

Amherst Community  
Land Trust

# First Time Homebuyer Program

Information & Application



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## **Program Summary**

The First Time Homebuyer Assistance Program described in this packet is offered by Amherst Community Land Trust (ACLT). The Program will assist two low-income first-time homebuyers to purchase suitable existing single family homes in Amherst at affordable prices. ACLT will use Community Preservation Act funds provided by the Town of Amherst to subsidize the difference between the market price and the affordable price, and will take title to the land under the homes to preserve them for first time homebuyers. A long-term ground lease will give the homebuyer exclusive rights to the land, and will also create a permanent affordable housing restriction on the property.

Creating affordable homes from existing housing stock in Amherst has multiple benefits, including increasing the number of affordable units in town while preserving neighborhood character. It provides a quick method of providing available affordable housing, while conserving materials.

## Key Facts

### **Assistance Provided**

- The Program will provide \$125,000 each to two income-qualified households to purchase a home. A lottery will be held among all eligible applicants to select participants to receive assistance.
- Homes must be in Amherst. Participants will seek an existing home on the market that complies with the conditions on the Property Requirements page of this packet.

### **Important Program Facts and Restrictions**

- Program funds are not being paid to homebuyer and do not need to be repaid
- ACLT will own the land under the purchased home. A renewable 99 year lease will give the homeowner an exclusive right to use the land.
- When the home is sold in the future, it must be sold at a restricted price to a low/moderate-income buyer.

### **Eligible buyers:**

- First-time homebuyers & some others, including seniors, may apply
- Participants must meet income limits and other requirements described on the Eligibility page of this packet.
- Participants must obtain pre-approval for a compatible mortgage
- Buyers do not need to be current residents of Amherst.

### **Timeline**

- Application Period opens \_\_\_\_\_, 2019
- Information Session \_\_\_\_\_, 2020, 7:00 pm at the \_\_\_\_\_ in Amherst.
- Application Deadline \_\_\_\_\_, 2020, \_\_:00 pm
- Lottery \_\_\_\_\_, 2020, 7:00 pm at the \_\_\_\_\_ in Amherst, MA.

### **Complete details and further info:**

Please read all Program details in this packet carefully, especially the pages about Eligibility, Program Requirements, Participant Obligations and Program Disclosures.

Please contact our Lottery Agent for further information or answers to questions:

**Donna Cabana, Home Ownership Coordinator,  
Valley Community Development Corporation  
Phone 413.586.5855    Email: [dc@valleycdc.com](mailto:dc@valleycdc.com)  
256 Pleasant Street, Suite A  
Northampton, MA 01060**

### Eligibility

- Applicant households must have a combined yearly income at the time of purchase that is no higher than the following limits.

Household Size	1	2	3	4	5	6	7
Income Limit	\$49,700	\$56,800	\$63,900	\$70,950	\$76,650	\$82,350	\$88,000

- Participants must have enough funds to cover down payments, closing costs, and moving costs. They must also be able to pay for repairs once they become homeowners.
- Household assets may not exceed \$75,000 in net cash value. Assets include but are not limited to all cash, cash in savings accounts, checking accounts, certificates of deposit, bonds, stocks, retirement accounts, real estate, and other capital investments.
- Applicants must meet at least one of the following criteria:
  - First-time homebuyer: an individual or household of which no household member has owned a home within three years before the application.
  - Displaced homemakers, where the displaced homemaker, while a homemaker, owned a home with his or her partner or lived in a home owned by the partner. (A “homemaker” is 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 payment to care for the home and family.)
  - Single parents, where the individual owned a home with his or her partner or lived 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).
  - Households where at least one household member is 55 or over.
  - Households that owned a principal residence characterized as manufactured housing or otherwise not permanently affixed to a permanent foundation.
  - 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 building a permanent structure.
- Individuals who serve on the board or the staff of Amherst Community Land Trust, Valley Community Development Corporation, or Massachusetts Department of Housing and Community Development (DHCD) or who have a spouse, sibling, parent or child with such a relationship are not eligible to participate in the Program.

### Assistance Provided

- The Program will provide \$125,000 each to help two low or moderate income households buy homes in Amherst. The Lottery Agent will confirm applicant eligibility and hold a lottery to select participants from among all eligible applicants.
- At the time of purchase, the property will be split into two ownership shares: The home buyer will get title to the home and ACLT will get title to land under the home, which it will lease to the homebuyer for homebuyer's exclusive use.
- Assistance is subject to:
  - availability of Program funding
  - confirmation that selected home and purchase agreement meet all program requirements
  - confirmation of maximum purchase price
- The maximum purchase price a participant is permitted to pay for a home is based on household income and on the number of bedrooms in the home purchased.
- Program representatives will inform each participant of the maximum sale price for their purchase based on Program rules and the participant's income and family size. Maximum sale prices (including the Program assistance) shall not exceed the following estimates:

Number of Bedrooms	Estimated Maximum Price for Home
1	\$286,600
2	\$307,700
3	\$328,800
4	\$345,500
5 or more	\$362,400

NOTE: Estimates may change due to factors that may include changes in the Area Median Income as determined by HUD.

- Participants are financially responsible for any repairs required to the property as a result of any inspection performed. The Lottery Agent will help participants determine the cost of needed repairs and options for insuring the repairs are made before purchase.

### **Property Requirements**

Each participant will select a home for sale in Amherst that meets their needs and satisfies Program requirements. Assistance is not tied to a specific development. To be eligible for assistance, a property must:

- Be an existing home on a parcel located entirely in the Town of Amherst, MA.
- Be eligible for inclusion on the Subsidized Housing Inventory (SHI) as maintained by DHCD. It may not be already listed or already under consideration for being listed, on the SHI.
- Be in good, safe and habitable condition. ACLT and DHCD must approve proposed remedies for any major repairs before closing.
- Have a sewer connection, or adequate sewage disposal documented by a current, passing Title V Certificate. Arrangements to remedy or replace inadequate systems must be approved by the Program.

Property inspections by qualified Massachusetts-licensed inspectors are required for homes being considered for purchase through this Program. All inspection reports and test result documents must be provided to the Program. The property inspection must address all items normally covered in a standard home inspection report as defined in “266 CMR 6:00 Standards of Practice.” The Program may require additional testing by qualified professionals if the presence or potential presence of any hazard to health or safety is detected.

**Once purchased, the home must be used as the principle legal residence of the program participant.**

### **Participant Obligations**

- Participants must keep Program representatives informed of their home buying transaction as it progresses to ensure that all Program conditions are met.
- Participants must complete an approved homebuyer course or homebuyer counseling before buying a home through this Program. (see the “Homebuyer Courses” page).
- Participants must comply with closing and financing requirements of all applicable state programs and financing products, including approval of the mortgage by ACLT and DHCD.
- No offer to purchase real estate may include a first right of refusal.
- Participants are strongly encouraged to obtain legal representation for the transaction review and negotiation of a purchase and sale agreement and review of the Ground lease.
- Participants must commit to executing any and all documents and agreements needed to insure that the home purchased is eligible for the state Subsidized Housing Inventory (SHI), including entering into a ground lease containing resale restrictions with ACLT.
- Participants may not own a home in a Trust. Participant must sell any home owned under exceptions before purchase of an affordable home. The equity from the sale of the home must be counted toward the total household asset limit of \$75,000.
- Participants must obtain property inspections by qualified Massachusetts-licensed inspectors for units purchased through this program. Offers to purchase must be conditional upon satisfactory inspections.
- When Participants have identified a home they wish to purchase, they must notify Program representatives in order to draft purchase and sale agreements in compliance with Program requirements .

## Mortgage Requirements

Participants must obtain mortgage pre-approvals from a bank, credit union or government entity operating in Massachusetts. Pre-approvals from on-line services do not satisfy this requirement. “Pre-qualifications” do not satisfy this requirement.

The pre-approval must be for a loan amount sufficient for a buyer to purchase a house in Amherst under the terms of this program.

It is strongly recommended that participants ask lenders whether they offer mortgages from the One Mortgage program:

[https://www.mhp.net/writable/resources/documents/mhp\\_summary\\_documents\\_english\\_final.pdf](https://www.mhp.net/writable/resources/documents/mhp_summary_documents_english_final.pdf)

Please see the “Mortgage Options” section of this packet for a list of lenders who issue mortgages compatible with the Program.

Participants are strongly encouraged to review the following list with your lender. Program representatives are available to speak with your lender to provide information and answer questions.

- Lenders must be able to work with shared-equity ownership and a home subject to a ground lease. Participants should share the copy of the ground lease in this packet with prospective lenders.
- Non-household members are not permitted to co-sign the mortgage.
- Both ACLT and the state Department of Housing and Community Development (DHCD) or its designee must approve the terms of the buyer’s mortgage financing. The mortgage must comply with DHCD requirements, including but not limited to the following:
  - 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.
  - The interest rate must be locked in, not floating.
  - The buyer must provide a down payment of at least 3%, 1.5% of which must come from the buyer’s own funds.
  - The loan can have no more than 2 points.
  - The buyer may not pay more than 30% of their monthly income for monthly housing costs.
  - Loans from non-institutional lenders or online services will not be accepted.

(These DHCD requirements are subject to change.)

## Application, Lottery & Selection Process

1. The Lottery Agent will provide a complete application package to each person requesting an application .The attached application form and package provides detail on the process including eligibility requirements, date of the lottery and how lottery winners will be chosen.
2. Applications will be available online and at the three Amherst library branches; and will be sent to any requesting party.
3. Applications received by the Lottery Agent will be date stamped, and then checked for completion of all required components. An application will be considered complete when all required items on the Application Checklist in this packet have been submitted.
4. Applicants will be notified for incomplete application packages by email or phone call first and letter if no response has been received after 5 days.
5. Applicants who have not submitted all the necessary information by \_\_\_\_\_, 2020, \_\_\_\_:00 pm will waive their rights to proceed. No faxed applications will be accepted. Late applications (applications mailed and/or received after the above date) and applications that are incomplete at that time will not be accepted.
6. All applicants will be screened for eligibility. The applicant's income and assets will be verified and compared to the income and asset limits described in the Eligibility section of this packet, and all other criteria for eligibility will also be verified.
7. A letter will be mailed to each applicant indicating the following information:
  - Whether the applicant has been deemed eligible or ineligible, based upon the information provided.
  - Eligible applicants will be told their lottery numbers and the date, time and place of the lottery.
  - Applicants who have been determined to be ineligible have two weeks from notification to contact the lottery agent in writing to protest the determination.
8. The lottery numbers will be pulled by the Lottery Agent and witnessed by ACLT in a public setting. Lottery numbers will be assigned a number in the sequence in which they are drawn and recorded in the order of selection on the Lottery Drawing List. Letters will be mailed within three business days to the winners.

## **Home Purchase Process**

1. The Program will notify participants of participant eligibility and of maximum purchase price (see “Assistance Provided” page for further detail).
2. Participants will find a property in the private housing market that complies with Program requirements (see the “Property” section for further detail). The buyer should consult with Program representatives and may engage a real estate agent. At buyer’s request, the Program may recommend agents familiar with the Program. These are offered merely as candidates. The buyer is responsible for selecting an agent.
3. Participants have 180 days to complete transactions including:
  - Select property: Buyer must report choice to Program. Program representatives must confirm that the property appears eligible before the buyer proceeds.
  - Make offer: Sign offer to purchase, contingent on the property passing all inspections, and negotiate price. No offer to purchase may include a first right of refusal. Buyer and their attorney must coordinate with ACLT before signing offer, so the terms of ACLT’s participation in the purchase are presented correctly.
  - Complete inspections: Complete home/hazard inspections within 10 days of offer acceptance (see the “Property” section for further detail).
  - Execute purchase and sale agreement: The purchase and sale agreement must be contingent on participant receiving adequate and eligible financing and final Program approval. Buyer and their attorney must coordinate with ACLT to draft a P&S agreement providing buyer with title to the house and ACLT title to the land.
  - Obtain mortgage commitment (see the “Mortgage” section for further detail).
  - Close: within roughly 40 days of signing the purchase agreement. At the closing, ACLT will acquire the land associated with the home, and will sign a 99-year renewable ground lease with the homebuyer giving them an exclusive right to use the land.
4. At the discretion of the Program, extensions totaling up to 120 days may be granted when circumstances outside of a buyer’s control have prevented closing before the deadline. The buyer may be required to provide additional documentation to demonstrate that good-faith efforts toward completing a transaction are underway.
5. Final buyer eligibility, as determined by DHCD, will be verified before the closing.
6. Eligibility for unit inclusion on the Subsidized Housing Inventory (SHI) as determined by DHCD will be verified before the closing. Assistance will not be disbursed if any aspect of the property, financing, or transaction would preclude the unit from inclusion on the SHI.
7. Participant must provide all property transaction documents to Program representatives. Documents must be approved before the closing in order for Program assistance to be issued.
8. The time & location of the closing must be set in coordination with ACLT.

### Disclosures

- At the time of purchase, each property purchased through the Program will be split into two ownership shares. The buyer will become Homeowner with title to the house and other infrastructure on the land, and ACLT will own the land under the home. A renewable 99 year lease will give the Homeowner an exclusive right to use the land. This is similar to a condominium: the resident owns the home, and has full rights to use the land, but doesn't own it. ACLT is a non-profit community organization. Homeowners will automatically become voting members of ACLT.
- Each property purchased through the Program must become bound by a permanent affordable housing restriction incorporated into the ground lease. The affordable housing restriction permanently limits the resale price of the property and requires that it be sold to a Program-eligible buyer. Over the course of owning the home, buyers must obtain pre-approval from ACLT, and the Town, and DHCD before refinancing or making capital improvements.
- The ground lease, which spells out the rights and responsibilities of the owner and ACLT, and guide to the ground lease are attached to this packet. It is strongly recommended that applicants review the ground lease with their own attorney to ensure that they understand its requirements.
- Buyers will be responsible for monthly ground lease fees.
- After closing, buyers will be responsible for all property taxes. Taxes may be set for the assessed market rate of the home until the Town Assessor reduces the assessed value of the home to reflect the ground lease and the resale restriction.
- Applicants and participants must provide any and all documentation requested by the Program as a condition of qualifying for assistance. This documentation includes, but may not be limited to: confirmation of completing an approved homebuyer training program; the offer to purchase; the purchase and sale agreement; inspection report(s); appraisal; financing commitment; municipal lien certificate; plot plan; title examination; affordable housing restriction; deed, and ground lease with affordability restrictions.
- Applications and all supporting materials provided by applicants will be reviewed by Valley CDC, Amherst's Department of Planning & Community Development, ACLT's attorney, and the state Department of Housing & Community Development.
- Fair housing law at state and federal levels prohibits discrimination in housing on characteristics including race, religion, color, sex, sexual orientation, familial status, age, handicap, marital status, national origin, genetic information and ancestry. An applicant who believes that they have been discriminated against in the buyer selection, financing or sales process may contact: the Massachusetts Commission Against Discrimination (617) 994-6000; and/or the United States Department of Housing and Urban Development (617) 994-8300.

## **Mortgage Options**

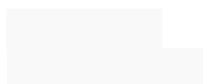
Participants may obtain a mortgage from any institutional lender of their choosing provided that it is compatible with Program requirements. Participants need not obtain a mortgage from the institution where they do their banking. Participants may obtain a mortgage from a different lender than the issuer of the pre-approval.

The following programs offer mortgages for low income Massachusetts home buyers.

[www.masshousing.com](http://www.masshousing.com) › [home\\_buyer\\_loans](#) › [masshousing\\_loan](#)

Home Buyer Loans - MassHousing

Participants are encouraged to ask lenders whether they offer mortgages from the One Mortgage program: [www.mhp.net](http://www.mhp.net) › [one-mortgage](#)



## Homebuyer Courses

Program participants are required to complete a homebuyer course or counseling approved by the Program to learn about the home buying process, including dealing with credit issues, working with a real estate agent, applying for a mortgage, and more. Participants may also be able to access special mortgage products and other homebuyer services.

First Time Home Buyer Classes. The organizations listed below offer approved homebuyer courses. Some may charge a fee for participation. A statewide list of approved organizations is available from the Citizen's Housing & Planning Association website at: [www.chapa.org](http://www.chapa.org).

### **Chicopee Neighborhood Development Corporation**

Contact Beverly Barry 413-583-2087  
745 Memorial Drive, Chicopee, MA  
<http://www.chicopeedevelopment.org/>  
Regions: Western Massachusetts & Berkshires  
Languages: English

### **Franklin County Regional Housing & Redevelopment Authority**

Contact Jenna Day 413-863-9781x151  
42 Canal Road, Turners Falls, MA  
<https://fcrhra.org/>  
Regions: Western Massachusetts & Berkshires  
Languages: English

### **Holyoke Housing Authority**

Contact Justine Sabbs 413-539-2220x257  
475 Maple St, Holyoke, MA  
<http://www.holyokehousing.org/>  
Regions: Western Massachusetts & Berkshires  
Languages: English, Spanish

### **Springfield Partners for Community Action**

Gus Erskine 413-263-6500x6538  
721 State St, Springfield, MA  
<http://www.springfieldpartnersinc.com/>  
Regions: Western Massachusetts & Berkshires  
Languages: English

### **Valley Community Development Corporation**

Contact Donna Cabana 413-586-5855x180 [dc@valleycdc.com](mailto:dc@valleycdc.com)  
30 Market St, Northampton, MA  
<http://valleycdc.com/>  
Regions: Western Massachusetts & Berkshires  
Languages: English

### **Way Finders**

Danielle Carey 413-233-1621  
322 Main St, Springfield, MA  
<https://www.wayfindersma.org/>  
Regions: Western Massachusetts & Berkshires  
Languages: English, Spanish

## Application Checklist

Use this to confirm that you have provided all application materials before submitting.

### **Required Forms from this packet:**

- Application - signed by applicant & any co-applicant(s)
- Applicant(s) Certification
- Acknowledgements (last page, Local Initiative Program (LIP) Homebuyer Disclosure Statement)

### **Required Documentation (one copy of each):**

- Federal tax returns for three most recent years filed for all members of the household over the age of 18 or IRS Verification of Nonfiling (do not send Mass. state taxes).
- W2 and/or 1099-R forms for three most recent years filed for all members of the household over age 18.
- Asset Statement(s): Current statements including most recent 5 months for: checking accounts (full statement showing activity/every page front and back); saving accounts (full statement); investment accounts including retirement; certificate of deposit; money markets; stocks/bonds; property; down payment gift amount etc.
- Five (5) consecutive pay stubs ending within one month of unit application for all jobs (check/direct deposit stubs). Must include five stubs whether paid weekly, bi-weekly etc. Provide for all salaried employed household members over 18. For unemployment, copies of unemployment checks or DOR verification stating benefits received.
- Mortgage pre-approval.
- Certification of completed homebuyer training/counseling may be submitted. The application will be considered “complete” even without this certificate, but participants must provide this documentation before closing on a home.

(continued)

### **Application Checklist (continued)**

**Required if applicable (one copy of each):**

- If you owned a home within the past 3 years but it was sold due to a divorce, provide copy of divorce or separation papers and proof of the home sale showing equity received.
- If you intend to use a cash gift from a family member to assist with the down payment, please advise us of the gift amount with the name and telephone number of the person providing the gift.
- Proof of student status for dependent household members over age of 18 and full-time students.
- Social Security: official statement of monthly amount received for year in review and statement of total amount received for latest tax year.
- Pension: statements indicating amount received for year in review and statement of total amount received for latest tax year.
- Last consecutive three months statements and documents that indicate the payment amounts from all other sources of income of all members listed on the application, such as alimony and/or child support, Workman's Compensation, alimony, disability or death benefits and any other form of income – on organization letterhead
- Documentation regarding current interest in real estate, or settlement statement(s) for any real estate/property sold within last 3 years
- No Income Statement, signed and notarized, for any household member over 18 with no source of income

**Application**

Applicant Legal Name \_\_\_\_\_ Phone Number \_\_\_\_\_

E-mail Address \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State/Zip \_\_\_\_\_

Co-Applicant Legal Name \_\_\_\_\_ Phone Number \_\_\_\_\_

E-mail Address \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State/Zip \_\_\_\_\_

I learned of this program from (check all that apply):

Website: \_\_\_\_\_ Advertisement: \_\_\_\_\_ Other (please specify): \_\_\_\_\_

**Signature:**

\_\_\_\_\_  
(Applicant) (Date) (Print Name)

\_\_\_\_\_  
(Co-Applicant or Applicant's spouse) (Date) (Print Name)

Number of Bedrooms Needed: \_\_\_\_\_

List all members of your household including yourself:

	Names of all Persons to Reside in Dwelling (First Name, Middle Initial, Last Name)	Relation to Head	Date of Birth
Head		(self)	
2			
3			
4			
5			

Do you own individually, jointly or as trustee any real estate, land and/or mobile home? Yes ( ) No ( )

If yes:

Address: \_\_\_\_\_

Current value: \$ \_\_\_\_\_

Have you sold real estate or other property in the past three years? Yes ( ) No ( )

If yes, attach settlement statement

When: \_\_\_\_\_ Address: \_\_\_\_\_

Sale Price: \$ \_\_\_\_\_

Income - List all income of all members over the age of 18 listed on application to reside in the unit, such as 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. Adults with no income are required to submit a notarized statement. If you need additional space, please attach another sheet.

#	Source of Income	Address/Phone# of Source	Amount per Year
1			\$
2			\$
3			\$
4			\$
5			\$
<b>TOTAL</b>			<b>\$</b>

Assets - List all checking, savings accounts, CD's, stocks, bonds, retirement accounts, savings bonds and any other investments below. If additional space is needed, please attach another sheet. Household assets do not include necessary personal property.

#	Type of Asset	Account No	Value, Balance
1	Checking account		\$
2	Savings account		\$
3	Retirement account		\$
4	Other:		\$
5	Other:		\$
6	Other:		\$
<b>TOTAL</b>			<b>\$</b>

If you have questions, contact Donna Cabana at [dc@valleycdc.com](mailto:dc@valleycdc.com) or 413.586.5855 ext 180. Return completed application and all required documentation to: Donna Cabana at [dc@valleycdc.com](mailto:dc@valleycdc.com) or at **256 Pleasant Street, Suite A, Northampton, MA 01060**

**Applicant(s) Certification**

I/We certify that our household size is \_\_\_\_\_ persons, as documented herein.

I/We certify that our total household income equals \$ \_\_\_\_\_, as documented herein.

I/We certify that our household has assets totaling \$ \_\_\_\_\_, as documented herein.

I/We certify that no member of our household has owned real estate in the last 3 years, or if so, that each individual(s) having owned real estate in the last 3 years meets at least one of the exceptions noted in the “Participant Eligibility” published for this program.

I/We certify that the information in this application and in support of this application is true and correct to the best of my/our knowledge and belief under full penalty of perjury. I/We understand that false or incomplete information may result in disqualification from further consideration.

I/We certify that I am/we are not related to board members or staff of Amherst Community Land Trust, Valley Community Development, or any party of this Program.

I/We understand that it is my/our obligation to secure the necessary mortgage for the purchase of a home and that all expenses, including closing costs and down payments, are my/our responsibility. [Lenders must be able to work with shared equity property ownership and ground leases.]

I/We understand that if I/we do not complete the home purchase transaction within 120 days after the notification of qualification, the assistance will be offered to the next eligible applicant on the waiting list.

I/We certify that I/We do not own a home in a Trust and understand any home owned under exceptions must be sold prior to purchase of an affordable home and its equity counted against the total household asset limit of \$75,000.

I/We understand the provisions regarding resale restrictions and agree to the restrictions. The unit cannot be refinanced without prior approval of the Amherst Community Land Trust, the Department of Housing and Community Develop and the Town of Amherst. No capital improvements can be made without ACLT and DHCD pre-approval; the unit must be owner's primary residence; the resale price is calculated according to the ground lease; and an increase in equity is minimal to ensure affordability over time; the affordability restriction remains in effect in perpetuity. [All prospective buyers are advised to review the ground lease with their own attorney to fully understand its provisions.]

I/We have been provided with a copy of the ground lease.

I/We understand that if I/we are selected to purchase a home, I/we must continue to meet all eligibility requirements of ACLT, of DHCD and any participating lender(s) until the completion of such purchase. I/We understand that I/we must be qualified and eligible under any and all applicable laws, regulations, guidelines, and any other rules and requirements.

Your signature(s) below gives consent to ACLT, DHCD, Valley CD and the Town of Amherst or their designees to verify information provided in this application. The applicant agrees to provide additional information on request to verify the accuracy of all statements in this application. No application will be considered complete unless signed and dated by the Applicant/Co-Applicant.

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Applicant Signature Date

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Co-Applicant or Applicant’s Spouse Signature Date

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## COMMONLY ASKED QUESTIONS

### **WHAT ARE THE INCOME LIMITS?**

The following figures are the maximum gross income limits: one person: \$49,700, two person: \$56,800, three person: \$63,900, four person: \$ 70,950, five person: \$ 76,650. Households must earn enough income to qualify for a mortgage loan in an amount that, together with the down payment, is equal to the purchase price plus closing costs

### **WHAT ARE THE ASSET REQUIREMENTS/LIMITS?**

The asset limit for this Program is \$75,000. This means the total current value of all assets that you have including but not limited to bank accounts, 401K plans, IRA's, stock and bonds, ownership of a business, savings bonds, property held by someone else in your name etc. Applicants will be required to demonstrate that at the time of purchase they will have enough unencumbered assets to cover the required down payment and closing costs, and that at closing they will have no more than \$75,000.

### **CAN I QUALIFY TO APPLY IF I ALREADY OWN A HOUSE/CONDO?**

This opportunity is for first time homeowners, so people who own currently own a condo or a house or have owned one in the past three years cannot apply. However, there are some exceptions noted in the Eligibility section of this packet on page 5 above.

### **WHAT IS CONSIDERED INCOME?**

You must report any type of income that you receive and the Lottery Agent will verify all income. Income is projected for next 12 months based on previous year's income. Some examples are public assistance, employment wages, social security, child support, alimony, annuities, tips, pensions, income from a business such as daycare etc. and any other type of payments that you receive including lottery winnings. Any income earned from your assets is also included.

### **WHAT MATERIALS DO I NEED TO SUBMIT WITH THE APPLICATION?**

You must provide all documentation and statements as outlined on the checklist on pages 15-16 of this packet. Incomplete information will prevent your application from being entered in the lottery. The Lottery Agent will be glad to assist you. The application process requires time to complete all the pieces. Please take the time necessary.

### **WHY ARE THERE RESTRICTIONS ON THE USE AND RESALE OF THE HOME?**

ACLT, the State, and the Town of Amherst have made a commitment to provide affordable homeownership opportunities. Using special financing assistance and relief from regulation granted through Chapter 40B and other State Programs, housing is made affordable by reducing the purchase price to below market values, thus reducing monthly mortgage payments and requiring lower down payments. With this help, many families who could not afford to purchase a home in the private market will be able to own their own home. To preserve these benefits for future buyers, certain conditions are placed on the use and resale of the property. They are designed to balance the interests of initial and future owners fairly.

### **WHEN I WANT TO SELL MY HOME HOW MUCH CAN I SELL IT FOR?**

When you sell your home, the sale price must be no more than the "Maximum Resale Price". The Maximum Resale Price is set in accordance with a formula that gives a limited return on

your investment but keeps the house affordable to the next buyer. Please refer to the sample Ground Lease for more information.

**CAN I MAKE IMPROVEMENTS – CAN I SELL THE HOME FOR MORE?**

You will not be reimbursed for upgrades such as granite counters or high end bath tubs when your unit is sold. Upgrades to your unit do not have the same impact as if you were living in a regular market rate unit. Allowable capital improvements must be approved first by ACLT and DHCD. Please refer to the sample Ground Lease available from the Lottery Agent for more information.

**TO WHOM CAN I SELL MY HOME?**

When you sell your home, you must notify ACLT and the Town in writing. ACLT will have the right to market your unit once the Maximum Resale Price is determined by their office. If a qualified family is not identified within the identified timeframe, the unit can be sold to someone in the private sector for the Maximum Resale Price.

**CAN I RENT MY HOME TO SOMEONE ELSE?**

You must agree to live in this property as your primary residence. You cannot rent out your unit without the written consent of ACLT and DHCD. If consent is given, the maximum rent you may charge will be approved by ACLT and DHCD. This will only be granted based upon a documented hardship.

**HOW LONG DO THESE RESTRICTIONS APPLY TO THE PROPERTY?** The use and resale restrictions described here apply to the property in perpetuity.

**WHAT LEGAL DOCUMENTS DO I NEED TO REVIEW?**

The property restrictions are described in the Ground Lease, a document that you should review carefully before you sign a Purchase and Sale Agreement. **AN ATTORNEY’S ADVICE SHOULD BE SOUGHT IN REVIEWING THE GROUND LEASE AND THE PURCHASE AND SALE AGREEMENT.**