
Wellfleet Housing BuyDown Program Summary

In a Nutshell: The Wellfleet Housing BuyDown Program is a program for low-to-moderate income homebuyers (see Table 1 for income qualification levels). The program provides up to \$125,000 in subsidy towards purchasing a Wellfleet home, lowering the price to you and making the home affordable. With this subsidy, the low-to-moderate income homebuyer will be able to affordably purchase a lower end market-rate Wellfleet home. In exchange for the subsidy, the home will be forever affordable, meaning that when you go to sell it, there will be restrictions on the amount you can sell it for.

Buyer Qualifications: To qualify, your annual household income must be at or below 80% of Barnstable County Median Income as provided in Table 1.

Table 1

2016 Barnstable MSA Income Limits; see www.huduser.org						
Household size	1 person	2 persons	3 persons	4 persons	5 persons	6 persons
80% Income Limits	\$47,550	\$54,350	\$61,150	\$67,900	\$73,350	\$78,800

*other requirements may apply

Affordable Purchase Price: The maximum affordable home prices are provided in Table 2 by home size. Note that buyers will only receive funds necessary to meet the gap between the purchase price minus the mortgage amount, any amounts escrowed for basic repairs approved by the Housing Authority and the down payment, total not to exceed \$125,000 per unit. This is the maximum price you could pay, and is also the price at which the home will be deed restricted. Affordable home prices may be below these, but cannot be higher.

Table 2

MAXIMUM AFFORDABLE PRICES, based on DHCD Housing Calculations for 2016				
Home Size	1 bedroom	2 bedroom	3 Bedroom	4 Bedroom
Maximum Sale Price (includes Maximum per unit subsidy of \$125,000)	\$307,900	\$330,800	\$353,300	\$371,900
Maximum Affordable Purchase Prices/Net price to you after the subsidy is applied	\$182,900	\$205,800	\$228,300	\$246,900

Minimum Price: The minimum affordable purchase price is \$175,000. To participate you will need to be able to secure a mortgage for an affordable purchase price of \$175,000 or more.

The Process:

1. Submit a complete Application (including a mortgage pre-approval for a purchase price of at least \$175,000);
2. If eligible, participate in a Lottery;
3. If selected in the Lottery, start home shopping;
4. Get your selected home approved by the BuyDown Program;
5. The state's Department of Housing and Community Development (DHCD) will also be involved in the approving your eligibility, the property and closing documents;
6. Buy your home/ move in; and
7. Rehab, if needed.

If you are approved, you will receive a subsidy towards your home purchase of \$125,000. You will pay at or below the affordable price, but not less than the minimum (see previous page for prices). Homes must meet Program construction standards and cannot already be a deed-restricted affordable unit. The Program is intended for single-family homes, but a condo unit might be approved on a case-by-case basis. You will "shop" for homes as any home-shopper would by working with a real estate broker or by calling the seller and/or seller broker and arranging to view homes. You decide which one, if any, you want to buy.

If you decide to purchase a home, there will be additional inspections to ensure the home meets all Program standards and is priced appropriately. There will be a professional home inspection and a professional appraisal. If it is determined there is needed rehabilitation or construction, the Program will work with you to negotiate and/or to plan for the needed repairs. You will have assistance throughout the "shopping" and purchase process (and MUST get all documents approved before you sign them!). You will be responsible for working with your lender to get a mortgage. The subsidy funds will be available to you at the mortgage closing.

The Program will not discriminate in the selection of applicants on the basis of race, color, national origin, religion, disability, age, ancestry, children, familial status, genetic information, marital status, public assistance reciprocity, religion, sex, sexual orientation, gender identity, veteran/military status, or any other basis prohibited by law. Exceptions may apply if the preference or limitation is pursuant to a lawful eligibility requirement. Additionally, persons with disabilities are entitled to request a reasonable accommodation in rules, policies, practices, or services, or to request a reasonable modification in the housing, when such accommodations or modifications may be necessary to afford persons with disabilities an equal opportunity to use and enjoy the housing.

DETAILS, DETAILS, DETAILS:

Application: As well as income limits, there are other eligibility requirements. You must be a first-time homebuyer (exceptions apply) and cannot have assets worth more than \$75,000. Please see the application materials for more information and details.

Mortgage: As part of your application, you are required to submit a “pre-approval” letter from a lending institution for a sale price of at least \$175,000. The loan must have a fixed rate (current, fair market), can have no more than 2 points, you must provide a down-payment of at least 3%, and you cannot pay more than 38% of your monthly household income for your loan (see applications for more info).

Homebuyer Education: It is STRONGLY recommended that you take a Massachusetts Homeownership Collaborative approved Home Buyer Education Course. The Community Development Partnership (CDP) in Eastham offers this class, usually in the fall. Please see www.capecdp.org or call 508-240-7873. Housing Assistance Corporation (HAC) in Hyannis also offers classes (www.haconcape.org; 508-771-5400).

Construction Standards: The home you pick to purchase should meet Program construction standards. The Program looks at a five-year horizon and requires that any construction work (other than routine maintenance) that might be reasonably anticipated as needed in this timeframe be either completed by the Seller before home purchase, or the cost of the repair needs to be accounted for in the purchase price and a repair plan put in place. The concept is to make sure you are not saddled with extraordinary home costs (like a new roof or a new furnace) in the first five years of homeownership.

Maximum on Rehab: While any home could possibly be rehabbed to meet high construction standards, to limit risk the Program will not look at homes that require more than \$25,000 in rehab (exceptions may be made on a case-by-case basis).

Shopping Time: Once you have been selected, you will have four months to house hunt and get a signed Purchase & Sale Agreement. Extensions may be granted on a case-by-case basis.

Offer: Before making an offer on a home, you must meet with the Program Manager. The Program Manager will view the home, and the Program Attorney must approve the offer.

Approval: The Department of Housing and Community Development (DHCD) and the Wellfleet BuyDown Program must approve the home, the buyer household and the closing documents.

Other Documents/Approvals: You are required to hire your own attorney, and there is also a Program Attorney. The Program Attorney’s role is to look out for the best interest of the Program and MUST review all documents before you sign them (this is critical).

Transaction and Closing Costs: You will pay for all costs associated with your loan (“closing costs”) or you can use the Wellfleet BuyDown subsidy funds. You will also be responsible for paying for the home inspections and any necessary testing. These funds must come from you the buyer, but the costs of these may be reimbursed to you at closing as part of the subsidy funds. Note: reimbursement is just once and at the time you actually purchase the home (closing). If you start on the purchase process for a home, incur expense, but then you do not end up purchasing that home, you will not be reimbursed for those costs.

Program Inspections/Appraisal: The Program reserves the right to hire independent professionals to assess the home if it is determined to be appropriate. This could include home inspection, any necessary testing and/or an appraisal.

Closing: At closing, the seller will sell the home to you and a deed rider, ensuring the home will always be affordable, is signed and subsequently recorded. The Program Attorney will review all documents. Please review the attached Deed Rider and Disclosure Statement. The Program Manager will also review this with you.

Post Closing Rehab: If your selected home needed rehab that the seller did not do, this is done post-closing. An escrow account with funds will be established.