Affordable Ownership Lottery Information Packet
Kendall Lane (Phase 2) in Falmouth, MA

Two Single Family Homes
3-bed 2.5-bath at $242,000
for 80% AMI Households*

Information Session Held Via Zoom
February 22, 2023 at 6:00PM
Sign up on our website www.haconcapecod.org/lotteries

Application Deadline:
April 4, 2023 at 5PM

Applications can be submitted through the following methods:

Dropbox: Visit our website for portal link www.haconcapecod.org/lotteries or click here
Fax: 508-775-7434
Mail/Drop off:
460 West Main Street
Hyannis, MA 02601

Free language assistance and reasonable accommodations are available. For assistance and more information, please call Housing Assistance Corporation (HAC) 508-771-5400 or email lotteries@haconcapecod.org.
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Additional applications are available at Falmouth Town Hall, The North Falmouth Public Library, The Main Falmouth Public Library, and the following websites:
www.haconcapecod.org/lotteries

HAC does not discriminate in the selection of applicants on the basis of race, color, national origin, disability, age, ancestry, children, familial status, genetic information, marital status, public assistance recipiency, religion, sex, sexual orientation, gender identity, veteran/military status, or any other basis prohibited by law.

Here are the steps that you should take starting today!

1. Contact a lender 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. You may find a list on our website of lenders who are familiar with Deed Restricted Homes, but you do not have to use them.
2. Applications that do NOT have a pre-approval letter are NOT complete and will NOT be part of the lottery.
3. 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.
4. Please send only **copies** of all documentation required, as HAC **cannot** copy your originals and return them to you.
5. Complete the application, answering all the questions and filling in the asset, liabilities and annual income charts.
6. Read carefully and sign the last page.
7. Submit the complete package: application, documentation and pre-approval letter from the lender for a mortgage in compliance with the Program Standards ASAP. (Please see details under "Application Process".)
8. Return your application to Housing Assistance Corporation by the absolute deadline. Applications will be reviewed for completeness when submitted. Submitting your application early will allow you time to provide any documentation determined missing before the deadline.

Don't Forget

9. Incomplete applications or applications received after the deadline will NOT be included in the lottery.
10. The lottery drawing will be held within 30 days of the application deadline at Housing Assistance Corporation.
11. Lottery winner is responsible for pre-payment of homeowner's insurance prior to purchasing their home.

AFFORDABLE HOUSING OWNERSHIP 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 current adult household members 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
80% of AMI	$60,900	$69,600	$78,300	$86,950	$93,950	$100,900

What is Annual Household Gross Income?

Annual gross income means all income, from all sources, of all current 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 for less than full and fair cash value within the past 2 years will be counted at the full and fair cash value for purposes of calculating eligibility.

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 is NOT considered an asset.
- Lump sum receipts or one-time receipts. (i.e. inheritance, capital gains, one-time lottery winnings, victim's restitution, settlements on insurance claims (including health and accident insurance, worker's compensation, and personal or property losses), and any other amounts that are not intended as periodic payments.
- A mortgage or deed of trust held by an applicant.
- 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 needed when completing this application.

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Persons will 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 all household income & assets, local preference (if applicable) and a pre-approval letter is required. See the attached list for a complete list of acceptable documentation. For **each** and **every deposit** into **each** and **every** checking and savings **account**, provide documentation from the source of the money deposited.

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:

- At least one occupant per bedroom
- Married or unmarried couples must share a bedroom.
- An increase to the number of bedrooms required may be allowed if there is a medical necessity for someone to have a separate bedroom. This would require that a physician certify the necessity.
- An unborn child may be counted as a household member if proof of pregnancy is submitted with the application.
- If the applicant is in the process of a divorce or separation, the applicant must provide proof that the divorce or separation has begun or has been finalized.

What are the 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 Freddie Mac rate.
- 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.
- Non-household members are not permitted as co-signers of the mortgage.
- FHA & VA loans will not accept the terms of the deed restriction for these houses

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 type of loan, and must include an authorized signature.

How do I get a pre-approval letter?
Contact a lender 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. You may find a list on our website of lenders who are familiar with Deed Restricted Homes, but you do not have to use them. When you 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.

Information to give to the Lender for your pre-approval:

- ✓ ***The purchase price of the house***. (with resale restriction)
- ✓ ***Falmouth MA property tax rate***. $6.92
- ✓ ***Homeowners Association fee***. (if applicable)
- ✓ ***Affordable Housing Deed Restriction*** – **provided by HAC upon request.**

LOTTERY PROCESS

What happens after I submit the complete Application Package?
A complete Application Package 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 registration number through email 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 registration numbers 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 in 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, the Monitoring Agent, and MassHousing, or DHCD as written in the deed rider.

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 and the Monitoring Agent, and Massachusetts Department of Community Development 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 April 4, 2023 at 5PM
- 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 package.
- 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. 284 or e-mail lotteries@haconcapecod.org with questions.