, you should complete the Home Modification Loan Program Bid Form and Scope of Work ("Bid Form"). A PDF version of the Bid Form can be found on the main website, www.cedac.org/hmlp or the website for HMLP contractors, www.cedac.org/hmlp-for-contractors, has a PDF version as well as a link to the Bid Form so you can complete this form online.

The form is submitted with the homeowner's Home Modification Loan Program loan application and used when determining the eligibility of the application.

The form also includes the construction payment schedule, which will also be the homeowner's loan disbursement schedule.

However, it is always helpful to include:

- Copies of any project estimates or other paperwork you have prepared for the homeowner
- Blueprints or other site plans for the project. If these are required for municipal permits, they must be submitted with the HMLP Bid Form.

HMLP Bid Form is a detailed document. It is comprised of 3 Parts.

- Part 1: Includes certain program requirements, as well as other construction contract requirements outline by the Office of Consumer Affairs.
- Part II: Includes a brief description of the scope of work, list of permits required, contractor license and insurance information, estimated project timeline, labor rates, and the construction payment schedule.
- Part III: Is made up of sub-forms, only the sub-forms related to the specific project need to be completed.
 - Form A Ramps, lifts and elevators
 - Form B Exterior modifications
 - Form C Bathroom modifications
 - Form D Kitchen modifications
 - Form E Permanent Adaptive Design (i.e. alarm systems, security lighting).
 - Form F Addition to Dwelling or ADU

Each of these sub-forms do require details on the materials to be installed (type, quantity, price), as well as labor costs, and costs from any required sub-contractor(s).

What are the HMLP Bid Form payment schedule requirements? Part II of the HMLP Bid Form will require you and the homeowner to develop a project payment schedule, which will also be the homeowner's loan disbursement schedule.

Please note, if the project costs are more than the HMLP loan maximum, the homeowner will be required to use other funds before any HMLP loan funds are disbursed.

The Bid Form suggests 6 project payments, but each project is different and 6 separate payments are not required.

There are 4 main HMLP requirements when preparing your payment schedule.

1. The first loan payment is often the homeowner's loan filing fees. These fees can range between \$30 - \$500+. The HMLP regional provider will inform the homeowner of this cost.
2. The first payment made to you can be made prior to the start of work. However:
 - This first payment cannot be more than 1/3 of the total contract price.
 - A copy of the required municipal permits must be submitted.
 - A copy of the contractor's W-9 is required for payment.
3. Following this first payment, each payment must have a project milestone. Milestones should be easy for the homeowner to identify, so they can confidently request funds. For example, a payment could be tied to when demolition is complete or when rough city inspections are complete.
4. The final payment must be for at least 10% of the total contract price. This payment can be requested only after the municipality has completed their inspection process and have signed off on the required permits.

The homeowner has submitted their HMLP loan application, what happens next? The provider agency will review the complete application packet. They may ask the homeowner to obtain any missing information from the Bid Form or they could email both you and the homeowner for this information.

The next step will be a site inspection, performed by an HMLP construction monitor. HMLP monitors review the paperwork documentation, and, in most cases, they will ask you to be present for their site inspection. This visit is intended to get a good understanding of the current conditions and review construction documents together. This is done to ensure that the

homeowner has a firm grasp of the project and how it will be carried out and that everyone understands and agrees to the scope of work before construction begins.

Please note, the homeowner will always determine the scope of work. But during the inspection, we may suggest revisions based on our experience with accessibility projects. Sometimes we may require that you get further clarification from the municipality regarding possible code issues or other matters.

To ensure that both you and the homeowner have the same construction documentation and binding contract, we suggest that you wait to sign the HMLP Bid Form until after this inspection. This allows for minor adjustments or clarifications to be made at the inspection, with parties signing the contract once these items are clarified.

When can I start the project? The provider agency, once they receive an inspection report from the HMLP construction monitor, will then prepare the loan documents for the homeowner. Then funds can then be requested and will be available for project payments in about 30-45 days.

You can start construction once the homeowner has had their loan closing. The homeowner can tell you when this has been done. But again, project funds for the first payment won't be available for 30-45 days.

I'm ready to request funds, what are the invoicing requirements? Please review the question above regarding the HMLP's Bid Form payment requirements. As a reminder, along with the first invoice, you must provide a copy of a W-9.

You must submit all invoices to the **homeowner directly** and not to HMLP staff. Regional provider agencies cannot accept invoices directly from contractors. The homeowner will review the invoice and submit it to the regional provider agency for processing.

Contractors will complete the HMLP invoice form, which can be downloaded from www.cedac.org/hmlp-for-contractors. The invoice should include a brief description of the progress made on the project, the funds disbursed to date, any materials purchased, the requested amount and the project milestone completed.

You will also be asked to supply back-up documentation on your own letterhead supporting the HMLP invoice form.

If the original Bid Form used cost allowances since project materials had not been selected for certain project materials the invoice must include the manufacturer and details on the materials purchased.

How will the check be made out? In most cases, the provider agency will issue a two-party check made payable to the homeowner and the contractor.

The homeowner can submit a request in writing to the provider agency to have checks issued to the contractor only, since we know 2-party checks can be challenging. However, all checks will always be mailed directly to the homeowner, who is responsible for issuing payment.

What if there is a dispute between the homeowner and contractor? HMLP, the regional provider and the HMLP construction monitor cannot be involved in disputes between you and the homeowner. It is very important that you and the homeowner both sign a legally binding contract with details outlining materials, labor, timeline, etc. Homeowners and contractors are expected to try to work together to address any concerns or issues.

Please visit 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 for more information about construction contracts, contractor and consumer protection laws.

Regional provider agencies can only disburse the homeowner loan funds at the direction of the homeowner.

What if there are needed project changes or unforeseen circumstances are uncovered during construction? Prior to starting the work, changes in scope must be documented in writing, describing any changes to the original contract agreement, and be signed by both the homeowner and contractor.

The change order narrative should provide a reason for the change and list labor and/or material costs. This should include any possible change in cost and be signed by the homeowner and contractor. If possible or helpful, provide photos of the affected area for clarity.

Before proceeding, you should ask the homeowner to confirm that any change will be an eligible project for their HMLP funding or that they have other funds to cover any changes in the agreed upon scope of work.

The project is complete, what is required by HMLP to receive the final payment? The homeowner will contact the regional provider agency, who will contact the HMLP construction monitor who performed the initial inspection, and an HMLP final inspection will be scheduled.

The regional agency will only request an HMLP final inspection when (1) the homeowner informs them that they are satisfied with the work performed, and (2) the municipal inspection process has been completed, and the permits have been satisfactorily signed off on.

The final invoice requires you to also complete the Contractor's Conditional Waiver and Release. This waiver confirms the funds received and confirms you will not file a claim for non-payment. Please see M.G.L. c. 254, section 32 for more information.