
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 \$175,000 in subsidy towards purchasing a Wellfleet home, lowering the price to you and making the home affordable. With this subsidy, a 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.

WHA has been running a BuyDown Program since 2010 and has successfully assisted six moderate-income families purchase affordable homes. Through the last round and this one, Wellfleet is targeting the Program to buyers earning at or below 80% of Area Median Income and is planning to have these units qualify for inclusion in the Subsidized Housing Inventory as Local Action Units. Funding for this current round includes \$175,000 to support one new purchase.

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

2020 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	54,150	61,850	69,600	77,300	83,500	89,700

*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 \$175,000 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 2020				
Home Size	1 bedroom	2 bedroom	3 bedroom	4 bedroom
Maximum Sale Price (includes maximum per unit subsidy of \$175,000)	\$376,000	\$399,600	\$464,200	\$487,500
Maximum Affordable Purchase Price/Net price to you after the max. subsidy is applied	\$201,000	\$224,600	\$289,200	\$312,500

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 up to \$175,000. You will pay at or below the maximum purchase price (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. Due to the pandemic, no physical locations for application pick-up are available. The application can be found online at www.wellfleet-ma.gov/housing-authority or call (508) 419-4490 to have an application mailed to you.

Questions during the application period should be addressed to Pelinda Deegan at 508-419-4490 or pelinda@capecdp.org.

Mortgage: As part of your application, you are required to submit a “pre-approval” letter from a lending institution for a sale price below the allowed maximums. 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). The state has various mortgage programs to help first-time homebuyers such as the ONE Mortgage Program and MassHousing offerings. For more information on these programs go to: www.mhp.net/one-mortgage www.masshousing.com/portal/server.pt/community/.../loans_for_home_buyers.

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 online. Please see www.capecdp.org or call 508-240-7873. The 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 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 the Program may seek legal approval of the sale as well.

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 for these costs. 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, will be signed and subsequently recorded. 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 will be done post-closing. An escrow account with funds will be established.