

# **INDIAN POND ESTATES KINGSTON**

**AFFORDABLE HOUSING INFORMATION PACKAGE  
&  
APPLICATION**



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# Section One

## Questions & Answers



## AFFORDABLE HOUSING LOTTERY

**Development Name: INDIAN POND ESTATES**

**Location: KINGSTON, MA**

### INTRODUCTION

An integral part of the lottery package includes the “**FREQUENTLY ASKED QUESTIONS**” section which must be read prior to completing and submitting the application.

A private developer, High Pines, LLC, and officials of the Town of Kingston have collaborated to provide this affordable housing opportunity in Kingston. The development is situated on approximately 39.5 acres of land and will be developed on five development areas as shown on the master site plan. Upon completion there will be 80 Single Family Homes. The affordable homes will have a variety of house styles and sizes.

This “First-Come-First-Serve” application process is for the balance of Phase II. Additional lotteries will be held for subsequent phases at a future date.

Phase I consisted of twenty-two (22) Single Family Homes situated on approximately 10.15 acres of land. Five (5) of the twenty-two (22) homes will be designated as affordable and will have three (3) bedrooms, 2 ½ baths and a two (2) car garage. Homes will range in size from 1,847 square feet to 1,961 square feet and will be intermingled with the market rate homes in Phase I.

Phase I-A consisted of six (6) Single Family Homes situated on approximately 1.87 acres of which 2 homes are designated as affordable. The homes will have three (3) bedrooms, 2 ½ baths and a two (2) car garage. The affordable homes will be intermingled with the Market Rate homes. The affordable units will be sold at the initial sales price of **\$202,400**.

Phase II consists of 11 Single Family Homes of which 3 are designated as affordable. (Lots 1, 2 & 11) The affordable Single Family Homes will be sold to first time homebuyers with incomes at or below 80% of the area median income.

Indian Pond Estates is located on Country Club Way surrounding the exclusive, private Indian Pond Country Club and its magnificent 52,000 square foot clubhouse. They are beautiful New England style homes which will compliment the exquisite Indian Pond Country Club. Conveniently located, Indian Pond Estates is less than 1 mile from the Kingston T station and Route 3. The Single Family Homes in Phases I will be located on Country Club Way which is the road leading to the Club House.

The affordable Single Family Homes will be sold at the initial sales price of **\$202,400**. It is estimated that the total **monthly cost** of your mortgage payment including Principal, Interest, Real Estate Taxes, Private Mortgage Insurance (PMI), Hazard Insurance will be approximate **\$1,404** for the single family homes affordable Duplex condominium units. This assumes a 30 year fixed rate mortgage at current rates with a 5% down payment. **You cannot rely on this estimated amount**, this is only an estimate. Your actual mortgage payment may be different based on the actual interest rate and other factors. You should verify your actual mortgage payment with you lender and or accountant. This monthly mortgage payment is **pre-tax and does not include the tax advantage of home ownership**. To determine your net expense post tax you should consult with your accountant or tax advisor.

All affordable homes will have a “Deed Restriction” in perpetuity that will be recorded with the mortgage at the time of purchase. This deed restriction in part, limits the amount the home can be resold for or refinanced for and requires that it be resold to another affordable buyer. A summary of the Deed Restriction is included herein. You may also log onto our web site [www.DelphicAssociates.com](http://www.DelphicAssociates.com) for a complete typical Deed Rider or the Department of Housing and Community Development’s web site [www.Mass.Gov/DHCD](http://www.Mass.Gov/DHCD).

**AVAILABILITY OF APPLICATIONS**

**INFORMATION AND APPLICATIONS ARE AVAILABLE ON THE FOLLOWING AGENCY WEBSITES:**

- MassAccess Accessible/Affordable Housing Registry [www.massaccesshousingregistry.org](http://www.massaccesshousingregistry.org)
- Mass Affordable Housing Alliance – [www.massaffordablehomes.org](http://www.massaffordablehomes.org)

**APPLICATIONS WILL BE AVAILABLE AT THE FOLLOWING WEBSITE:**

- [www.delphicassociates.com](http://www.delphicassociates.com)

If an applicant is unable to download an application from any of the above web sites, an application may be e-mailed upon request by calling Delphic Associates at 508 994-4100

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Should you not have access to the internet you may call Delphic Associates at 508 994-4100 and an application will be sent to you.

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It is anticipated that there will be more interested and eligible applicants than available homes. A lottery will be held as further described herein.

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**FREQUENTLY ASKED QUESTION FOR HOUSING LOTTERIES**

**Q: Who is eligible to apply for Affordable Homes?**

A: **Applicants must be first-time homebuyers.** A person is a “first-time home buyer” if no person in his or her household has, within the preceding three years, owned a home or owned an interest in a home with one or more people, such as through joint ownership with the **exception of:**

- Displaced homemakers where the displaced homemaker (an adult who has not worked full-time, full-year in the labor force for a number of years but has, during such years worked primarily without remuneration to care for the home and family), while a homemaker, owned a home with his or her partner or resided in a home owned by the partner
- Single parents where the individual owned a home with his or her partner or resided in a home owned by the partner and is a single parent, unmarried or legally separated from a spouse and either has 1 or more children of whom the individual has custody or joint custody, or is pregnant
- Elderly households (where at least one household member is 55 or over);
- Households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
- Households that owned a property that was not in compliance with State, local or model building codes and that cannot be brought into compliance for less than the cost of constructing a permanent structure.

**Individuals who have a financial interest in the development and their families shall not be eligible.**

**Q: If I am currently in the process of a separation and plan on being legally divorce can I still apply?**

A: Your divorce does not need to be finalized when you apply for the lottery; however it must be finalized before you sign the purchase and sale agreement. You will not be allowed to purchase an affordable home until the terms regarding the allocation of assets and custody of children must be finalized, so your income and assets eligibility can be accurately be determined.

**Q: I am disabled; will the home be modified based on my disability?**

A: The developer has pledged that reasonable accommodations will be taken into consideration for an approved qualified disabled applicant, who has received a mortgage commitment, to adapt the home for the applicants’ particular disability.

**Q: What is the maximum family income and asset eligibility requirement?**

A: To be eligible to purchase an affordable home, annual income and assets of all **household members** must be below the maximum level as adjusted for family size.

## MAXIMUM INCOME - 2015

Maximum allowable household, total income cannot exceed:

Household Size	1	2	3	4	5	6
Max. Income	\$48,800	\$55,800	\$62,750	\$69,700	\$75,300	\$80,900

Generally on an annualized basis the US Department of Urban Development (HUD) publishes income guidelines. The applicant will be subject to the published guidelines in effect at the time of their application.

### MAXIMUM ASSETS

Household assets shall not exceed \$75,000

### DEFINITION OF ASSETS

The value of necessary items of personal property, such as furniture or automobiles shall be excluded. Determination of assets shall be based upon a full and fair present cash value of the asset at the time of application to the program. If a potential purchaser divests himself or herself of an asset for less than full and fair present cash value of the asset within one year prior to application, the full and fair cash value of the asset at the time of its disposition must be declared and shall be included for purposes of calculating eligibility.

### **Household Assets include the following:**

1. Cash held in savings and checking accounts, safe deposit boxes, homes, etc: For savings accounts, use the current balance. For checking accounts, use the average balance for the last six months. Assets held in foreign countries are considered assets.
2. Revocable trusts: The cash value of any revocable trust available to the applicant.
3. Equity in rental property or other capital investments: The current fair market value less (a) any unpaid balance on any loans secured by the property and (b) reasonable costs that would be incurred in selling the asset (e.g., penalties, broker fees, etc.).
4. Stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts: The value of stocks and other assets vary from one day to another and should be determined within a reasonable time in advance of the applicant's submission of an application to participate in the subject housing program.
5. Individual retirement, 401K, and Keogh accounts: When the holder has access to the funds, even though a penalty may be assessed. If the applicant is making occasional withdrawals from the account, determine the amount of the asset by using the average balance for the previous six months. (Do not count withdrawals as income.)
6. Retirement and pension funds.
  - a) While the person is employed: Amounts the applicant can withdraw without retiring or terminating employment. Count the whole amount less any penalties or transaction costs.
  - b) At retirement, termination of employment, or withdrawal: Periodic receipts from pension and retirement funds are counted as income. Lump-sum receipts from pension and retirement funds are counted as assets. Count the amount as an asset or as income, as provided below. If benefits will be received in a lump sum, include the lump-sum receipt in net household assets. If benefits will be received through periodic payments, include the benefits in annual income. Do not count any remaining amounts in the account as an asset.

If the applicant initially receives a lump-sum benefit followed by periodic payments, count the lump-sum benefit as an asset as provided in the example below and treat the periodic payment as income. In subsequent years, count only the periodic payment as income. Do not count the remaining amount as an asset.

*NOTE: This paragraph assumes that the lump-sum receipt is a one-time receipt and that it does not represent delayed periodic payments. However, in situations in which a lump-sum payment does represent delayed periodic payments, then the amount would be considered as income and not an asset.*

7. Cash value of life insurance policies available to the applicant before death (e.g., the surrender value of a whole life policy or a universal life policy): It would not include a value for term insurance, which has no cash value to the applicant before death.

8. Personal property held as an investment: Gems, jewelry, coin collections, or antique cars held as an investment. Personal jewelry is NOT considered an asset.

9. Lump-sum receipts or one-time receipts: Inheritances, capital gains, one-time lottery winnings, victim's restitution, settlements on insurance claims (including health and accident insurance, worker's compensation, and personal or property losses), and any other amounts that are not intended as periodic payments.

10. A mortgage or deed of trust held by an applicant: Payments on this type of asset are often received as one combined payment of principal and interest with the interest portion counted as income from the asset. This combined figure needs to be separated into the principal and interest portions of the payment. (This can be done by referring to an amortization schedule that relates to the specific term and interest rate of the mortgage.)

To count the actual income for this asset, use the interest portion due, based on the amortization schedule, for the 12-month period following the certification. To count the imputed income for this asset, determine the asset value at the end of the 12-month period following the certification.

**Household Assets DO NOT include the following:**

- Personal property (clothing, furniture, cars, wedding ring, other jewelry that is not held as an investment, vehicles specially equipped for persons with disabilities).
- Interests in Indian trust land.
- Term life insurance policies (i.e., where there is no cash value).
- Equity in the cooperative home in which the applicant lives.
- Assets that are part of an active business: "Business" does NOT include rental of properties that are held as investments unless such properties are the applicant's main occupation.
  
- Assets that are NOT effectively owned by the applicant: Assets are not effectively owned when they are held in an individual's name, but (a) the assets and any income they earn accrue to the benefit of someone else who is not the applicant, and (b) that other person is responsible for income taxes incurred on income generated by the assets.

**Q: What constitutes a household?**

- A.** A household constitutes the number of persons who plan to reside the home regardless of marital status. Gross income from all household members over the age of 18 (except for full time students) shall be considered in determining compliance with income eligibility requirements.



**Q. I am expecting a child do I add the child to our household size?**

A: You must submit documentation from you OBGYN (Obstetrician/Gynecologist) stating you are expecting a child. This will determine if the child can be included in the household.

**Q. How will applicants for the affordable homes be selected?**

**We are currently accepting applications on a “First-Come-First-Serve” basis.**

**Q. When will the affordable home be available for occupancy?**

A. The minimum rate of construction of the affordable home is based on the comprehensive permit. Generally the minimum rate at which the affordable homes will be built is at a percentage of all of the homes under construction as determined by the comprehensive permit issued by the Zoning Board of Appeals. The developer has the option of accelerating this ratio.

**Q. Is there any preference or priorities for any applicants?**

A. Not when we are accepting applications on a “First-Come-First-Serve” basis.

**Q. If I presently own a home could I qualify to purchase an affordable home?**

A: Yes, with special limitations. However, the home must be sold prior to purchasing (closing) on the affordable home. In addition you must not exceed the maximum assets, including equity as defined on page 7 of the FAQ.

## **FINANCING:**

### **Q: Do I need to attend homebuyer education classes?**

A: All financing programs offered by “MassHousing” [www.MassHousing.com](http://www.MassHousing.com) and “MassHousing Partnership” [www.MHP.net](http://www.MHP.net), require the borrower to complete a pre-purchase homebuyer education course.

We strongly suggest that all applicants complete a pre-purchasing homebuyer course prior to entering the lottery. A schedule of upcoming first-time homebuyer workshops is posted on CHAPA’s website at [www.chapa.org](http://www.chapa.org) under “Looking for Housing?”

### **Q. Do we need to get a pre-approval from a lender?**

A: Yes. Applicants are required to submit a **pre-approval letter** with the application. A pre-approval letter is where the lender will review the buyer’s credit, housing and total debt ratios, work history and other criteria.

Households should demonstrate availability of sufficient funds for a down payment, closing costs and pre-paid. Applicants should inquire with their lender as to what closing costs will be. Closing costs can include but may not be limited to fees for Loan Origination, Appraisal, Credit Reports, Inspection, Document Preparation, Attorney and Title Insurance. Pre-Paid can include interest that accrues from the date of settlement to the first monthly payment. Pre-Paid can also include insurances such as Hazard, Flood, and Mortgage Insurance.

For down payment and closing costs assistance programs, please refer to [www.mhp.net/uploads/resources/softsecond\\_community\\_contact\\_downpay\\_assist.pdf](http://www.mhp.net/uploads/resources/softsecond_community_contact_downpay_assist.pdf)

### **Q. How or where do I apply for a mortgage?**

A: We strongly recommend that applicants apply for financing with banks that are familiar with the deed restrictions (see Deed Rider Summary) and guidelines for affordable housing programs.

There are many lenders and mortgage brokers that are familiar with the qualifying process to purchase the affordable homes. We are willing to share these references upon request by email or phone request. In addition there are other lenders and mortgage brokers who may participate in this process. Your lender must be a conventional lender.

There are many programs available for First Time Home Buyers including those offered by the MassHousing. We suggest you or your lender refer to the MassHousing website [www.MassHousing.com](http://www.MassHousing.com).

There are programs being offered by the MassHousing Partnership (MHP) such as the “**THE ONE MORTGAGE**” which is offered to buyers typically at a rate of 1% less than a lender’s typical best rate to a conventional buyer. We suggest that you contact a lender who is on the list of lenders participating in the program as shown on the MHP website [www.MHP.net](http://www.MHP.net).

Financing is being offered directly by United States Department of Agriculture (USDA) [www.rurdev.usda.gov](http://www.rurdev.usda.gov) such as the 502 Direct Loan. A 502 Direct Loan can provide a lower monthly mortgage payment than a commercial loan. Based on income and real estate qualifications, the loan may provide an interest rate subsidy.

**Q. Are there any requirements on the type of loan I receive?**

A. Yes. The program requirements are:

- Down payment must be 3% of which half can be a gift. (\*)
- Mortgage amount cannot exceed 97% of the purchase price. (\*)
- Mortgage loan must be 30-fixed rate.
- The loan has a current fair market interest rate of no more than 2 percentage points above the current Mass Housing rate. ([www.MassHousing.com](http://www.MassHousing.com))
- The Buyer may pay no more than 2 points.

Non-Household members cannot be co-signers on the mortgage.

\*An exemption to the above may be allowed for mortgages given by the US Department of Agriculture (USDA) housing program that may offer 100% financing which must be approved by the Monitoring Agent.

**Q: What are the minimum income requirements?**

A: To qualify for a mortgage loan the total annual household income as determined by the lender and the monitoring agent, must be adequate to support the requested mortgage amount.

Monthly housing costs (inclusive of principal, interest, property taxes, hazard insurance, private mortgage insurance and condominium or homeowner association fees) shall not exceed 38% of monthly income for a household earning 80% of area median income, adjusted for household size.

**Q: Once I am approved by the lender are there additional approvals required.**

A: Yes. Typically your lender will re-qualify you for the loan a few days prior to closing, including but not limited to an additional credit check, job verification, marital status, etc. As a result your lender could deny your loan even though it may have been previously approved.

Therefore, **“before any household member decides to make any lifestyle changes”**, such as but not limited to; job changes, marital status, substantial additional debt for payments for large purchases, etc., consult with your lender as to what effect this could have on your loan.

**Q. Are there restrictions on upon resale or refinancing?**

A: Yes, the intention of the Affordable Housing Programs is to give persons the opportunity to purchase homes at reduced prices that otherwise may not qualify for a conventional purchase. There is a likely possibility that the home you are purchasing could be worth substantially more on the open market without the deed restriction. However, you would not be able to sell the home at market rate prices and pocket the difference

All affordable homes will have a “Deed Restriction” that will be recorded with the mortgage at the time of purchase. This deed restriction in part, limits the amount the home can be resold for or refinanced for and requires that it be resold to another affordable buyer. The deed restriction insures that the home stays affordable for perpetuity. You may find a summary of the Deed Restriction herein. .

Upon resale or refinance you must notify the community and the Monitoring Agent, in accordance with the requirements in the Deed Rider. The Monitoring Agent will determine the Maximum Resale or refinancing amount. The price you paid for the property will be divided by the Base Income Number (which is the Area Median Income for a 4-person household). This determines the Resale Price Multiplier which is inserted into your Deed Rider. The Resale Price Multiplier will be multiplied by the Base Income Number at the time of your resale of the Property to determine the Maximum Resale Price. In addition, the resale fee as indicated in the Deed Rider would be added to the Maximum Resale Price along with capital improvements of the home that had been approved by the Monitoring Agent.

**Q. What if I do not fully understand the conditions of the Deed Rider?**

A: Attached to the application section (Section Two) of the lottery package is a Deed Rider Summary explaining some of its key components. If you have further questions and our office is unable to answer those questions to your satisfaction **we urge that you seek legal counsel.**

The Deed Rider is a critical legal document explaining your responsibility regarding re-sale, re-finance and household improvements.

To view the entire Deed Rider log onto the DHCD web site [www.Mass.Gov/DHCD](http://www.Mass.Gov/DHCD)

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## Section Two

# AFFORDABLE HOUSING APPLICATION



# INDIAN POND ESTATES

## KINGSTON

### AFFORDABLE HOUSING LOTTERY APPLICATION

<b>Name</b>	<b>Home Phone</b> ( )
<b>Address</b>	<b>Cell Phone</b> ( )
<b>Address</b>	<b>Work Phone</b> ( )
<b>Social Security #</b>	<b>Email Address</b>

**Number of Household Members (circle one): 1 2 3 4 5 6 7 8**

Complete the following section for *each* Household Member

	<b>Applicant</b>	<b>Member #2</b>	<b>Member #3</b>	<b>Member #4</b>
Name				
Age				
D.O.B.				
Soc. Sec. #				
Employer				
School Name				
Relationship				
	<b>Member #5</b>	<b>Member #6</b>	<b>Member #7</b>	<b>Member #8</b>
Name				
Age				
D.O.B.				
Soc. Sec. #				
Employer				
School Name				
Relationship				

The developer, staff and consultants are committed to the intent and spirit of both state and federal fair housing laws in the selection of lottery applicants. They will not knowingly discriminate against any protected class in the selection of applicants

DATE: \_\_\_\_\_, 2016

CREDIT SCORE: \_\_\_\_\_



**INCOME AND ASSET INFORMATION:**

Please complete the following section listing income for ALL household members including children. Include the most recent statements for each account and all other supporting documentation.

Type of Acct. or Income	Name:			Type of Acct. or Income	Name:			
	Acct. Number	Balance	Amt. Pd. Monthly		Acct. Number	Balance	Amt. Pd. Monthly	
Checking				Checking				
Savings				Savings				
Unemployment				Unemployment				
Worker's Comp.				Worker's Comp.				
Social Security				Social Security				
SS Disability				SS Disability				
Alimony				Alimony				
Child Support				Child Support				
Type of Acct. or Income	Name:			Type of Acct. or Income	Name:			
Acct. Number	Balance	Amt. Pd. Monthly	Acct. Number	Balance	Amt. Pd. Monthly	Acct. Number	Balance	Amt. Pd. Monthly
Checking				Checking				
Savings				Savings				
Unemployment				Unemployment				
Worker's Comp.				Worker's Comp.				
Social Security				Social Security				
SS Disability				SS Disability				
Alimony				Alimony				
Child Support				Child Support				

If you need additional space, please use a separate piece of paper.

**EMPLOYMENT INFORMATION:**

Name: _____	Name: _____
Occupation: _____	Occupation: _____
Employer Name: _____	Employer Name: _____
Employer Address: _____	Employer Address: _____
Employer Phone: _____	Employer Phone: _____
Employer Email: _____	Employer Email: _____
Supervisor's Name: _____	Supervisor's Name: _____
Date of Hire: _____	Date of Hire: _____
Hourly Wage: _____	Hourly Wage: _____
Average Weekly Tips: _____	Average Weekly Tips: _____
Hours per Week: _____	Hours per Week: _____
Weekly Gross Amount: _____	Weekly Gross Amount: _____
Annual Salary: _____	Annual Salary: _____
Avg. Gross Last 4 wks x 52: _____	Avg. Gross Last 4 wks x 52: _____

If Applicant or Co-Applicant has more than one (1) job or other adult household members over the age of 18 that are employed, please attach a separate sheet of employment information.



In addition to the above, please attach all income documentation including:

Five (5) most recent pay stubs  
State & Federal tax returns last 3 years  
Pre approval from lender

Social Security documentation  
W-2's for the last 3 years  
\*Checking accounts 3 months

Pension documentation  
Child support & Alimony docs  
\*Savings accounts 3 months

\*All financial documents must show account holders name and address

## ASSET INFORMATION:

Include but not limited to stocks, bonds, retirement accounts such as 401K, Keogh, etc. For a comprehensive explanation, please refer to the section of the application title "Frequently Asked Questions".

- **MONETARY GIFTS:** Applicants may receive monetary gifts from friends or relatives to assist with down payment. Applicants must be able to prove that 1.5% of down payment is from their own funds when submitting application. Do you expect a monetary gift? \_\_\_\_\_yes\_\_\_\_\_no  
If yes, attach a gift letter, from the person giving the gift, indicating their source of funds and no repayment is expected.
- **STOCKS, BONDS & CD'S:** Applicant must list the average value and provide documentation such as bank acct numbers and value. Do you have any stocks, bonds or CD's? \_\_\_\_\_yes\_\_\_\_\_no If yes, list value \$ \_\_\_\_\_ and enclose the last three quarterly portfolio statements.
- **RETIREMENT, 401K AND KEOUGH ACCTS:** Do you have any of these accounts? \_\_\_\_\_yes\_\_\_\_\_no If yes, are you employed or retired? \_\_\_\_\_ Are you making occasional withdrawals? \_\_\_\_\_yes\_\_\_\_\_no If yes, how much per month? \$ \_\_\_\_\_ What is the total value of all accounts? \$ \_\_\_\_\_ Enclose last 3 quarterly statements.

## HOME BUYER CERTIFICATION

I/We certify that I/We have read the entire lottery package including the Frequently Asked Questions.

I/We certify that we are first time homebuyers as defined on page 6 of the Frequently Asked Questions.

I/We certify that our household is \_\_\_\_\_ persons; and that our household income does not exceed the income limits provided in the Lottery Information Packet.

I/We certify that our household is able to provide the minimum down payment required.

I/We have attached as required a pre-approval from a lender.

I/We certify that I/we have read the Deed Rider Summary and understand the purchaser obligation there under or shall seek legal or other counsel for further explanation and understanding.

I/We certify that we comply with the maximum asset limitations of \$75,000.

I/We certify that Lottery Agent or any other employee shall not be held liable for any decisions made pertaining to the applicants' eligibility or their application.

Information missing from the application, including, but not limited to the following could be considered an incomplete application, thus being ineligible for the lottery.

- Lender pre-approval letter (not pre-qualification)
- Income documentation (as indicated on checklist)

We understand that the **initial determination of eligibility** (for entry into the lottery) in no way guarantees that we are eligible to purchase one of the affordable homes until full documentation is submitted, such as 3 years tax returns, 5 most recent pay stubs, last 3 months Bank statements, etc.

I/We understand that if selected I/we will be offered a specific home. I/we will have the option to accept the available home, or to reject the available home. If I/we reject the available home I/we will move to the bottom of the waiting list and may not have another opportunity to purchase at this development.

Program requirements and guidelines are established by the DHCD, MassHousing and the Monitoring Agent. I/We agree to be bound by whatever program changes that may be imposed at any time throughout the process. If any program conflicts arise, I/we agree that any determination made by the project-monitoring agent, is final.

I/we certify that no member of our family has a financial interest in this development.

I/We have completed an application and have reviewed and understand the process that will be utilized to distribute the available affordable homes at this Development. I/We am qualified based upon the program guidelines and agree to comply with applicable regulations.

I/We certify that the information in this application and in support of this application is true and correct to the best of my/our knowledge and belief under full penalty of perjury. I/We understand that perjury will result in disqualification from further consideration.

\_\_\_\_\_  
**APPLICANT SIGNATURE**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**CO-APPLICANT SIGNATURE**

\_\_\_\_\_  
**DATE**

**AUTHORIZATION TO RELEASE**

I/We hereby authorize the Developer, Lottery Agent, Monitoring Agent and the Municipality to inquire of credit agencies, employer, banking institutions and lending institutions to allow and assist them to determine my/our determination of eligibility of an affordable home. In addition, we hereby authorize any lender, Mortgage Company or mortgage broker to whom we apply for a mortgage in conjunction with our application to release any and all information regarding our loan application.

This authorization includes all mortgage application information provided to the lender including, but not limited to credit reports, other loan applications, assets, employer information, etc.

\_\_\_\_\_  
**APPLICANT SIGNATURE**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**CO-APPLICANT SIGNATURE**

\_\_\_\_\_  
**DATE**

## **HOMEBUYER DEED RIDER SUMMARY**

### For Projects in Which Affordability Restrictions Survive Foreclosure

You (the Homebuyer) have expressed an interest in, or are about to purchase a home at less than the home's fair market value. The home was constructed under a state or federal housing subsidy program that requires that this home be sold to a purchaser who meets certain income, asset and, in some cases, age limitations (an "**Eligible Purchaser**"). In exchange for the opportunity to purchase the home at less than its fair market value, you must agree to certain use and transfer restrictions. These restrictions are described in detail in an Affordable Housing Restriction that will be attached to the deed to your home (the "**Restriction**").

This Homebuyer Disclosure Statement summarizes the restrictions and requirements imposed by the Restriction. YOU SHOULD READ THE RESTRICTION IN ITS ENTIRETY BECAUSE IT IMPOSES LEGAL REQUIREMENTS.

#### **I. Principal Residence**

You and your household must occupy and use the home you purchase exclusively as your primary residence during the period the home is owned by you.

#### **II. Required Consents from the Monitoring Agent**

You must obtain the prior written consent of the "**Monitoring Agent**" before you do any of the following:

- a. Lease or rent the home;
- b. Refinance any loan secured by a mortgage on the home;
- c. Grant any other mortgage (such as a home equity loan mortgage) or other encumbrance (such as an easement) on the home; and/or
- d. Make any Capital Improvements (defined in Section III below) to the home, if you wish to get credit for those costs (at a discounted rate) when you sell your home.

The Monitoring Agent's contact information is listed in the Restriction.

If the Monitoring Agent consents to any lease, rental, refinancing, mortgage or other encumbrance, the Monitoring Agent will calculate the actual carrying costs for the home, and you will be required to pay to the Municipality any amount of the rents, profits or other proceeds relating to the approved event that exceeds the actual carrying costs. If you do not obtain any required consent from the Monitoring Agent, the Monitoring Agent or the Municipality can require you to pay to the Municipality all rents, profits or other proceeds from the event that required consent. You will also be responsible for any costs of collection of the Monitoring Agent and/or the Municipality, including attorney's fees.

The Restriction may require that a resale fee be paid to the Monitoring Agent for its work required in connection with any resale of the home, as described below. Although not stated in the Restriction, the Monitoring Agent may assess a reasonable fee for reviewing any request for its consent. Currently, this fee will not exceed \$75 per request. The Monitoring Agent will notify you in writing if the review fee increases.

### III. Resale Requirements

When/if you decide to sell your home, you may not sell the home for more than what you paid for it, with limited adjustments. You are also required to give written notice to the Monitoring Agent and the Municipality of your desire to sell so that they may locate an Eligible Purchaser for the home.

**The allowed sale price is defined in the Restriction as the “Maximum Resale Price.” The “Maximum Resale Price” is calculated by adjusting the purchase price you paid for the home to reflect any increase in the area median income from the time you purchased the home to the time of the proposed resale, and adding (a) the amount of any applicable Resale Fee payable to the Monitoring Agent, (b) any necessary marketing fees (including broker’s fee) approved by the Monitoring Agent, and (c) the costs of any Capital Improvements to the home that were approved by the Monitoring Agent (discounted over their useful life). The “Resale Fee” payable to the Monitoring Agent for its work is listed in the Restriction. “Capital Improvements” are extraordinary improvements of a capital nature (for example, a new roof or a new septic system) that must be documented and commercially reasonable. Capital Improvements are intended to cover replacement of necessary capital items and are not intended to cover discretionary upgrades. The Maximum Resale Price will never be more than the amount for which an Eligible Purchaser earning 70% of the area median income could obtain mortgage financing (as calculated by the Monitoring Agent), and will never be less than the purchase price you paid (unless you agree to accept a lower price).**

The Monitoring Agent will determine the Maximum Resale Price that you are allowed to receive on your sale of the home based on the formula set forth in the Restriction, and will begin marketing efforts to locate an Eligible Purchaser to buy the home. The Monitoring Agent is responsible for selecting the Eligible Purchaser who will buy the home. Alternatively, the Monitoring Agent or the Municipality may purchase the home (or have a party they designate purchase the home). Any sale to an Eligible Purchaser or to the Monitoring Agent or the Municipality (or their designee) under this option to purchase will be for the Maximum Resale Price, and the home will be sold subject to a Restriction in the same form as the Restriction you were required to sign.

**The Monitoring Agent and Municipality will have up to 90 days after you give them notice of your intention to sell the home to close on a sale to an Eligible Purchaser, or to close on a sale to the Monitoring Agent or the Municipality (or their designee). This time period can be extended as provided in the Restriction to arrange for details of closing, to locate a subsequent purchaser if the first selected purchaser is unable to obtain financing or for lack of cooperation on your part.**

**If an Eligible Purchaser fails to purchase the home and neither the Monitoring Agent nor the Municipality (or their designee) purchases the home by the applicable deadline specified above, you may sell the home to a purchaser who does not qualify as an Eligible Purchaser, subject to the following: (i) the sale must be for no more than the Maximum Resale Price; (ii) the closing must be at least 30 days after the closing deadline described above; (iii) the home must be sold subject to a Restriction in the same form as the Restriction you were required to sign; and (iv) if there are more than one interested ineligible purchasers, preference will be given to any purchaser identified by the Monitoring Agent as an appropriately-sized household whose income is more than 80% but less than 120% of the area median income.**

**Any sale by you to an Eligible Purchaser, or to the Monitoring Agent or the Municipality (or their designee) or to an ineligible purchaser, as described above, is subject to customary terms for a property conveyance, which are set forth in the Restriction. There is no commitment or guarantee that an Eligible Purchaser, the Monitoring Agent or the Municipality will purchase the home, or that you will receive the Maximum Resale Price (or any other price) for your sale of the home to an ineligible purchaser.**

**A sale or transfer of the home will not be valid unless (1) the total value of all payments and anything else delivered by the purchaser does not exceed the Maximum Resale Price, and (2) the Monitoring Agent has signed and recorded in the Registry a Compliance Certificate that confirms the sale or transfer was made in compliance with the requirements of the Restriction. If you attempt to sell or transfer the home without complying with the Restriction requirements, the Monitoring Agent and the Municipality may, among their other rights, void any contract for such sale or the sale itself, seek money damages for the costs to construct or obtain a**

comparable home for an Eligible Purchaser, or locate an Eligible Purchaser or exercise their purchase option to buy the home.

#### IV. Foreclosure

The Restriction also gives the Municipality an option to purchase the home (or to designate another party to purchase the home) for a period of 120 days after the holder of a mortgage delivers notice to the Monitoring Agent and the Municipality that it intends to commence foreclosure proceedings. If this foreclosure purchase option is exercised, the purchase price will be the greater of (i) the amount of the outstanding balance of the loan secured by mortgage, plus the outstanding balance of the loans secured by any mortgages senior in priority, up to the Maximum Resale Price as of the date the mortgage was granted, plus any future advances, accrued interest and/or reasonable costs and expenses that the mortgage holder is entitled to recover, or (ii) the Maximum Resale Price at the time of the foreclosure purchase option, except that in this case the Maximum Resale Price may be less than the purchase price you paid. **By signing the Restriction, you are agreeing that this foreclosure purchase option granted to the Municipality takes precedence over any statutory rights of redemption and that you will cooperate in executing the deed and other required closing documents.**

If the foreclosure purchase option has not been exercised within 120 days of delivery of the foreclosure notice to the Monitoring Agent, the mortgage holder may conduct a foreclosure sale. The mortgage holder or an ineligible purchaser may purchase the home at the foreclosure sale, subject to a Restriction. If the sale price at the foreclosure sale is greater than the purchase price that would have applied for the foreclosure purchase option, as described above, the excess will be paid to the Municipality, for its Affordable Housing Fund. **By signing the Restriction, you are agreeing to assign any rights and interest you may otherwise have in the balance of any foreclosure proceeds available after satisfaction of all obligations to the holder of the foreclosing mortgagee, for delivery to the Municipality.**

**The Restriction provisions regarding a sale of the home after delivery of a foreclosure notice take precedence over your rights to sell the property, even if you deliver notice of your intention to sell the home before the mortgage holder delivers the foreclosure notice.** There is no commitment or guarantee that the Municipality will exercise the foreclosure purchase option, or that you will receive the Maximum Resale Price (or any other price) in any foreclosure sale of the home. In addition, the foreclosing lender retains the right to pursue a deficiency against you.

#### V. Violation of Restriction Requirements

**If you violate any of the Restriction terms, you will be in default and the Monitoring Agent and Municipality may exercise the remedies set forth in the Restriction. If the Monitoring Agent and/or the Municipality brings an enforcement action against you and prevails, you will be responsible for all fees and expenses (including legal fees) for the Monitoring Agent and Municipality. The Monitoring Agent and Municipality can assert a lien against the home to secure your obligation to pay those fees and expenses.**

#### VI. Special Rules for Ineligible Purchasers

**If you do not qualify as an Eligible Purchaser at the time of purchase, you do not need to occupy the home as your principal residence. However, you must obtain the consent of the Monitoring Agent to rent the home. The rules for rental by an ineligible purchaser are governed by MassHousing Housing Starts Program Guidelines. In general, you may rent only to a tenant who would qualify as an Eligible Purchaser at a rent level deemed affordable according to MassHousing rental standards. You should contact the Monitoring Agent for further details prior to renting your home.**

**VII. Acknowledgements**

By signing below, I certify that I have read this Deed Rider Summary and understand the benefits and restrictions described. I further certify that I have read the Restriction and understand the legal obligations that I undertake by signing that document.

Dated \_\_\_\_\_, 2016

\_\_\_\_\_  
Homebuyer

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Homebuyer

\_\_\_\_\_  
Witness

# **CHECK LIST**

## **DID YOU REMEMBER TO ENCLOSE THE FOLLOWING:**

**Your application may not be considered complete without the following documents.**

- ❑ Completed and signed application
- ❑ All income documentation including most recent pay stubs, entire tax returns and W-2's and any additional income documentation such as but not limited to social security, pension, and alimony.
- ❑ All asset information including most recent checking and savings account bank statements, evidence of the value of CDs, brokerage statements, etc.
- ❑ A pre-approval (not pre-qualification) letter from a bank or mortgage company indicating your household qualifies for a mortgage in an amount sufficient enough to purchase this affordable home.
- ❑ Signed Homebuyer Deed Rider Summary
- ❑ Narrative stating applicant's history for last 2 years including work, and information such as marriage, divorce and personal information you may want us to know. (attach to application)
- ❑ Child support documentation

In order to obtain proof of delivery, we suggest that you mail your application and supporting documentation "Certified Return Receipt" or if hand delivered with a request of proof of delivery to:

***Delphic Associates, LLC***  
***651 Orchard Street - Suite 308***  
***New Bedford, MA 02744***  
***REF: Indian Pond Estates***

A "Certified Return Receipt" or proof of hand delivery will provide you proof of when your application was received. We are not responsible for lost or late applications.