

Wellfleet Housing Buy Down Application



**Wellfleet Local Housing Partnership
Wellfleet Housing Authority
Town Hall – 300 Main Street
Wellfleet, MA 02667
508-349-0349**

Introduction

The Wellfleet Local Housing Partnership and the Wellfleet Housing Authority are sponsoring another BuyDown Program funding round for 1st Time Home Buyers in Wellfleet. The Program will make a ***grant of up to \$125,000*** to each of 2 qualified moderate-income applicants to help them “buy down” or reduce the purchase price of a home, bridging the gap between what is available in the open market and what is affordable to moderate-income Cape households. The goal of the Program is to increase the availability of affordable homeownership opportunities in Wellfleet using funds provided by the local Community Preservation Committee and approved by the voters of Wellfleet.

Buyer Qualifications: To qualify, your annual household income must be at or below 80% of Barnstable County Median Income as noted in Table 1. You also cannot have more than \$75,000 in assets.

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 listed 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 and the down payment, not to exceed \$125,000 per unit, also enabling necessary home repairs to be included as part of the \$125,000 subsidy. This is the maximum price you could pay, and it 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 Price/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.

Applications: Application forms and help with how to fill them out will be available at the Information Sessions. The application forms will also be available on the Town of Wellfleet website at www.wellfleetma.org, the Town Clerk’s Office at 300 Main Street, and the Public Library at 55 West Main Street.

Completed applications with all the necessary attachments should be received *by 4:00 pm on Friday, December 9, 2016* for an anticipated lottery on Wednesday, January 4, 2017. Applications must be submitted by the deadline in hard copy to the Wellfleet Town Administrator’s Office at 300 Main Street.

All interested persons ***are encouraged to attend one of these Information Sessions*** that will cover the application and selection process at the Wellfleet Council on Aging (715 Old Kings Highway):

- **Saturday, October 22, 2016 at 10:00 am**
- **Wednesday, October 26, 2016 at 7:00 pm**

For more information, contact Karen Sunnarborg at 617-983-9883 or ksunnarborg@msn.com or Gary Sorkin at 508-349-7547 or gary.sorkin21@gmail.com.

Detailed information on Program requirements is provided in the following sections. Make sure you review all information to insure that you understand the Program and your application is complete!



Equal Housing Opportunity

Wellfleet BuyDown Program Application Checklist

Before submitting this application, please make sure you have filled out all pages and attached the requested documentation. IN ADDITION to completing and signing this application packet (all 12 pages, including the Signed Summary of Deed Rider / Statement of Understanding and Signed Eligibility Requirements), you will need to attach the following documentation. PLEASE make photocopies – do not attach originals!

- THREE most recent years Federal Tax Income Taxes
(for all household members 18 years or older; PLEASE MAKE SURE COPIES ARE SIGNED)
- Most recent TWO months of Paystubs
(for all household members 18 years or older)
- Most recent THREE months of Bank Accounts/Asset Accounts - checking, savings, investment accounts, retirement accounts, etc. - (for all household members 18 years or older)
- Employment Verification for all household members 18 years or older (form provided on page 12 – make additional copies as needed)
- Asset Verification for all asset accounts (form provided on page 13 – make additional copies as needed)
- Documentation of OTHER INCOME: if any household member receives Social Security, Veteran’s Benefits, Disability, income from pensions, income from IRAs or other retirements accounts, income from unemployment statements, or other income not shown on paystubs, include two months of documentation.
- Home Buyer Education is STRONGLY ENCOURAGED. If you have or are taking this, please attach your Certificate -or- class schedule with class to be taken noted
- PRE-APPROVAL LETTER FROM A MORTGAGE LENDER FOR A PURCHASE PRICE OF MORE THAN \$175,000 BUT NOT MORE THAN THE MAXIMUM AFFORDABLE PURCHASE PRICE AS LISTED IN TABLE 2 ABOVE, DEPENDING ON NUMBER OF BEDROOMS. THIS IS CRITICAL. WITHOUT THIS YOUR APPLICATION WILL NOT BE INCLUDED IN THE LOTTERY**

___ YES, I have included a complete and signed application (13 pages)

Discrimination on the basis of race, creed, color, sex, age, disability, marital status, familial status, veteran’s status, sexual orientation, and/or national origin, or any other basis prohibited by law is specifically prohibited in the selection of applicants for this housing opportunity.

Disabled persons are entitled to request a reasonable accommodation of rules, policies, practices, or services, or to request a reasonable modification of the housing, when such accommodations or modifications are necessary to afford the disabled person equal opportunity to use and enjoy the housing.

Program Eligibility/Application Certification

Please check the **Homeowner Status** category that applies. To be eligible for this program you must fit into one of these categories (additional documentation may be required for verification of status):

- First-Time Homebuyer (applicant households must not have had an ownership interest in a residential property for the preceding 3 years). Applicant households may not own a home included in trust.
- Age Qualified Household (a household in which at least one member is age 55 or over)
- Displaced Homemaker, where the displaced homemaker (an adult who has not worked full-time, for a 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 (is 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)
- A household that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations OR a household that owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

You must be able to obtain a mortgage in order to purchase the home. You must secure a firm mortgage commitment within 30 days of notification of selection. The mortgage must meet the following minimum standards:

- The loan must have a fixed interest rate through the full term of the mortgage
- The loan must have a current fair market interest rate (no more than 2 percentage points above the current MassHousing rate (617) 854-1000 or www.masshousing.com)
- The loan can have no more than 2 points
- The buyer must provide a down payment of at least 3%, at least half of which must come from the buyer's own funds
- The buyer may not pay more than 38% of their monthly income for monthly housing costs (inclusive of principle, interest, property taxes, hazard insurance, private mortgage insurance and condominium or homeowner association fees.
- Non-household members shall not be permitted as co-signers of the mortgage

YES, an approval letter from a mortgage lender is attached to this application (REQUIRED)

Homebuyer Education: It is STRONGLY ENCOURAGED that you complete a homebuyer education course at a Massachusetts Homeownership Collaborative certified agency before closing. A list of pre- and post-purchase education courses, which is updated periodically, is on the MHP website www.mhp.net. Classes are also offered by the Community Development Partnership, 800-220-6206, Housing Assistance Corp. 508-771-5400, and South Shore Housing Development Corporation 800-242-0957.

Summary of Deed Rider

The state's Local Initiative Program (LIP) Affordable Housing Deed Rider will be placed on the affordable home in perpetuity to ensure the permanent affordability of the home. The buyer will be required to sign this deed rider, and the deed rider will be recorded at the Barnstable Registry of Deeds. **The deed rider is a legally binding document. It is strongly recommended that purchasers of a deed restricted affordable home review the deed rider with their attorney and lender prior to the closing.**

- The deed rider restricts the resale price and limits equity gained in the property.
- A deed restricted affordable home must be resold at an affordable price to another eligible buyer or, if no eligible buyer is found, to an ineligible buyer who must also sign the deed rider. Owners of a deed restricted affordable home must notify the Monitoring Agent (Department of Housing and Community Development and the Town of Wellfleet) in writing of their intention to sell or convey the home. The resale price is set by the Monitoring Agent (Department of Housing and Community Development and the Town of Wellfleet) per the deed rider.
- Owners of a deed restricted affordable home must notify the Monitoring Agent (Department of Housing and Community Development and the Town of Wellfleet) and get pre-approval to make capital improvements to the home.
- Owners of a deed restricted affordable home cannot rent, lease, refinance or encumber the home without the prior written consent of the Monitoring Agent.
- The home shall be occupied and used by the owner's household exclusively as his, her or their principal residence.

The Monitoring Agent for this project is: Department of Housing and Community Development (DHCD) and the Town of Wellfleet. A copy of the Deed Rider for this project is available for review from the Marketing/Lottery Agent.

Statement of Understanding

I/We have read the Summary of Deed Rider for this project and understand the restrictions required by it.

I/We understand that, if selected by lottery to purchase the affordable home, a full copy of the Deed Rider will be provided to me/us and will be attached the Purchase and Sales Agreement.

I/We understand that the buyer of the affordable unit, selected by lottery, will be required to execute the Deed Rider at the time of purchase.

Applicant Signature

Date

Co-Applicant Signature

Date

Definitions: Income and Assets

Income Limit: Total household annual income must be at/below the 80% Barnstable County Median Income limits, as adjusted for household size. See chart below.

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

Asset Limit: Total Household assets cannot exceed \$75,000.

Annual Household Gross Income means all amounts which go to or on behalf of all current adult household members for the 12-month period following application. Annual income includes but is not limited to the following, with certain detailed exemptions (see 24 CFR 5.609):

- The full amount, before ANY payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services
- Net income from the operation of a business or profession
- Interest, dividends, and other net income of any kind from real or personal property
- Payments from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of period receipts
- Payments in lieu of earnings such as unemployment and disability compensation, worker's compensation and severance pay
- Welfare assistance payments
- Alimony and child support
- Regular pay, special pay, and allowances of a member of the Armed Forces

Household Assets include the following:

- Cash in savings accounts, checking accounts and safety deposit boxes, etc., certificates of deposit, bonds, stocks, treasury bills, mutual funds and money market accounts
- Revocable trusts.
- Equity in rental property or other capital investments
- Retirement plans are included when the holder has access to the funds, even though a penalty may be assessed. Retirement funds are NOT included if amounts can only be withdrawn if upon termination of employment or retirement
- Cash value of life insurance policies available to the applicant before death.
- Personal property held as an investment (this includes gems, jewelry, coin collections, or antique cars held as investments; personal jewelry is NOT considered an asset)

- Lump sum receipts or one-time receipts. (i.e. inheritance, 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.
- A mortgage or deed of trust held by an applicant.

Household assets **do not** include:

- Personal property. (clothing, furniture, cars, wedding ring and other jewelry that is not held as an investment, vehicles specially equipped for persons with disabilities)
- Term life insurance policies. (i.e. where there is no cash value)
- Equity in the cooperative unit 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 source of income.
- Assets that are not effectively owned by the applicant

Assets disposed of for less than fair market value: Applicants must declare whether an asset has been disposed of for less than fair market value during the two years preceding application. If an asset has been disposed of for less than fair market value, the amount counted as an asset is the difference between the cash value and the amount actually received.

Household, Income and Asset Information

How many people in your household (include everybody; all adults, all children)? _____

Applicant Name (this is you): _____

Address: _____

City/Town: _____ State: _____ Zip Code: _____

E-mail Address: _____

Telephone (Day): _____ (Evening): _____

Employer's Name: _____ Town: _____

Co-Applicant (this is any other adult in the household) _____

Address: _____

City/Town: _____ State: _____ Zip Code: _____

E-mail Address: _____

Telephone: (Day): _____ (Evening): _____

Employer's Name: _____ Town: _____

List all household members including yourself (anyone who will live in the house, any age):

Name

Date of Birth

Relationship to Applicant

Are any of the above listed household members full time students? YES NO

If yes, please list below (for students 18 years old or over, documentation of enrollment will be required.)

Are any of the above listed household members divorced? YES NO

If yes, please list below and include documentation of child/ support and/or spousal support, or documentation that the household member is not receiving child support and/or spousal support

ANNUAL HOUSEHOLD INCOME INFORMATION: *Gross Annual income is income from all sources, including all wages and salaries (prior to deductions), overtime pay, commissions, tips, fees and bonuses, and other compensation for personal services, net business income, interest/dividend income, Social Security, Supplemental Security Income, pension payments, disability income, unemployment compensation, alimony/child support, and veterans' benefits, for all adult household members over the age of 18, unless the member is a full-time student.*

Self-Employed (those reporting income on a Federal Tax Form, Schedule C) should also include a year-to-date Profit and Loss Statement for the business activity.

Annual Income (Applicant): Gross Income for the past 12 months: \$ _____

Employer Name: _____

Employer Address: _____

Employer Phone: _____ Your Job Position: _____

Wages BEFORE Taxes and Withholding:

\$ _____ (hourly) -or- \$ _____ (weekly) -or- \$ _____ (other – specify: _____)

Additional Income from other sources (such as Social Security, Alimony, Child Support, Unemployment, Disability, Workers' Compensation, etc.):

Source: _____ Income per month: \$ _____

Source: _____ Income per month: \$ _____

Annual Income (Co-Applicant): Gross Income for the past 12 months: \$ _____

Employer Name: _____

Employer Address: _____

Employer Phone: _____ Job Position: _____

Wages BEFORE Taxes and Withholding:

\$ _____ (hourly) -or- \$ _____ (weekly) -or- \$ _____ (other – specify: _____)

Additional Income from other sources (such as Social Security, Alimony, Child Support, Unemployment, Disability, Workers' Compensation, etc.):

Source: _____ Income per month: \$ _____

Source: _____ Income per month: \$ _____

Note: If any other adult household members have income, or if a household member has more sources of income than there is space for above, please attach a separate sheet of paper with their income information as described above

Household Asset Information: *Assets to be included include: cash, savings and checking accounts, stocks, bonds and other forms of capital investment, real estate and retirement accounts. Do not include the value of personal property such as furniture and automobiles.*

Name on Account: _____

Bank Name and Address: _____

Savings Account Number: _____ Balance: \$ _____

Checking Account Number: _____ Balance: \$ _____

Other (e.g. Certificate of Deposit) Account Number: _____ Balance: \$ _____

Name on Account: _____

Bank Name and Address: _____

Savings Account Number: _____ Balance: \$ _____

Checking Account Number: _____ Balance: \$ _____

Other (e.g. Certificate of Deposit) Account Number: _____ Balance: \$ _____

Name on Account: _____

Bank Name and Address: _____

Savings Account Number: _____ Balance: \$ _____

Checking Account Number: _____ Balance: \$ _____

Other (e.g. Certificate of Deposit) Account Number: _____ Balance: \$ _____

Cash: _____

Stocks/Bonds - Description: _____ Value: \$ _____

Real Estate - Description: _____ Value: \$ _____

Retirement Account - Description: _____ Value: \$ _____

Total Household Assets: \$ _____

Note: If any other household members have assets from additional sources, please attach a separate sheet of paper for each with their asset information as described above.

Affirmative Marketing

Affirmative Marketing:

Please complete the following section to assist us in fulfilling affirmative marketing requirements. The following section is optional.

Household Race:

- Caucasian
- African American/Black
- Asian/Pacific Islander/Native Hawaiian
- Native American / Alaskan Native

Ethnic Classification:

- Hispanic/Latino

General Authorization for Release of Information

Name: _____

Address: _____

Address: _____

Social Security Number: _____

Date of Birth: _____

Name: _____

Address: _____

Address: _____

Social Security Number: _____

Date of Birth: _____

I/we, the above named individual(s), authorize the Marketing/Lottery Agent to verify the accuracy of the information which I/we have provided or to secure information from the following sources:

Employer	Banks and Credit Bureaus
Social Security	Retirement & Pensions Systems
Department of Public Welfare	Department of Employment Security
Veteran's Administration	Payer of Child Support
Trust Administrators	Insurance Companies
Criminal History Systems Board	
Other: _____	

I/we hereby give permission to release this information to authorize the Marketing/Lottery Agent subject to the condition that it be kept confidential. I/we would appreciate your prompt attention in supplying the information requested on the attached page within five (5) days of receipt of this request. I/we understand that a photocopy of this authorization is as valid as the original. This authorization is valid for a period of one year from the date noted below. Thank you for your assistance and cooperation in this matter.

Applicant Signature

Date

Applicant Signature

Date

Verification of Employment

☞ Take this page out of the application, fill out Part I & Part II, have your employer fill out Part III, and then re-insert into the application. If you have more than one employer, or have more than one household member with an employer or employers, please make multiple copies. We need a Verification of Employment form for each and every job held by a household member.

PART I. APPLICANT INFORMATION (To be completed by Applicant)

Applicant: _____ Phone Number: _____

Signature: _____

PART II. EMPLOYER INFORMATION (To be completed by Applicant)

Name of Employer: _____ Phone Number: _____

Address of Employer: _____

PART III. EMPLOYMENT INFORMATION (To be completed by Employer)

1. Date of Employment _____ Position/Occupation _____
2. Date of Termination (if applicable) _____
3. Current Rate of Regular Pay \$ _____ per hour, week, month or year (circle one)
4. Current Rate of Overtime Pay \$ _____ per hour, week, month or year (circle one)
5. Gross income for the last 8 weeks \$ _____.
6. Do you anticipate any change in the employee rate of pay in the near future? Yes _____ No _____
If yes: Revised Rate \$ _____ Effective Date: _____
7. Number of hours employee typically works per week: _____ Weeks per year: _____
8. Do you anticipate any change in the number of hours the employee works?
Yes _____ No _____ If yes, please explain _____
9. Anticipated average amount of overtime per week _____
10. Gross annual earnings you anticipate for this employee for the next 12 months \$ _____
11. Does the employee receive tips, bonuses, overtime, commissions? Yes _____ No _____
Please indicate annual: Tips \$ _____ Bonuses \$ _____ Overtime \$ _____ Commissions \$ _____
12. If the employee's work is seasonal or sporadic, indicate lay-off periods _____
13. Additional Comments: _____

Completed By (signature): _____ Date: _____

Name and Title: _____

Verification of Assets

Program regulations require verification of all assets on deposit for all members of the household applying for participation in the community housing program. We ask for your cooperation in supplying this information. This information will be used only to determine the eligibility status and/or level of benefit of the applicant household. Your prompt return of the requested information is appreciated. Please either use the grid below or you may attach a letter on company letterhead detailing the information.

PART I. APPLICANT INFORMATION (To be completed by Applicant)

Applicant: _____

Applicant Address: _____

Phone: _____ SSN: _____

RELEASE: I hereby authorize the release of the requested information

Signature: _____

PART II. ASSET INFORMATION (To be completed by Bank or other holder of Deposits)

	Account number	Current Balance	Average Monthly Balance for Last 6 Months	Current Interest Rate	Withdrawal Penalty and/or Limitations on Withdrawal
Checking/Savings					
Checking/Savings					
Money Market					
Certificates of Deposit					
Retirement (IRA, Keogh, 401(k), etc)					

Signature of Authorized Representative _____

Title: _____

Date: _____

Telephone: _____