



AFFORDABLE HOUSING LOTTERY
For 1047 South Street

Information Package
And Application Form

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Introduction

MARKETING AND OUTREACH AFFORDABLE HOMEOWNERSHIP PROJECT PLAN

General Information 1047 South Street Single Family Home

Soldier On, Inc. together with Tewksbury Home Build, Inc., and the Town of Tewksbury are working together to provide this affordable housing opportunity for Veterans.

1047 South Street is a new construction three-bedroom, one-bathroom single family home that has approximately 1300 square feet of living space and sits on a 0.78 acre site. Tewksbury Home Build, Inc. (formerly Tewksbury Habitat Build, Inc.) (referred to herein as “THB”) purchased the property from the Town of Tewksbury through a public RFP process in 2016 as part of a 2.78-acre lot that was subdivided into three lots. The Project is part of a three-home development plan voted on at the Tewksbury Annual Town Meeting on May 4, 2016 and then amended at a Special Town Meeting held on October 4, 2016 to specifically authorize the development of no more than three homes for the purpose of Affordable Housing. Two of the three homes (1057 South Street and 1067 South Street) were built and sold through a partnership with Habitat of Lowell. The unit at 1047 South Street occupies Lot 3. The price of the affordable home shall be \$ 270,000.

The affordable unit will have a “Deed Rider” that restricts the amount that the unit can be resold for and requires that the subsequent buyer have a household income at or below 80% of the area median income, at the time of the resale. The deed rider ensures that the unit stays affordable in perpetuity.

The developer, with the help of the Tewksbury Housing Authority will be sponsoring an application process and lottery to rank the eligible applicants for the program. The application and lottery process as well as the eligibility requirements are described in this plan.

MARKETING AND OUTREACH PLAN

1047 South Street

Marketing and outreach will be done for a 60 day period beginning August 26, 2021 and ending October 27, 2021. Application availability and a public information workshop will be announced in the following papers: The Tewksbury Advocate, The Lowell Sun, and El Mundo. The newspaper ads will be published at least twice within the 60-day marketing period. Additionally, applications for this lottery will be advertised on the Town of Tewksbury’s website along with websites for CHAPA, DHCD, MAHA and other housing agencies.

An **information session** will be held on September 15, 2021, to answer questions about the eligibility requirements, preferences for selections, and the lottery process at the Tewksbury Public Library, at 6:30 p.m. Attendance is not mandatory, but highly recommended.

The application deadline is October 27, 2021, at 3p.m. Applicants are encouraged to submit application early in case additional information is needed to complete the application. Applicants will be notified in writing whether they were deemed eligible. All eligible applicants will be assigned a number and placed in the appropriate lottery.

You must complete an application form available from the Tewksbury Housing Authority, Saunders Circle, Tewksbury, MA 01876 or you may pick one up at the following locations:

Tewksbury Public Library 300 Chandler Street Tewksbury, MA 01876	Tewksbury Town Hall 1009 Main Street Tewksbury, MA 01876	Tewksbury Veteran's Services Senior Center 175 Chandler Street Tewksbury, MA 01876
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Online sources for the application can be found at:

<https://wesoldieron.org/permanenthousingdevelopments/> or <https://bit.ly/2USISTq>

<https://www.tewksbury-ma.gov/housing-authority/pages/affordable-housing>

<https://www.tewksbury-ma.gov/veterans-services>

<https://www.tewksburyhomebuild.org/>

In addition, notice of availability of units will be sent to the following organizations as to where to pick up an application:

CHAPA Website (www.chapa.org)

MAHA website (www.mahahome.org)

To request an application and information, please contact mmaniscalco@tewksburyhousing.com

You must return the completed application, with mortgage pre-approval and supporting documentation, postmarked by October 27, 2021.

Send Completed Applications To:

**Tewksbury Housing Authority
Attention: 1047 South Street Single Family Lottery
Saunders Circle,
Tewksbury, MA 01876**

Eligibility Criteria:
What Makes Prospective Buyers Eligible?

Prospective buyers must:

1. Be a first-time home buyer:

To be a first-time home buyer, applicant households must not have had an ownership interest in a residential property for the preceding three years. Exceptions may be made for:

- a. 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;
- b. 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);
- c. households where at least one household member is 55 or over;
- d. households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
- e. 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.

2. Be Income and Asset Eligible:

To be eligible to purchase an affordable home the annual income and assets must be below the maximum levels described below. There is no minimum income, although the applicant's income must be able to support a mortgage that is sufficient to purchase the affordable home.

- a. **Maximum Income:** To be eligible the combined income annual income from all income sources of all income earning members in the household must be at or below eighty (80%) percent of the area median income for a household of their size, as follows:

Household size	Income Limit
3	\$71,950
4	\$79,900
5	\$86,300
6	\$92,700

Individuals w/ financial interest in development, or family, are not eligible

Definition of Annual Income:

Annual gross income means all amounts, monetary or not, which go to, or on behalf of, the family head or spouse or to any other family member received from a source outside the family during the 12-month period following the application.

Annual income includes, but is not limited to:

- a. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- b. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- c. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family;
- d. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount;
- e. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
- f. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;
- g. All regular pay, special pay and allowances of a member of the Armed Forces;
- h. Income derived from assets to which any member of the family has access.

Annual income *does not* include the following:

- a. Income from employment of children (including foster children) under the age of 18 years;

- b. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- c. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- d. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- e. Income of a live-in aide, as defined in Sec. 5.403;
- f. The full amount of student financial assistance paid directly to the student or to the educational institution;
- g. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- h. Temporary, nonrecurring or sporadic income (including gifts);
- i. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;
- k. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
- l. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply.

b. Maximum Assets:

For households (including displaced homemakers), the total gross household asset limitation is **\$75,000**.

Household Assets include the following:

- a. **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.
- b. **Revocable trusts.** Include the cash value of any revocable trust available to the applicant.

c. Equity in rental property or other capital investments. Include 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.).

d. 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 a lottery application.

e. Individual retirement, 401K, and Keogh accounts. These are included 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.)

f. Retirement and pension funds. While the person is employed, include only amounts the applicant can withdraw without retiring or terminating employment. Count the whole amount less any penalties or transaction costs. 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 family 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 section 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.

g. 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.

h. Personal property held as an investment. Include gems, jewelry, coin collections, or antique cars held as an investment. Personal jewelry is NOT considered an asset.

i. **Lump-sum receipts or one-time receipts.** These include 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.

j. **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. Since this amount will continually be reduced by the principal portion paid during the previous year, the owner will have to determine this amount at each annual recertification.

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 at each certification and recertification. Owners must count assets disposed of for less than fair market value during the two years preceding certification or recertification. The amount counted as an asset is the difference between the cash value and the amount actually received.

Household assets DO NOT include the following:

- a. **Personal property** (clothing, furniture, cars, wedding ring, other jewelry that is not held as an investment, vehicles specially equipped for persons with disabilities).
- b. **Interests in Indian trust land.**
- c. **Term life insurance policies** (i.e., where there is no cash value).
- d. **Equity in the cooperative unit in which the applicant lives.**
- e. **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.

- f. **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.
- g. **Assets that are not accessible to the applicant and provide no income to the applicant.** Non-revocable trusts are not covered under this paragraph.

4. Qualify for a Mortgage that Meets The Following Standards:

- a. The loan must have a 30 year fixed interest rate through the full term of the mortgage.
- b. 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
- c. The buyer must provide a down payment of at least 3%, 50% of this or 1.5% of the down payment must come from the buyer's own funds.
- d. The loan can have no more than 2 points.
- e. The sales price of the unit is set by DHCD to be affordable to an income-eligible household paying no more than 38% of their monthly income for housing costs.

Household income should be sufficient enough to support at least 50% of the price of the home. Households cannot pay more than 50% of the purchase price in cash. Non-household members are not permitted to be co-signers on the mortgage.

**** FHA and VA loans are NOT accepted, (They do not accept the required Deed Restriction****

5. Meet Final Qualifications

Once the lottery has been completed, applicants selected to purchase the unit shall be given thirty (30) days in which they must secure financing. Before a Purchase and Sale Agreement is signed, Tewksbury Housing Authority shall review and verify all income and asset documentation of the applicant. Income verification should include tax returns and W-2s from the past three years, five most recent pay stubs, three months recent bank statements and 401 K reports, reliable documentation as to other sources of income and assets. The Tewksbury Housing Authority will then verify that the household's annual income does not exceed 80% of the area median income, or such lower income limit as may have been established for the particular project. The Tewksbury Housing Authority will also verify that household assets do not exceed the maximum allowed. Closing of the sale will also be contingent on DHCD's approval of the buyer's financing.

You may work with ANY LENDER that can provide a mortgage meeting program standards. Some local lenders familiar with this process are:

Heath Lefort
Berkshire Bank
401-641-0344

Alan Johnson
People's United Bank
(978)380-0011
AlanDean.Johnson@peoples.com

Michael Diranian,
Eastern Bank 781-248-4428

Joann Ellington,
Eastern Bank 617-448-2998

Donna Koulas
Northern Bank
978-689-5267

Marisa Veiga
Enterprise Bank
978-656-5638
Marisa.veiga@ebtc.com

John Dixon
Salem Five
978-335-0121
John.dixon@salemfive.com

Kristina Vangos
Lowell Five
978-452-1300

Iraisa Rosario
Santander Bank
978-482-7006

*** Ask your lender about the Mass Housing Partnership (MHP) One Mortgage**



The Lottery Process and Preferences **1047 South Street**

The lottery will be held at 6:30pm on November 2, 2021, at the Tewksbury Public Library in Tewksbury, MA.

Lottery Process:

Once all required information has been received, qualified applicants shall be assigned a registration number. Only applicants who meet the eligibility requirements shall be entered into the lottery. Ballots with the registration number for applicant households are placed in the lottery pool. The ballots are randomly drawn and listed in the order drawn. This process continues until the available unit has been assigned to appropriately sized applicant household.

Applicants do not need to attend the lottery to purchase an affordable home. All applicants will be notified in writing of the outcome of the lottery. The Tewksbury Housing Authority (THA), the monitoring agent, will review the applications for final eligibility approval. Lottery winners will be notified following final eligibility approval regarding the Purchase and Sale Agreement, obtaining a mortgage, reviewing the deed rider and the closing.

Larger Household Preference

Within an applicant pool first preference shall be given to households requiring the total number of bedrooms in the unit based on the following criteria:

- a. There is at least one occupant per bedroom.
- b. A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.
- c. A person described in the first sentence of (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and the lottery agent receives reliable medical documentation as to such impact of sharing.

Within an applicant pool second preference shall be given to households requiring the number of bedrooms in the unit minus one, based on the above criteria. Third preference shall be given to households requiring the number of bedrooms in the unit minus, two, based on the above criteria.

Veteran Household Preference

Within each applicant pool preference shall be given to households with a member who qualifies as a Veteran under M.G.L. ch 4, sec.7 cl.43 as amended by the Acts of 2005, ch.130.

A “household” shall mean two or more persons who will live regularly in the unit as their principal residence and who are related by blood, marriage, law or who have otherwise evidenced a stable inter-dependent relationship, or an individual.

Lottery drawings shall result in each applicant being given a ranking among other applicants with households receiving preference for units based on the above criteria. Household size shall not exceed State Sanitary Code requirements for occupancy of a unit (See 105 CMR 400).

Persons with a disability are entitled to a reasonable accommodation



1047 SOUTH STREET
AFFORDABLE HOUSING APPLICATION

General Information:

Name _____

Address _____

City _____ State _____ Zip Code _____

Home Telephone Number: () _____

Work Telephone Number: () _____

Number of persons in Household _____

Household Information:

Please list ALL household members including yourself, regardless of age, who will occupy the affordable home:

Table with 4 columns: Name, Date of Birth, Social Security Number, Relationship. Rows 1-6.

Veteran Status:

Form of service: _____

Date of Service: From _____ To _____

For qualification in Veteran Preference Pool: A member of the household must qualify as a Veteran under M.G.L. ch. 4, sec. 7 cl. 43 as amended by the Acts of 2005, ch. 130.

Please provide proof of Veterans status to be included in the Veteran preference. This can be in the form of a DD-214, or other official records to establish qualifying service.

Optional Section: Please check off the appropriate race category for each household member. This information will only be used in accordance with the New England Funds guidelines to ensure affirmative marketing requirements.

Minority (Optional):

Applicant:

White/Non minority African American American Indian/Alaskan Native
Asian/Pacific Islander Hispanic/Latino Other

Co-Applicant:

White/Non minority African American American Indian/Alaskan Native
Asian/Pacific Islander Hispanic/Latino Other

Employment Status:

Applicant's name: _____

Occupation: _____

Present Employer _____

Contact Information: _____

Date of Hire: _____

Name & Title of Supervisor: _____

Annual Gross Salary: _____

Co-Applicant's name: _____

Occupation: _____

Present Employer _____

Contact Information: _____

Date of Hire: _____

Name & Title of Supervisor: _____

Annual Gross Salary: _____

If other adult household members are employed, please attach a separate sheet with their current employment information.

Income Information

Please complete the following information for members receiving income in the household at the time of the application. Household income includes gross wages, child support, Social Security benefits, all types of pensions, employment, Unemployment Compensation, Workman's Compensation, alimony, disability or death benefits and any other form of income; including rental income from property:

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

- Five most recent pay stubs
- Social security documentation

- Pension documentation
- Entire tax returns and W-2s for the last three years

Applicant:

Salary: \$ _____
 Interest & Dividends: \$ _____
 Alimony/Child Support \$ _____
 Other Income & Support \$ _____
 TOTAL INCOME: \$ _____

Co-Applicant:

Salary: \$ _____
 Interest & Dividends: \$ _____
 Alimony/Child Support \$ _____
 Other Income & Support \$ _____
 TOTAL INCOME: \$ _____

If there are other household members who are earning income, please attach a separate sheet with their current information.

ASSETS:

Please complete the following Asset Information for all household members. Assets include liquid assets, such as cash in checking or savings accounts, stocks, bonds and other forms of capital investments, excluding equity accounts in homeownership programs or state assisted public housing escrow accounts.

Do you own real estate, land and/or mobile home? Yes () No ()

Current Value: _____

Have you ever owned real estate, land or mobile home? Yes () No ()

If yes, when _____

Please list all checking, savings accounts, CD's, stocks, bonds and any other investments below:

<u>Name of Bank</u>	<u>Address</u>	<u>Account No.</u>	<u>Present Balance</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

- **Please attach three months recent bank statements and 401K reports, plus reliable documentation as to other sources of income and assets.**

Do you have funds for a down payment? Yes No

If yes, how much? _____

Is any part of this a gift? Yes No

If yes, how much? _____

Application Checklist
1047 South Street
Tewksbury, Massachusetts

Soldier On, Inc. together with Tewksbury Home Build, Inc., and the Town of Tewksbury are working together to provide this affordable housing opportunity for Veteran's.

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The affordable unit will have a "Deed Rider" that restricts the amount that the unit can be resold for and requires that the subsequent buyer have a household income at or below 80% of the area median income, at the time of the resale. The deed rider ensures that the unit stays affordable in perpetuity.

Your application is not considered complete without the following documents. Incomplete or ineligible applications will not be entered into the lottery.

- Completed and signed application
- All income documentation including (5) five most recent pay stubs, 3 most recent bank statements, entire tax returns and W-2s for the last three (3) years, and any additional income Documentation (such as social security or pension income)
- All asset information including checking and savings account bank statements, evidence of the value of CDs, brokerage statements, etc.
- A commitment letter from a bank or mortgage company indicating your household qualifies for a mortgage sufficient enough to purchase a home at 1047 South Street.
- Signed Disclosure Form
- Signed Homebuyer Disclosure Statement
- Evidence of Veteran Status to be included in the Preference category.

MAIL YOUR APPLICATIONS EARLY

Upon receipt of a completed application each will be issued a confirmation number for lottery selection purposes. The confirmation number will be mailed back to the applicant. A confirmation number received by an applicant only confirms receipt of a completed application.

Completed applications must be returned to:

Tewksbury Housing Authority
Attention: 1047 South Street Single Family Lottery
Saunders Circle
Tewksbury, MA 01876

Must be postmarked by October 27, 2021



**APPLICANT CERTIFICATION FORM
1047 SOUTH STREET**

Soldier On, Inc. and the Tewksbury Housing Authority shall comply with Massachusetts Fair Housing Law (MGL Ch. 151B:4), which prohibits discrimination in housing on the basis of disability, race, color, religious creed, age (from 18), national origin, sex, sexual orientation, children, ancestry, marital status, military and veterans status, public assistance reciprocity, blindness or hearing impairment and a refusal to permit or to make, at the expense of the handicapped person, reasonable modification of existing premises occupied or to be occupied by such person if such modification is necessary to afford such person full enjoyment of such premises.

I hereby certify that the above statements are true and any false statements or misrepresentation may result in the cancellation of my dwelling application. I will report any changes in the above information as soon as they occur. I authorize Soldier On, Inc. and the Tewksbury Housing Authority to make any inquiries from any parties and will submit any proof upon request of the Authority for the sole purpose of verifying the truth of the statement contained herein. NO FAXED COPIES WILL BE ACCEPTED

SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY. IF YOU HAVE FALSIFIED ANY PART OF THE APPLICATION IT WILL BE DEEMED INELIGIBLE.

Applicant Signature _____ Date _____

Co-Applicant Signature _____ Date _____

Please return to: **Tewksbury Housing Authority
Attention: 1047 South Street Single Family Lottery
Saunders Circle
Tewksbury, MA 01876**





**DISCLOSURE FORM
1047 SOUTH STREET**

Please check and fill in the following items that apply to you

_____ I/We certify that our household is _____ persons.

_____ I/We certify that our annual household income is _____. Income from all family members have been included.

_____ I/We certify that my/our total liquid assets do not exceed the asset limit, as defined in the application.

_____ I/We certify that we qualify as first-time homebuyers, as defined in the application.

I/We certify that the information contained in this application is true and accurate 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.

I/We understand that if selected in the lottery for 1047 South Street, it does not guarantee that I/We will be able to purchase a home. I/We understand that all application data will be verified and my/our qualifications will be reviewed in detail.

I/We understand that it is my/our obligation to secure the necessary mortgage for the purchase of the home and all expenses, including closing costs and down payments, are my/our responsibility.

I/We further authorize Soldier On, Inc. and the Tewksbury Housing Authority to verify any and all income and asset and other financial information, to verify any and all household, resident location and workplace information and directs and employer, landlord or financial institution to release any information to Soldier On, Inc. and Tewksbury Housing Authority and consequently the project's monitoring agency, for the purpose of determining income eligibility for 1047 South Street.

I/We have completed an application and have reviewed and understand the process that will be used to distribute the available affordable home at 1047 South Street.

Applicant Signature

Date

Co-Applicant Signature

Date

HOMEBUYER DISCLOSURE STATEMENT

For Projects in Which Affordability Restrictions Survive Foreclosure

You (the Homebuyer) have expressed an interest in, or are about to purchase, a home located at 1047 South Street, Tewksbury, Massachusetts at less than the home's fair market value. The home was constructed under a state housing subsidy program that requires that this home be sold to a purchaser who meets certain income, asset 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 "Deed Rider")

Buyers will sign a "deed rider" which restricts the resale price of the home and requires pre-approval of capital improvements and refinancing. The deed restrictions apply in perpetuity to you and to all future buyers of your unit. ***Soldier On, Inc. and The Tewksbury Housing Authority strongly urges you to review the deed rider with your attorney and lender. You should complete the purchase only if all of your questions have been answered and you are comfortable with the deed rider and its restrictions.***

This description is intended to be *informational only* and it is not a substitute for independent legal advice. A general description of important deed restrictions are as follows:

- **Principal Residence:** The property must be your principal residence, where you regularly live, eat, sleep, are registered to vote, etc.
- **Leasing and Refinancing:** You may not rent or lease your home without the **prior** written consent of the monitoring agents, the Tewksbury Housing Authority and the state Department of Housing and Community Development (DHCD). In addition, you must get **pre-approval** from the Tewksbury Housing Authority and DHCD to refinance your mortgage.
- **Notice to Town and Monitoring Agency When Selling the Home:** If you want to sell your home, you must notify both the Tewksbury Housing Authority and DHCD. This is called a Conveyance Notice in the Deed Rider. The notice must include the Resale Price Multiplier (explained below) and the maximum resale price. The Tewksbury Housing Authority and DHCD must approve the maximum resale price.
- **Maximum Resale Price**
If you choose to sell your home, there is a limit on the resale price. In order to keep these units at an affordable rate, the maximum resale price is determined by the following formula:

The resale price is determined using the resale price multiplier, a figure calculated by taking the initial sales price and dividing it by the area median income.

For example, if the area median income for Tewksbury in 2007 is \$82,700 and a family purchases an affordable home for \$165,000, the Resale Price Multiplier would be $\$165,000/\$82,700 = 2.00$.

Upon resale, the Resale Price Multiplier is multiplied by the updated area median income number to determine the maximum resale price.

So, if that same family in the above example decides to sell their home 5 years later, the new area median income could have increased to \$85,000. The maximum resale price would be $\$85,000 \times 2.00 = \$170,000$.

In addition, the maximum resale price includes a resale fee to be paid to the Tewksbury Housing Authority for overseeing the process. The fee is equal to 2.0% of the Max Resale Price.

In this example, Tewksbury Housing Authority's resale fee would be $\$85,000$ (the Base Income Number) $\times 2.00$ (the Resale Price Multiplier) $\times 2.0\%$ (the Resale fee) = $\$2,125 \times 2.00 = \$3,400$

So the final Resale Price would be $\$170,000$ plus $\$3,400$ or $\$173,400$.

Additionally, capital improvements made by the owner (such as a new roof) can also be added to the maximum resale price *if they were pre-approved by the monitoring agents*.

There is no guarantee that you will be able to sell your home for the maximum resale price. You could receive an offer for less than the maximum resale price.

- **Resale Process**

Once the Tewksbury Housing Authority (THA) and DHCD receive a notice to sell, they have 90 days to find an eligible homebuyer (a first-time homebuyer whose income is at or below 80% of the area median income and who meets the asset limit). The town can also decide within those 90 days to purchase the home.

If an eligible buyer is not found within the 90 day period, an ineligible buyer may purchase the unit. Any buyer whether eligible or ineligible will be subject to all rights and restrictions contained within the deed rider.

- **In cases of Foreclosure**

If you do not pay your mortgage on time, or if you fall behind on payments, your bank or mortgage company has the right to take your home by foreclosing on the mortgage.

In the case of foreclosure, the bank or mortgage company that holds your mortgage should notify the THA, DHCD and the town 120 days before foreclosure proceedings begin or before the bank accepts the home in lieu of foreclosure.

Any foreclosed property shall be subject to a Local Initiative Program Affordable Housing Deed Rider and adhere to the foreclosure restrictions set forth in the Deed Rider.

- **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 forth 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 obligations to pay those fees and expenses.

Acknowledgements:

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

Applicant Signature

Date

Co-Applicant Signature

Date