



TOWN OF FRANKLIN

AFFORDABLE HOME APPLICATION

(All Pages of Application Must Be Completed and Returned to Maxine Kinhart, Town Administrator's Office, 355 East Central Street, Franklin, MA 02038 508-520-4949)

Applicant Name	Address	Total Annual Income
Co-Applicant Name	Address	Total Annual Income

Telephone Numbers		
D:	E:	Cell:

Below are the Income Limits used by the Department of Housing and Community Development and are based on 80% of the Median (family of 4) Income as established by HUD.

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person
Max-Income (80% Limits)	\$54,750	\$62,550	\$70,350	\$78,150	\$84,450	\$90,700	\$96,950

Maximum Household Asset Limit is \$75,000 – See Asset Information Sheet

List all who will live in the home (individual/s, children, parents, etc.). Income from all sources must be disclosed. If a household member is a full-time student over age 18 – include amount of income, only \$480 counts, and name and address of school attending*.

Household Member	Date of Birth	Relationship	Income	<u>Check if Full Time Student over 18 yrs.</u>



- You must be a first time homebuyer (No household member has owned outright or jointly a home within the past three years.) and cannot own a home including in trust with the exception of :
 - 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. Exception for Age –restricted developments: Where at least one household member is age 55 or over, the household can own a home that will be sold to provide a down payment or to provide income to support a mortgage;
 - 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.
- In accordance with DHCD regulations, household size and the need for available bedrooms will be a factor in awarding lottery homes. Units with more than one bedroom must have at least two family members.
- Individuals with a financial interest in the development, or family, are not eligible.
- The Town of Franklin is an Equal Opportunity Housing Supporter. For the purpose of compliance with affirmative fair marketing, at your option, please indicate if you or family member(s) who will live in the home are:
 - Native American or Alaskan native
 - Asian
 - Black or African American
 - Native Hawaiian or Pacific Islander
 - Hispanic or Latino
 - Other (not white)
 - Applicant/Co-Applicant
 - Family Member(s)



- As part of the Application, I am providing the following required documents and I understand that my application will be incomplete if submitted without all the required documentation.
 - ❑ The most recent three years **SIGNED** Federal Income Tax Returns – all pages – **do not send State Tax Returns**
 - ❑ Five consecutive current pay stubs indicating year to date income
 - ❑ Three years of W-2's and 1099-R Forms
 - ❑ Documentation proving local preference status if applicable
 - ❑ Three most current statements for **all** bank accounts, brokerage accounts, etc. – all pages
 - ❑ Birth certificate/proof of age. (Over age 55 – Adult Community)
 - ❑ Asset Information Sheet and Income Worksheet and supporting documentation
 - ❑ A photo ID (license, passport, or equivalent)

- I understand that incomplete or late applications will be rejected – **No exceptions.**

- I understand that I must be able to make a down payment (assumed 3%, 1.5% must come from buyer's own funds) and obtain a mortgage for the property and if I cannot, I will be disqualified. **A pre-approval letter from a mortgage provider familiar with deed-restricted properties is required. Pre-qualification letters will not be accepted. FHA and VA loans are not accepted.**

- Applicant must remain eligible with regard to family size, income, and asset limitations throughout the entire process up until and including the closing on the property.

- Applicant must agree to deed restrictions that will limit profits at resale and insure that new owners are income eligible. I understand that deed restrictions require me to seek approval from the Town and DHCD prior to refinancing or making capital improvements to my home. Such restrictions are attached to the deed in perpetuity.

- Persons with disabilities are entitled to reasonable accommodations.

I certify that I have read and understand the preceding and the information I have provided is true and that all household members indicated will reside with me in the house. I understand that in addition to this application, I am obligated to qualify under the most recent rules and regulations (The Guidelines) as amended from time to time by the Department of Housing and Community Development. All Adult members of the household must sign. I (we) understand if selected all information provided shall be verified for accuracy at the time of bank application prior to closing.

Signature

Date

Signature

Date

Signature

Date

INCOME INFORMATION WORKSHEET

Please complete the following Income Information Worksheet for **all household members**. Income is from all sources. Copy or use additional sheets if necessary.

Attach paystubs for 5 most current pay periods and 3 months statements for all accounts.

Household Member Name	Source of Income	Total Gross Monthly	Total Gross Annual
	Employer Name:		
	Employer Name:		
	Employer Name:		
	Employer Name:		
	Self-Employed (Name):		
	Self-Employed (Name):		
	Child Support/Alimony:		
	Other Income (Name/Source):		
	Social Security		
	Social Security		
	SSDI		
	SSDI		
	Unemployment Compensation		
	Workman's Compensation		
	Pension Fund Payments(Source):		
	Pension Fund Payments(Source):		
	Retirement Funds Payments(Source):		
	Retirement Funds Payments(Source):		
	Retirement Funds Payments(Source):		
	Retirement Funds Payments(Source):		
	Title IV/TANF		
	Interest Income(Source):		
	Interest Income(Source):		



ASSET INFORMATION SHEET

Please complete the following Asset Information for **all household members**. The Asset limit is \$75,000. If you are age 55 and over and are purchasing a home in an approved age-restricted development, then your asset plus equity from the sale of your home limit is \$275,000. Assets include liquid assets, cash in checking, savings accounts or money market accounts; CD's, stocks, bonds, and other forms of capital investments, excluding equity accounts in homeownership programs or state assisted public housing escrow accounts. Retirement Accounts are Assets. Use separate sheet if necessary.

Attach most current 3 statements for all accounts.

TYPE – Cash Institution Name	NAME on ACCOUNT	ACCOUNT BALANCE	INTEREST RATE
Checking: _____ _____	_____ _____	_____ _____	_____ _____
Savings: _____ _____	_____ _____	_____ _____	_____ _____
Money Market: _____ _____	_____ _____	_____ _____	_____ _____

TYPE – OTHER	NAME	ACCOUNT BALANCE	INTEREST RATE
Certificates of Deposit:			
Stocks, Bonds, Investment Portfolios:			
Trusts:(If receiving payments from Trusts, include as income.)			



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TYPE – RETIREMENT (If drawing from these, include as income, not asset.)	NAME on ACCOUNT	ACCOUNT BALANCE	INTEREST RATE
IRA:			
KEOGH:			
Pension:			
Annuity:			
Retirement – Other			

Real Estate

Do you or anyone on this application currently own a home that must be sold to purchase a property in this lottery?	<input type="radio"/> Yes <input type="radio"/> No
If yes, type of property:	
Location of property:	\$
Appraised Market Value:	\$
Mortgage or outstanding loans balance due:	\$

Applicant Signature/Date

Co-Applicant Signature Date

Signature (Adult Household Member)/Date

Signature (Adult Household Member) Date



TOWN OF FRANKLIN

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

- I/We certify that our household is _____ persons.
- I/We certify that we have a need of _____(number) of bedrooms.
- I/We certify that our annual household income is _____. Income from all family members has been included.
- I/We certify that my/our total assets do not exceed the asset limit of \$75,000 as defined in the application, unless our Household qualifies for the age-restricted exception allowing up to \$200,000 in equity from the sale of a home prior to purchase of the affordable home in an approved age-restricted development.
- I/We understand that assets divested at less than full market value within two years of application will be counted at full value when determining eligibility.
- I/We certify that we qualify as first-time homebuyers, as defined in the application.
- I/We certify that I/we have received a Local Initiative Program Disclosure Statement and I/We understand the resale/refinance restrictions that will be placed on this home.
- If applicable, I/We certify that at least one member of our household qualifies under the Local Preference category.
- If applicable, I/We certify that at least one member of our household qualifies under the Minority Preference category.

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, The Town of Franklin 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 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 the Town of Franklin or their designee to verify any and all income and asset and other financial information, to verify any and all household, resident location and workplace information and direct any employer, landlord, or financial institution to release any information to the Town of Franklin or their designee.

I/We have completed an application and have reviewed and understand the process that will be used to award affordable homes.

Applicant Signature Date

Co-Applicant Signature Date

KEEP THIS DOCUMENT ACCESSIBLE
IT CONTAINS VALUABLE CONTACT INFORMATION

LOCAL INITIATIVE PROGRAM (LIP)
HOMEBUYER DISCLOSURE STATEMENT

This Homebuyer Disclosure Statement summarizes your rights and obligations in purchasing this home. You are about to purchase a home located at _____, in _____, Massachusetts (the “Municipality”) at less than the home’s fair market value, under the Local Initiative Program (LIP). When you sell the home, that same opportunity will be given to the new buyer. 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 a LIP Deed Rider that will be attached to the deed to your home and recorded at the Registry of Deeds. .

PLEASE REMEMBER:

- You must occupy this home as your primary residence;
- You must obtain consent from the Department of Housing and Community Development (DHCD) and the Municipality [and _____ (if another monitoring agent is listed)] (together they are referred to as the “Monitoring Agents” in this Homebuyer Disclosure Statement) before renting, refinancing or granting any other mortgage, or making any capital improvements to your LIP home;
- You must give written notice to the Monitoring Agents when you decide to sell your property.
- Your LIP property may not be transferred into a trust.

The contact information for the Monitoring Agents is listed in the LIP Deed Rider.

Please read the LIP Deed Rider restriction in its entirety because it describes and imposes certain important legal requirements. It is strongly recommended that you consult an attorney to explain your legal obligations and responsibilities.

Primary Residence

You must occupy your LIP property as your primary residence.

Renting, Refinancing and Capital Improvements

You must obtain the prior written consent of the Monitoring Agents before you do any of the following:

- Rent your LIP home;
- Refinance an existing mortgage or add any other mortgage including a home equity loan; or
- Make any Capital Improvements (for example, a new roof or a new septic system – see attached Capital Improvements Policy) if you wish to get credit for those costs (at a discounted rate) when you sell your home.

Before taking any action, please contact DHCD for instructions on renting, mortgaging, or making capital improvements to your home. If you do not obtain the required consent from the Monitoring Agents, you can be required to pay all of the rents or proceeds from the transaction to the Municipality.

Resale Requirements

When you sell your home, you are required to give written notice to the Monitoring Agents of your desire to sell so that they may proceed to locate an Eligible Purchaser for your LIP home. Your sale price will be computed by DHCD based on the formula set forth in the LIP Deed Rider to reflect your original purchase price plus certain limited adjustments.

The allowed sale price is defined as the “Maximum Resale Price” in the LIP Deed Rider. It is calculated by adjusting the purchase price you paid for the home to reflect any change in the area median income from the time you purchased the LIP home to the time of the resale plus:

- (a) The Resale Fee as stated in the LIP Deed Rider;
- (b) Approved marketing fees, if any; and
- (c) Approved Capital Improvements, if any.

The Maximum Resale Price can never be more than the amount which is affordable to an Eligible Purchaser earning 70% of the area median income, as determined by a formula set forth in the LIP Deed Rider. The sales price will also never be less than the purchase price you paid, unless you agree to accept a lower price.

The Monitoring Agents have up to 90 days after you give notice of your intention to sell the home to close on a sale to an Eligible Purchaser, or to close on a sale to a Monitoring Agent, or to a buyer that one of them may designate. This time period can be extended, as provided in the LIP Deed Rider, to arrange for details of closing, to locate a subsequent purchaser if the first selected purchaser is unable to obtain financing or *for lack of cooperation* on your part.

It is your obligation to cooperate fully with the Monitoring Agents during this resale period.

If an Eligible Purchaser fails to purchase the home, and none of the Monitoring Agents (or their designee) purchases the home, you may sell the home to a purchaser who does not qualify as an Eligible Purchaser (in this event, this purchaser is referred to as an ineligible purchaser), subject to the following:

- (i) the sale must be for no more than the Maximum Resale Price;
- (ii) the closing must be at least 30 days after the closing deadline described above;
- (iii) the home must be sold subject to a LIP Deed Rider; and
- (iv) if there are more than one interested ineligible purchasers, preference will be given to any purchaser identified by DHCD as an appropriately-sized household whose income is more than 80% but less than 120% of the area median income.

Any sale by you to an Eligible Purchaser, or to an ineligible purchaser (as described in the LIP Deed Rider), is subject to the normal and customary terms for the sale of property, which are set forth in the LIP Deed Rider and which will be included in your Purchase and Sale Agreement.

There is no commitment or guarantee that an Eligible Purchaser will purchase the LIP home, or that you will receive the Maximum Resale Price (or any other price) for your sale of the LIP home.

A sale or transfer of the home will not be valid unless (1) the total value of all consideration and payments of every kind given or paid by the selected purchaser do not exceed the Maximum Resale Price, and (2) the LIP Compliance Certificate that confirms that the sale or transfer was made in compliance with the requirements of the LIP Deed Rider is executed by the Monitoring Agents and recorded at the Registry of Deeds by the closing attorney.

If you attempt to sell or transfer the home without complying with the LIP Deed Rider requirements, the Monitoring Agents may, among their other rights, void any contract for such sale or the sale itself.

Foreclosure

In the event that the holder of a mortgage delivers notice that it intends to commence foreclosure proceedings, the LIP Deed Rider gives the Municipality an option to purchase the home (or to designate another party to purchase the home) for a period of 120 days after notice of the Lender's intent to foreclose.

If this foreclosure purchase option is exercised, the purchase price will be the greater of (i) the amount of the outstanding balance of the loan secured by the mortgage, plus the outstanding balance of the loans secured by any mortgages senior in priority, up to the Maximum Resale Price as of the date the mortgage was granted, plus any future advances, accrued interest and/or reasonable costs and expenses that the mortgage holder is entitled to recover, or (ii) the Maximum Resale Price at the time of the foreclosure purchase option, except that in this case the Maximum Resale Price may be less than the purchase price you paid. By signing the LIP Deed Rider, you are agreeing that you will cooperate in executing the deed to the Municipality (or its designee) and any other required closing documents.

If the foreclosure purchase option has not been exercised within 120 days of delivery of the foreclosure notice to the Monitoring Agents, the mortgage holder may conduct a foreclosure sale. The mortgage holder or an ineligible purchaser may purchase the home at the foreclosure sale, subject to the LIP Deed Rider.

If the sale price at the foreclosure sale is greater than the purchase price that would have applied for the Municipality's foreclosure purchase option as described above, the excess will be paid to the Municipality. By signing the LIP Deed Rider, you are agreeing to assign any rights and interest you may otherwise have in the balance of any foreclosure proceeds available after satisfaction of all obligations to the holder of the foreclosing mortgagee, for delivery to the Municipality.

There is no commitment or guarantee that the Municipality will exercise the foreclosure purchase option, or that your Lender will receive the Maximum Resale Price (or any other price) in any foreclosure sale of the LIP home. In addition, the foreclosing lender retains the right to pursue a deficiency against you.

Violation of Restriction Requirements

If you violate any of the Restriction terms, you will be in default and the Monitoring Agents may exercise the remedies set forth in the LIP Deed Rider.

If one or more of the Monitoring Agents brings an enforcement action against you and prevails, you will be responsible for all fees and expenses (including legal fees) for the Monitoring Agent(s). The Monitoring Agent(s) can assert a lien against the home to secure your obligation to pay those fees and expenses.

Acknowledgements

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

I also certify that I have been advised to have an attorney review this document and the LIP Deed Rider with me.

Dated _____, 20__

Homebuyer

Witness

Homebuyer

Witness

**Local Initiative Program (LIP)
Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114
617-573-1100**