



MARLBOROUGH COMMUNITY DEVELOPMENT AUTHORITY

255 MAIN STREET, MARLBOROUGH, MA 01752 ♦ V: 508.460.3715 ♦ F: 508.460.3700 ♦ TDD: 508.460.3610

www.marlbrough-ma.gov



Information and Application for Affordable Housing Opportunities 76 Preston and 5 Gleason Marlborough

This packet contains specific information for the two affordable single family homes including eligibility requirements, the selection process and commonly asked questions and answers.

We invite you to read this information and submit an application. The key milestones for this housing opportunity:

Applicants must provide a pre-approval from a financial institution (Mortgage Lender, Bank) verifying employment, assets, and credit worthiness. This pre-approval is to be submitted with the application.

Only one application per household will be accepted, there is no need to submit multiple applications.

Please contact the Marlborough Community Development Authority for any questions.

Rieko Hayashi, Program Manager
Marlborough Community Development Authority
255 Main Street
Marlborough, Ma 01752
(508) 460-3715
com_dev@marlbrough-ma.gov

Applicants needing translation and/or interpretation services due to limited English proficiency are entitled to receive assistance at no cost by calling the MCDA office at 508-460-3715.

Project descriptions

The Marlborough Community Development Authority has acquired two single family homes which will be sold to income eligible buyers through an application process. Both homes are renovated and Massachusetts State de-leading compliant.

In accordance with the Guidelines, initial purchase prices were established so that a household is not required to spend more than 38% of the Boston Area Median Income (AMI) monthly for housing costs. These homes are "subsidized" by the City of Marlborough in order to increase the stock of affordable housing. A recapture agreement will be attached to the units in the form of a note for 15 years. During that time, if the owner sells the property, he must repay the buy down amount/subsidy amount provided, back to the MCDA. **"The subsidy is the original appraised value of \$230,000, minus the sales price"**. The maximum sale price cannot be more than \$225K. After the 15 year period, the property is free of restrictions.

5 Gleason Street is a single family cape style home with three bedrooms, hard wood floors, one and a half bathrooms, living room, dining room, kitchen, family room, parking garage, deck and very large yard. It is located near the entrance to the City off of route 20 and faces Lake Williams. The total living space is approximately 1,990 square feet and the parcel size is approximately 12,500 square feet.

The appraised price for this property is \$230,000. To increase the affordability and to assist the homeowner, a buy down subsidy has been included. Since the maximum sale price cannot exceed \$225,000 – this would equate to a \$5,000 subsidy (which will be attached to the property in the form of a recapture agreement).

In addition to mortgage principal, interest and PMI payments, homeowners should expect to pay monthly housing expenses of: about \$299.41 in property taxes (13.41 per \$1,000 of value, per Marlborough's tax rate).



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76 Preston is a single family cape style home with three bedrooms, hard wood floors, one bathroom, a living room, dining room, enclosed porch and kitchen with new cabinets. The total living area is approximately 1,591 square feet and the parcel size is approximately ½ and acre. It is located on a quiet residential street about five minutes from the downtown area.

The appraised price for this property is \$230,000. To increase the affordability and to assist the homeowner, a buy down subsidy has been included. Since the maximum sale price cannot exceed \$225,000 – this would equate to a \$5,000 subsidy (which will be attached to the property in the form of a recapture agreement).

In addition to mortgage principal, interest and PMI payments, homeowners should expect to pay monthly housing expenses of about \$287.30 in property taxes for 2010.

Application Process

1. Applications are available by contacting the MCDA and will be ranked in the order in which they are received.
2. Applications received 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 checklist have been provided.
3. The applicant's household size will be determined from the application, and used for bedroom size preference. Within an applicant pool first preference shall be given to households requiring at least the total number of bedrooms in the unit based on the following criteria:
 - There is at least one occupant and no more than two occupants per bedroom.
 - 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.
4. The applicant's income will be verified and compared to the income and asset limits. The applicant household is required to be at or less than the 120% Area Median Income limits for the Boston Metropolitan Statistical Area as published by HUD. This includes all income prior to any deductions from all adult household members. Income and assets are determined using the method as in the HUD Section 8 program, defined at 24 CFR 5.609. The 2010 household income limits used for this development include [might update for 2011 limits if they come out in time]:
Household of 1 - \$ 77,100, Household of 2 - \$ 88,150, Household of 3 - \$ 99,150
Household of 4 - \$ 110,150, Household of 5 - \$ 118,950, Household of 6 - \$ 127,800
5. Eligible applicants must be First Time Homebuyers, defined as one who has not have owned a home within three years preceding the application, with the exception of displaced homemaker, single parents and senior households (where at least one household member is 55 or over).

A displaced homemaker is an individual who is an adult, who has owned a home only with a spouse, who is legally separated from a spouse, and who does not currently own the home previously owned with a spouse.

Single parents, are individuals who 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);

Additional exceptions are made for households that owned a principal residence not permanently affixed to a permanent foundation, and households that owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.



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6. Applicants will be notified for incomplete application packages by email or phone call and letter if no response has been received after 5 days.
7. Persons who have not submitted all the necessary information by the deadline will waive their rights to proceed. No faxed applications will be accepted. All applicants will be screened for eligibility. Applicants who have been deemed ineligible will be notified in writing of the decision. Applicants will be selected based on the order in which the completed application is received.
8. A letter will be mailed to each applicant indicating the following information:
 - 1) You have been deemed (eligible/ineligible) based upon the information provided.
9. The Purchase and Sale Agreement must be completed within 15 days of an executed offer. Upon signing of the Purchase and Sale Agreement, the buyer provides a mutually agreeable total deposit of not less than 3% of the sale price, which is applied to the overall purchase amount.
10. There are specific closing and financing requirements. DHCD current mortgage requirements include:
 - 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, no more than 2 percentage points above the current MassHousing rate.
 - The loan can have no more than 2 points.
 - The buyer must provide a down payment of at least 3%; half must come from the buyer's own funds.
 - The buyer may not pay more than 38% of their monthly income for the mortgage
 - Non-household members shall not be permitted as co-signers of the mortgage.
11. There may be other grants and assistance available, and applicants may consider or pursue mortgage funding sources to supplement their application, including the HUD American Dream Down Payment Initiative program, the Mass Housing Partnership Soft Second Loan Program, and lending programs available from private financial institutions for first-time homebuyers. The Marlborough Community Development Authority can provide additional information upon request.
12. Applicants selected must attend and obtain a completion certificate from an accepted First Time Homebuyer Class prior to closing. Applicants will be required to complete homebuyer's training prior to closing on the property. Only applicants who receive certificate of completion are eligible to proceed to sale. Homebuyer training classes in the metro Boston area are listed online at http://www.chapa.org/housing_workshops2005.htm.
13. Applicants selected that require special accessibility or reasonable accommodation features or modifications will be given the opportunity to request such modification, with supporting documentation, and may have them made at the expense of the buyer.
14. Final qualification against all requirements will be verified before closing. The purchase and sale agreement will state that final income verification has not been done and validity of said agreement will be contingent upon the approval by the MCDA.

The Fair Housing Act prohibits discrimination in housing because of Race or color, National origin, Religion, Sex, Familial status (including children under the age of 18 living with parents or legal custodians; pregnant women and people securing custody of children under 18. An applicant who believes that they have been discriminated against in the buyer selection and 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.



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AFFORDABLE HOUSING APPLICATION

Applicant Legal Name _____ Phone Number _____ E-mail _____

Address _____ City _____ State/Zip _____

Co-Applicant Legal Name _____ Phone Number _____ E-mail _____

Address _____ City _____ State/Zip _____

I learned of this lottery from (check all that applies):

Website: _____ Letter: _____

Advertisement: _____ Other: _____

THIS APPLICATION IS NOT COMPLETE IF NOT SUBMITTED WITH:

- _____ Completed application signed by all individuals over the age of 18
- _____ Copy of 2007, 2008 and 2009 Federal and State tax returns, as filed, with 2009 1099's, W-2's and schedules, for every current or future person living in the household over the age of 18
- _____ Copy of three consecutive months pay stubs, for salaried employed household members over 18, longer for seasonal and hourly workers.
- _____ Current 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, Social Security benefits, all types of pensions, employment, Unemployment Compensation, Workman's Compensation, alimony, disability or death benefits and any other form of income – on organization letterhead
- _____ Current bank statements of all assets showing current value including all bank accounts, investment accounts, cash life insurance policies, retirement accounts. Include copy of last three months of each asset statement - on organization letterhead.
- _____ Mortgage pre-approval and proof of adequate assets to cover down payment and closing costs
- _____ Documentation regarding current interest in real estate, if applicable
- _____ Self declaration regarding eligibility of minority preference, if applicable
- _____ No Income Statement, signed and notarized, for any household member over 18 with no source of income, if applicable
- _____ No Child Support Statement, signed and notarized, if applicable, containing the language "Under penalties of Perjury"



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Household Information - List all members of your household including yourself

Number of Bedrooms Needed: _____

Names of all Persons to Reside in Dwelling (First Name, Middle Initial, Last Name)		Relation to Head	Age	Date of Birth	Social Security Number	Minority Category * (Optional)
HEAD						
2						
3						
4						
5						
6						

*Minority preference categories include the racial classifications of Black or African American, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or other (not White); and the ethnic classification of Hispanic or Latino.

Property - Do you own or have an interest in any real estate, land and/or mobile home? Yes () No ()

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: _____

Sales Price: _____

I am applying for:

5 Gleason

I am applying for:

76 Preston Street

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 additional space is needed, please attach another sheet.



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#	Source of Income	Address/Phone# of Source	Amount per Year
1			
2			
3			
4			
5			
TOTAL			

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: _____		
TOTAL			



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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 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 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 understand that if I/we do not obtain a mortgage commitment and sign a purchase and sale agreement within forty-five days after the lottery the unit will be offered to the next eligible applicant on the waiting list.

I/We understand the provisions regarding resale restrictions and agree to the restriction. The unit can't be refinanced without prior approval of DHCD and City of Marlborough; no capital improvements can be made without DHCD/City pre-approval; the unit must be owner's primary residence; the resale price is calculated according to the deed rider; and an increase in equity is very minimal to ensure affordability over time; the deed rider remains in effect in perpetuity. All prospective buyers are advised to review the deed rider with their own attorney to fully understand its provisions.

I/We understand that if I/we are selected to purchase a home, I/we must continue to meet all eligibility requirements of the City of Marlborough 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 the MCDA or its designee 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.

Applicant Signature

Date

Co-Applicant Signature

Date