



St. Marks Road Lottery Information
Falmouth, MA

3-Bedroom, 2-Bath Single Family Homes \$185,000

Information Session

Wednesday, March 25, 2015, 6:30-7:30 PM

Falmouth Historical Society, 55-65 Palmer Ave., Falmouth

(Parking in rear off Katherine Lee Bates Road)

Lottery Deadline

5:00 PM, Tuesday, May 5, 2015

St. Marks Road is a development of 3 new 3-bedroom, 2-bath houses that are being developed by the Falmouth Housing Trust. Two of the homes will be Cape style houses and one of the homes will be a ranch style house. The anticipated completion of the houses is June of 2015.

Here are the steps that you should take starting today!

1. Contact one of the lenders on the list provided in the application packet to obtain a pre-approval. It will take a lender about one week to be able to determine if you can obtain a mortgage for this property.
2. Collect all the documentation that is required to be submitted with your application. Many of the documents are ones that the lender will also need.
3. Complete the application, answering all the questions and filling in the asset, liabilities and annual income charts.
4. Read carefully and sign the last page.
5. Submit the complete package: application, documentation and pre-approval letter from the lender for a mortgage in compliance with LIP guidelines ASAP. The absolute deadline is May 5, 2015. Applications received after the deadline will NOT be included in the lottery

Information to give to the Lender for pre-approval:

- ✓ The purchase price of the unit. **\$185,000**
- ✓ Falmouth property tax rate **\$8.19/\$1000**
- ✓ Affordable Housing Deed Restriction – **provided by HAC upon request.**

Don't Forget!

- Please return application to Housing Assistance Corporation. Deadline is 5 PM, Tuesday, May 5, 2015.
- Complete application and return **all** attachments that apply to your household.
- Please send only **copies** of all documentation required, as we **cannot** copy your originals and return them to you.
- **Obtain a pre-approval letter** from a lender that is in accordance with the guidelines stated in this packet.
- Applications that do NOT have a pre-approval letter are NOT complete and will NOT be reviewed for eligibility..
- Please note: Buyers are responsible for pre-payment of homeowners' insurance prior to purchasing their home.

Please call 508.771.5400, ext. 282 or e-mail cce@haconcapecod.org for questions.

460 West Main St. Hyannis, MA 02601 hac@haconcapecod.org 508-771-5400 fax: 508-778-7514

AFFORDABLE HOUSING LOTTERY

Q & A's

ELIGIBILITY

Who is eligible to participate in an affordable housing lottery?

A first-time homebuyer, as defined below, who is income and asset eligible and can be pre-approved for a mortgage that complies with **Affordable Housing Program Standards for New Mortgage Loans** (see "Application Process") is eligible to apply for an affordable housing lottery. Individuals who have a financial interest in this development and their families are not eligible to be in this lottery.

Do I qualify as a first-time homebuyer?

Applicants are considered first time homebuyer(s) if they:

- Have not had ownership interest in a residential property in the last 3 years.
- Are displaced homemakers-an adult who has not worked full-time for a number of years but has worked to care for home and family without pay and owned a home or resided in a home with his or her partner.
- Are single parents, unmarried or legally separated from spouse with sole or joint custody of one or more children or is pregnant who has owned or resided in a home with his/her partner.
- Have owned or currently own a principal residence not permanently affixed to a permanent foundation.
- Owned 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
- Have at least one household member who is age 55 or older.

What is the Area Median Income and does it change depending on my family size?

The Area Median Income (AMI) is established for Barnstable County by the Department of Housing and Urban Development. In order to be income eligible, your anticipated annual gross income for all adult household members (current or anticipated) for the 12-month period following application must be at or below 80% of the AMI for Barnstable County as shown in chart below.

Household size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
Maximum Household Income	\$44,750	\$51,150	\$57,550	\$63,900	\$69,050	\$74,150

What is Annual Household Gross Income?

Annual gross income means all amounts, monetary or not, which go to or on behalf of all current or anticipated adult household members for the 12-month period following application.

What is the asset limit?

The asset limit is \$75,000 per household. Household assets divested within the past 2 years will be counted at their value prior to divestment.

What is a household asset?

- 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 accounts.
- Cash value of life insurance policies available to the applicant before death.
- Personal property held as an investment: Gems, jewelry, coin collections, or antique cars, etc. Personal jewelry in 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.
- IRA, 401(k), 403B. *
- Retirement and pension funds. (if employed) *

*These will include only amounts the applicant can withdraw without retiring or terminating employment, minus any penalties or transaction fees. (You will be responsible to determine and verify how much of these funds are available to you as cash.)

Household assets **DO NOT** include:

- Personal property. (i.e. 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. policies with 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.

APPLICATION PROCESS

How do I apply for a lottery?

You will need to submit a completed application along with the supporting documentation and a pre-approval letter for a mortgage from a lender on their letterhead before the deadline date.

What if I am having difficulty completing the application due to language proficiency or a disability?

HAC will provide reasonable accommodation and/or language assistance if need when completing this application.

Este documento é importante, por favor, tê-lo traduzido

Este documento es importante, por favor, haz que se tradujo

Persons with disabilities may ask for this application in large print type or other alternate formats.

Persons with disabilities may ask for 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.

What documentation do I need to submit with my application?

Documentation of your income, assets and local preference and a pre-approval letter is required. See the attached list for a complete list of acceptable documentation.

Why should I declare that I am a minority?

Barnstable County's minority population is 8.6% of the general population. Regulations require that 8.6% of the local preference candidates should be minority candidates. If we do not receive 8.6% of local minority applicants, we will hold a pre-lottery of the minority non-local preference candidates to add to the local pool until we reach 8.6%. If we do not receive sufficient number of minority candidates, the lottery proceeds with whatever number exists.

How does my household size affect my position in the lottery?

Households that maximize the number of bedrooms have preference; i.e. a household requiring three bedrooms would have preference over a smaller household for a three bedroom home.

The following criteria are considered to determine if a household maximizes a unit:

- There is at least one occupant per bedroom.
- A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom.
- HAC has the authority to increase the number of bedrooms required by a household if there is a medical necessity for a household member to have a separate bedroom.

What are the LIP Program Standards for New Mortgage Loans?

- Fixed interest rate through the full term of the mortgage
- The loan must be from a lending institution. Loans from private parties are not allowed.
- Interest rate that is no more than 2 percentage points above the current MassHousing Rate. This rate can be found at www.masshousing.com or call 617-854-1000.
- No more than 2 points
- Buyer must provide a down payment of at least 3%, half of which must come from the buyer's own funds.
- Buyer may not pay more than 38% of their monthly gross income for principal, interest, property taxes, hazard insurance, private mortgage insurance and homeowner association fees.

What is a pre-approval letter?

Lenders will issue a pre-approval letter after they have reviewed your credit score, credit report, income and expenses. The pre-approval must be on the lender's letterhead showing the dollar amount and include an authorized signature.

How do I get a pre-approval letter?

We have included a list of local lenders that are familiar with affordable housing guidelines and have special financing available for first-time homebuyers. Contact one of these lenders to tell them you are applying for a lottery and need a pre-approval letter. You should also ask how long the process will take to ensure the letter will be available prior to the application deadline. HAC will give you the following information that the loan originator will need to consider for a pre-approval:

- The purchase price of the home,
- That the home will carry a deed restriction
- The real estate tax rate
- If condo ownership, the condo fees.

LOTTERY PROCESS

What happens after I submit the complete Application Packet?

A complete Application Packet includes the application form, required documentation and a pre-approval letter. HAC reviews this information to determine eligibility to participate in the lottery. If eligible, applicants will receive a lottery number through the mail prior to the date of the lottery. The number of applications received by HAC determines how long this process takes.

What is an Alternate?

All lottery numbers that belong in each pool will be drawn and they will be recorded in the order drawn. Numbers chosen after the winning numbers have been drawn will be placed on an "Alternate" list. Applicants on this list are notified in the event a potential buyer is unable to complete the purchase.

What happens after the lottery?

All winners' files will be sent to the monitoring agent for final eligibility. After that, winning applicants have **three** weeks to obtain a mortgage loan commitment from a lender and will be counseled by HAC through the closing process.

SUMMARY OF AFFORDABLE HOUSING DEED RESTRICTION

An affordable housing deed restriction is a legal document recorded at the Registry of Deeds that specifies the resale, refinance and leasing provisions for the referenced property. The buyer of an affordable lottery unit, selected by lottery, must agree to execute a deed restriction, which will be recorded at the Barnstable Registry of Deeds at the time of purchase. This affordable unit will be sold at a substantial discount price with a Deed Restriction attached. The Deed Restriction ensures that the unit remains affordable for future purchasers of the property. **It is strongly recommended that purchasers of an affordable, deed restricted unit review the deed restriction with their attorney and lender.** Below is a general description of the deed restriction:

Principal Residence: The property must be the owner's principal residence.

Notice Requirement: If an owner wants to sell their affordable unit, they are required to notify the Town and the Monitoring Agent.

Maximum Resale Price: There is a limit on the resale price of the unit so that the unit will always be affordable. The formula for calculating the maximum resale price will be established at the time of purchase and will be based on the Area Median Income at the time of resale.

Leasing and Refinancing: Affordable units cannot be leased or refinanced without prior written consent of the Town, the Monitoring Agent and DHCD.

A copy of the affordable housing deed restriction for a particular project is available for review at Housing Assistance, 460 West Main Street, Hyannis, MA.

Don't Forget!

- Please return application to Housing Assistance Corporation by **5 PM, Tuesday, May 5, 2015.**
- Complete application and return **all** documents that apply to your household.
- Please send only **copies** of all documentation required, as we **cannot** copy your originals and return them to you.
- **Obtain a pre-approval letter** from a lender that is in accordance with the guidelines stated in this packet.
- Applications that do NOT have a pre-approval letter are NOT complete and will NOT be part of the lottery.
- Please note: Lottery winners are responsible for pre-payment of homeowners' insurance prior to purchasing their home.

Please call 508.771.5400, ext. 282 or 284 or e-mail ccre@haconcapecod.org for questions.

Lenders Familiar with Deed Riders and First Time Homebuyer Mortgages

Lender

Ask About

Cooperative Bank of Cape Cod Mark Chasson 508-568-3443 mchasson@mycapecodbank.com Patty O'Brien Theroux 508-568-3444 ptheroux@mycapecodbank.com	Mass Housing Loans Cape Cod Coop's First-Time Homebuyer Loan
Cape Cod Five Cents Savings Bank Darin Weeks 508-477-0159 dweeks@capecodfive.com Patti Lotane 508-247-2138 plotane@capecodfive.com Sam McCaffrey 508-247-2273 smccaffrey@capecodfive.com	Mass Housing Loans Cape Cod Five's First Time Homebuyer Loans
Citizen's Mortgage Company Lisa Oakley 774-313-0437 lisa.oakley@citizensbank.com Barbara Kakley 774-269-9951 barbara.kakley@citizensbank.com	MHP One Loan Program Mass Housing Loans
Eastern Bank Tabitha Baker 508-923-2824 t.baker@easternbank.com	MHP One Loan Program Mass Housing Loans Municipal Mortgage Program
Santander Bill Carey 774-994-1078 wcarey2@santander.us Claudette Vickery 508-264-4805 cvickery@santander.us	MHP One Loan Program Mass Housing Loans
Residential Mortgage Services Cliff Carroll 508-771-2000 clifford.carroll@RMSmortgage.com	Mass Housing Loans
USDA Rural Development Tom McGarr 508-295-5151 Tom.McGarr@ma.usda.gov	USDA Direct Loans

THE FOLLOWING DOCUMENTATION IS NEEDED FOR YOUR APPLICATION

Please remember that **ALL HOUSEHOLD** income must be counted, even if only one person is obtaining the mortgage.

1. _____ **Pre-approval letter** from a bank in accordance with LIP Guidelines.
2. _____ **Five most recent, consecutive pay stub copies** for all working members of the household, 18 years and older.
3. _____ **Verification of child support** (Copy of child support order, divorce decree, etc.)
4. _____ **Verification of any other household income** e.g.: Social Security, SSI, VA benefits, unemployment benefits, and/or public assistance. We need official statement of monthly amount received for the current year. **(Copies only)**
5. _____ **Savings account statements**-Submit the 3 most recent bank statement **copies**
6. _____ **Checking account Statements**- Submit the 3 most recent bank statement **copies**
7. _____ **Verification of Down Payment and Closing Cost funds** – 1.5% of the purchase price has to be from your own savings, checking or other verified assets. Most loans require at least 3% down payment and you will be responsible for paying homeowners insurance and closing costs.
8. _____ **Documentation to prove your local preference for lottery winners**: e.g. utility bills, drivers licenses, tax bills, rental agreements etc. etc. **(Copies only)**
9. _____ **Federal Tax Returns (1040)**-**Copies** of signed tax returns for the past three (3) years. You will have to provide **all three** years. We will also need W-2's and 1099-R Forms for the most current full year. If you have not filed a tax return for any of the years requested, please call **800-829-1040** and ask for a print out that there is no tax return for that (those) year(s).
10. _____ **Verification of cash value of all assets** (assets are generally non- cash items that can be converted to cash, such as stocks, Certificates of Deposit, IRA's retirement funds). This does not include car or furniture. **(Copies only)** Detailed list supplied upon request.

SELF EMPLOYMENT

People who are self-employed will need to submit ALL of the above documentation plus the following:

1. _____ **Copies of SCHEDULE C** for the past two (2) years.
2. _____ A **NOTARIZED STATEMENT** reflecting your earnings and expenses, to date for the current year. The name of the business must be on the Profit & Loss Statement. It must show quarterly or yearly profit and loss, include all income and expenses and must be for at least three consecutive months.





ST. MARKS ROAD LOTTERY APPLICATION

Application Deadline: 5 PM, Tuesday, May 5, 2015

Information Meeting: Wednesday, March 25, 2015, 6:30-7:30PM

Location: Falmouth Historical Society, 55-65 Palmer Road, Falmouth

Style: 3 BEDROOM HOUSE

Price: \$185,000

Personal Information

Applicant Name: _____ Co-Applicant Name: _____

Address: _____ Address: _____

Town: _____ State: _____ Zip Code: _____ Town: _____ State: _____ Zip Code: _____

Home Telephone Number: _____ Home Telephone Number: _____

Cell Phone Number: _____ Cell Phone Number: _____

E-Mail:* _____ E-Mail:* _____

Employer: _____ Employer: _____

Occupation: _____ Occupation: _____

Yrs. In current job: _____ Yrs in occupation: _____ Yrs. In current job: _____ Yrs in occupation: _____

*Housing Assistance Corporation wants to provide you with information regarding our upcoming events and programs through your e-mail. If you prefer to not get these e-mails, please check this box. ☐

HOUSEHOLD COMPOSITION (List the head of household and all members who will be living in the home you purchase. Give relationship of each member to the head of household.)

Full Name: *List Head of Household first	Relationship to Head of Household	Age	Full time Student over 18
	HEAD		

Have you recently (in the past 3 months) seen your credit report? _____

In your estimation how would you rate your credit history?

Poor _____ Fair _____ Good _____ Excellent _____ Don't Know _____

What do you currently pay for rent? _____

Does any member of your household currently or within the past three years own/owned any residential property? _____

If yes, please give details: _____

Is any member of the household 55 or over? _____ Anticipated net proceeds from sale of home: _____

Homebuyer education:

I have attended a Home Buyer Education Workshop series. Yes _____ No _____

If yes, location _____ Date _____

Do you have down payment money available? YES ☐ Amount: \$ _____ NO ☐
(Remember, you need to have at least 1.5% of the purchase price of your OWN money for down payment.)

ASSETS

<u>Type</u>	Cash Value	Annual Income from assets	Bank Name
Checking Accounts			
Savings Accounts			
Retirement Plans			
Real Estate Owned			
Stocks			
Other (i.e. rental property, lump sum payment)			

LIABILITIES (Car loan, Credit Cards, Student loans, etc.)

<u>Type</u>	Creditor's Name	Monthly Payment	Unpaid Balance	Due Date

ANNUAL INCOME

<u>Source</u>	Applicant	Co-Applicant	Other Household Members 18 & over	Total
Salary				
Overtime Pay				
Commissions				
Fees				
Tips				
Bonuses				
Interest Dividends				
Net Income From Business				
Net Rental Income				
Social Security, Pensions, Retirement Funds, Etc. Received periodically				
Unemployment Benefits				
Workers Compensation				
Alimony, Child Support				
TAFDC				
Part Time Work				
Other				
Total for each household member:				

TOTAL HOUSEHOLD INCOME	\$ _____
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NOTE: If a member of the household over the age of 18 is **NOT** working, he/she must provide, as part of the required verification, a signed notarized statement describing the current situation.

Minority Status: (Optional)

Ethnicity: **Hispanic:** _____

Non Hispanic: _____

Race: (Optional)

- ☐ Native American /Alaskan Native ☐ Asian ☐ Black or African American
☐ Native Hawaiian or Other Pacific Islander ☐ Other (non-White) ☐ White

BOX 1

Area Median Income (AMI)

Affordable = 80% or less of AMI.

Household size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
80% of AMI	\$44,750	\$51,150	\$57,550	\$63,900	\$69,050	\$74,150

BOX 1

My household size is _____ and the household income is at or below \$_____.

BOX 2

Local Preference

Definition: You and/or the co-applicant live in the Town of Falmouth, work in the Town of Falmouth, or have a child who attends school in the Town of Falmouth. You are required to document your local preference.

BOX 2

I live in the Town of Falmouth ☐

I work in the Town of Falmouth ☐

My child attends school in the Town of Falmouth ☐

I DO NOT have a local preference ☐

The attached pre-approval letter is for a mortgage of \$_____ and I/we have \$_____ for a down payment. The combination of these 2 amounts is \$_____ which is equal to or greater than the purchase price of \$185,000.

Summary of Deed Restriction & Statement of Understanding

An affordable housing deed restriction is a legal document recorded at the Registry of Deeds that specifies the resale, refinance and leasing provisions for the referenced property. The buyer of a St. Marks Road affordable unit, selected by lottery, must agree to execute a deed restriction, which will be recorded at the Barnstable County Registry of Deeds at the time of purchase. This affordable unit will be sold at a substantial discount price with a Deed Restriction attached. The Deed Restriction ensures that the unit remains affordable for future purchasers of the property. **It is strongly recommended that purchasers of an affordable, deed restricted unit review the deed restriction with their attorney and lender.** Below is a general description of the deed rider:

Principal Residence: The property must be the owner's principal residence.

Notice Requirement: If an owner wants to sell their affordable unit, they are required to notify the Massachusetts Department of Housing and Community Development (DHCD) and the Town of Falmouth. The Town of Falmouth may exercise its Right of First Refusal and locate an eligible purchaser for the property or purchase the home.

Maximum Resale Price: There is a limit on the resale price of the unit so that the unit will always be affordable. The formula for calculating the maximum resale price will be established at the time of purchase and will be based on the Area Median Income at the time of resale.

Resales: Lottery homes are required to be resold in accordance with the Affordable Fair Housing Marketing Plan to an eligible buyer. This buyer can be found on a "ready buyer" list that is maintained, analyzed, and updated through periodic marketing with reasonable public advertising by Housing Assistance Corporation and properties are also listed with Citizen's Housing And Planning Association and Massachusetts Affordable Housing Alliance.

Leasing and Refinancing: Affordable units cannot be leased or refinanced without prior written consent of the Town of Falmouth and DHCD. Affordable units may not be refinanced for more than 97% of their Maximum Resale Price.

A copy of the Deed Restriction for this project is available for review at Housing Assistance, 460 West Main Street, Hyannis, MA To request a copy by mail, please call 508-771-5400 ext. 282. The LIP Deed Restriction can be viewed at www.mass.gov/Ehed?docs/dhcd/hd/lip/lipdeedrider.pdf

Statement of Understanding

I/We have read the Summary of the Deed Restriction for the St. Marks Road lottery.

I/We understand that, if selected by lottery to purchase a St. Marks Road affordable unit, a full copy of the Deed Restriction will be provided to me, and that if my household is certified as income eligible and is able to obtain an approved mortgage, that I/We will be required to execute the Deed Restriction at the time of purchase and it will be recorded along with the deed at the Barnstable County Registry of Deeds.

Applicant Signature

Date

Co-Applicant Signature

Date

This page must be signed!

Thank you

Certification, Disclosure, Understandings & Authorization

Certification: I/We certify that the information provided in this application is true and correct as of the date set forth opposite my/our signature(s) on this application and acknowledge my/our understanding that any intentional or neglectful misrepresentation(s) of information contained in this application may result in civil liability, and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., and liability for monetary damages to the lender, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon misrepresentation which I/we have made on this application.

Use of Information Disclosure: The information collected will be used to determine whether you are eligible to participate in various programs which may include the Resale Purchase and/or lotteries. This information may be disclosed as required and permitted by law outside the Housing Assistance Corporation without additional consent including to your employer for verification of income and employment, to financial institutions for verification of information and to the lottery monitoring agent (if applicable).

Household Eligibility: Individuals who have a financial interest in the development and their families shall not be eligible for this lottery. We certify that we have no financial interest in St. Marks Road.

Understanding of Selection: I/We understand that I/we are selected in the lottery, it does not guarantee that I/we will be able to purchase a home and that all expenses including closing costs and down payment are my/our responsibility.

I/We also understand that it is my/our obligation to secure a fixed mortgage for the term of the loan and for not more than 97% of the purchase price of the home.

I/We understand that we will need to have at least 1.5% of the purchase price of our own funds to be eligible for the lottery.

I/We understand that even though I/we think that I/we have submitted all the necessary documentation and/or verifications, I/we are not guaranteed to be in the lottery if HAC finds that any documentation and/or verification is missing.

I/We have read the application and all the attached information and understand the lottery process.

Authorization: I/We consent to the disclosure of such information for the purpose of income, asset and any other verification related to my/our application.

Applicant's Signature

Date

Co-Applicant's Signature

Date

**Send completed application, copies of required documentation, verifications
AND
mortgage pre-approval letter to:**

**Housing Assistance Corporation
St. Marks Road Lottery
460 West Main Street
Hyannis, MA 02601**