ARLINGTON * CHELSEA * EVERETT * MALDEN * MEDFORD * MELROSE * REVERE * WINTHROP

NORTH SUBURBAN CONSORTIUM

www.northsuburbanconsortium.org

FIRST TIME HOME BUYER DOWN PAYMENT/CLOSING COST ASSISTANCE LOAN PROGRAM

Malden Redevelopment Authority
Representative Member and Agent for
North Suburban Consortium
200 Pleasant Street, Room 621
Malden, MA 02148

(tel) 781-324-5720
(fax) 781-322-3734

EQUAL HOUSING OPPORTUNITY

Overview...

The North Suburban Consortium (NSC) offers First Time Home Buyer Down Payment/Closing Cost Assistance Loans for income eligible applicants who are purchasing a condominium, single-family or two-family home in the NSC's jurisdiction. Applicant must be a first time home buyer. A first time home buyer is defined as not having ownership interest in a property for the previous three years (this includes displaced homemakers and single parents who may have owned a home with a spouse). Property must be occupied as primary residence. Loan amounts are **up to $7,500** for condominium* or single-family property purchase and **up to $8,500** for two-family property purchase (*loan amount will be determined at the completion of underwriting process).*

The down payment/closing cost assistance loan amount is funded at closing by the primary mortgage lender and the loan amount should be documented in the closing Settlement Statement. Reimbursement to primary mortgage lender will take place after closing when all documents required by NSC (i.e. NSC Mortgage, NSC Promissory Note and Settlement Statement) are presented to the NSC, c/o Malden Redevelopment Authority, 200 Pleasant Street, Room 621, Malden, Massachusetts 02148, ATTN: HOME Program Director.

* *condominiums not eligible in Chelsea*

How to Qualify...

1. Primary Mortgage Financing

Applicant must obtain primary mortgage financing with a fixed interest rate from a qualified lender. Massachusetts Housing Partnership ONE Mortgage Program, Mass. Housing Mass Advantage or My Community Mortgage Program, VA Loans and FHA Loans are automatically approved mortgage products. Applicant should contact banks to apply for pre-approvals and to obtain primary mortgage financing.

2. Home Buyer Counseling

To qualify for the above-referenced mortgage products as well as the NSC down payment/closing cost assistance loan, applicant must attend a First Time Home Buyer Counseling Workshop. The NSC sponsors counseling workshops by Medford Community Housing (www.medfordcommunityhousing.org) and Chelsea Restoration Corporation (www.chelsearestoration.org). For information on these and other workshops offered throughout the state, check Citizen's Housing and Planning Association website (www.chapa.org). Applicant must provide a copy of First Time Home Buyer Counseling workshop certificate ***(no more than two years old)*** with completed application.

3. Income Qualifications

To qualify for NSC down payment/closing cost assistance loan, applicant's combined household income (gross income) must fall **below** the income limit standards set by the U.S. Department of Housing and Urban Development (HUD). Income from ***all*** household members 18 years of age or over must be

included, however, in certain circumstances, full time students' income may be excluded. Income limits are:

HUD Income Limits 80% Median Family Income (MFI) *(effective March 6, 2015)*:

1 person household: $48,800
2 person household: $55,800
3 person household: $62,750
4 person household: $69,700
5 person household: $75,300
6 person household: $80,900
7 person household: $86,450
8 person household: $92,050

Credit Score: Applicant must have a minimum credit score of **660** for a condominium or single-family property purchase and a minimum credit score of **680** for a two-family property purchase. If there is more than one applicant, the average of the applicants' credit scores must be a minimum of **660** for a condominium or single-family property purchase and **680** for a two-family property purchase.

4. Other Qualifications

Purchase Price Limits

The property purchased cannot exceed the following prices *(FY14)*:

Existing Housing

Community	1 Unit	2 Units
Revere, Chelsea, Winthrop	$309,000	$395,000
Malden, Medford, Melrose, Arlington, Everett	$337,000	$432,000

New Housing

Community	1 Unit	2 Units
Revere, Chelsea, Winthrop	$333,000	$426,000
Malden, Medford, Melrose, Arlington, Everett	$351,000	$450,000

Asset Limits Applicant cannot have more than $75,000 in liquid assets post-closing. Liquid assets include stocks, bonds, CDs, as well as cash, savings and trust funds (retirement accounts are not included).

Inspection A housing quality standards inspection will be conducted - at no cost to the applicant - to ensure that the property meets state and federal housing codes.

Housing-to-Income Ratio ("HTI") Applicant can have a maximum HTI of **35%** for a condominium or single-family property purchase and a maximum HTI of **45%** for a two-family property purchase. The HTI is the ratio of the applicant's complete monthly mortgage payment consisting of principal, interest, taxes, insurance and condominium fee ("PITI") to the applicant's total monthly household income. (Applicant's primary mortgage lender will issue a truth-in-lending disclosure or similar document which clearly states the PITI payment.) For two-family properties, 65% of the projected rental income for the second unit can be added to the applicant's other income to determine this number.

Debt-to-Income Ratio ("DTI") Applicant can have a maximum total DTI of **45%** for a condominium or single-family property purchase and a maximum DTI of **50%** for a two-family property purchase. The total DTI includes other debt such as student loans and consumer debt in addition to housing debt. For two-family properties, 65% of the projected rental income for the second unit can be added to the applicant's other income to determine this number.

Sufficient Cash Reserves (post-closing) Applicant must have sufficient cash reserves on hand, including any amount of down payment/closing cost assistance offered, to pay two months of PITI for a condominium or single-family property purchase and three months of PITI for a two-family property purchase.

How to Apply...

For primary mortgage financing, contact a bank that offers those mortgage products.

To apply for NSC Down Payment/Closing Cost Assistance Loan, complete the First Time Home Buyer Down Payment/Closing Cost Assistance Loan application – ***attached***. Return the completed application along with the required documentation set forth below to the NSC member community representative (see member community representative contact information below) or to the Malden Redevelopment Authority. *All documents must be submitted with completed application unless otherwise noted that the document will be signed after approval of the down payment/closing cost assistance loan application or at closing.*

Voluntary Sale Disclosure (this form must be signed by the seller) - ***attached***

Copy of signed Purchase and Sale Agreement

Copy of Primary Mortgage Financing Loan Application

Copy of Primary Mortgage Financing Commitment from qualified lender

Copy of Truth-in-Lending Disclosure or similar document issued by primary mortgage lender

Copy of Credit Report (or Reports if more than one applicant)

Certificate from First Time Home Buyer Counseling Workshop **(not more than two years old)**

Copies of 3 years most recent federal tax returns

Copies of 3 months most recent bank statements for **all** bank accounts

Copies of 3 months most recent paystubs

Documentation of "other" income sources (alimony, child support, welfare assistance, etc.)

Zero Income Affidavit (this form must be completed by **every** household member over 18 years of age who has no income) - ***attached***

Tenant Notice of Non-Displacement - ***attached***

Liquid Asset Certification - ***attached***

IRS Certification Form - ***attached***

Upon Approval...

Upon approval, the applicant will receive the following from the NSC:

- Commitment Letter for the NSC down payment/closing cost assistance loan for the applicant to sign. Thereafter a copy of the commitment letter should be provided to the primary mortgage lender and/or closing attorney so they can prepare the NSC Mortgage and Promissory Note (Mortgage and Note can be downloaded from the NSC website *www.northsuburbanconsortium.org*).

- Recapture Agreement for the down payment/closing cost assistance loan for the applicant to sign, acknowledging that he/she/they understand the down payment/closing cost assistance loan amount can be recaptured if the property is sold or transferred within **five (5)** years.

- HOME Written Agreement for the applicant to sign evidencing that the applicant's household and the property complies with all of HUD's standards.

At closing, applicant will execute the NSC Mortgage and Promissory Note for the full amount of the down payment/closing cost assistance loan.

The NSC down payment/closing cost assistance is a 0% interest loan with a **five (5)** year term. The amount owed under the mortgage is a declining balance: every year the applicant **lives in the property as his/her/their primary residence, 20%** of the original balance is forgiven. After **five (5)** years, the loan is forgiven.

NSC Member Community Representatives

Please contact member community representative for more information about the NSC First Time Home Buyer Down Payment/Closing Cost Assistance Loan Program:

Revere, Winthrop & Everett: Mark Signore 781-286-8187, msignore@revere.org

Malden & Melrose: Maureen Taylor 781-324-5720 x5730, mtaylor@maldenredevelopment.com

Chelsea: Marilyn Garcia 617-889-2277, mgarcia@chelsearestoration.org

Medford: Rachel Powers 781-393-2480, rpowers@medford.org

Arlington: Laura Wiener, 781-316-3091, lwiener@town.arlington.ma.us

NORTH SUBURBAN CONSORTIUM

Application for First Time Home Buyer Program

DOWN PAYMENT/CLOSING COST ASSISTANCE

All information submitted by applicants and obtained for verification will be confidential and used solely for the processing of First Time Home Buyer applications.

Name of Applicant: _____

DATE OF BIRTH_____ Soc Sec #_____ Marital Status_____

Home address_____

Home phone#_____ Work phone #_____

Co-Applicant /Spouse:

Name of Applicant: _____

DATE OF BIRTH_____ Soc Sec #_____ Marital Status_____

Home address_____

Home phone#_____ Work phone #_____

 # Persons in household _____ (list all members of the household. Please include children's ages)

Member #	Name	Relationship	Age	Social Sec #
1)				
2)				
3)				
4)				
5)				
6)				
7)				

Minority group and household data is obtained for statistical purposes only

Please provide the following information regarding race and family composition.

White (Non- Hispanic) _____ Black (Non-Hispanic) _____ Native American_____

Asian Pacific Islander_____ Hispanic (all races) _____ Other_____

Handicapped_____ Disabled_____

Household type: Single/non-elderly_____ elderly_____ related / single parent _____

Related / two parent_____ other _____

INCOME: Total income for household

**Please include all sources of income received by all household members. For example:
~Wages, social security, interest and investment income, workman's compensation, unemployment, disability, retirement, AFDC, or any other type of government financial assistance, alimony, child support.
~Employment income received by all household members 18 years or older.

Applicant's employment income:

Base weekly: $_____ Yearly $_____

Hourly rate: $_____ Hours per week _____ Weeks per year_____

O.T. Weekly $_____ Shifts Differential Weekly $_____

Salary / Annual $_____ Other (type) _____$_____x_____

Self employment / Net income from business $_____x_____

Weekly, Monthly, Annually

Co-applicant's employment income:

Base weekly: $_____ Yearly $_____

Hourly rate: $_____ Hours per week _____ Weeks per year_____

O.T. Weekly $_____ Shifts Differential Weekly $_____

Salary / Annual $_____ Other (type) _____$_____x_____

Self employment / Net income from business $_____x_____

You will be required to provide verification of all sources of income.

Other family income

Source:_____

Source:_____

Source:_____

Employment for Applicant

Employer's Name_____

Address_____

Position or title_____Length / employ_____phone #_____

Employer 2's Name_____

Address_____

Position or title _____Length / employ_____phone #_____

Employment for Co-Applicant

Employer's Name_____

Address_____

Position or title_____ Length / employ_____ phone #_____

Employer 2's Name_____

Address_____

Position or title _____ Length / employ_____ phone #_____

INSTALLMENT DEBT (car notes, credit cards, student loans, etc.)

Creditor #1_____, acct. #_____, balance $_____

Monthly payment_____

Creditor #2_____, acct. #_____, balance $_____

Monthly payment_____

Creditor #3_____, acct. #_____, balance $_____

Monthly payment_____

ASSETS (you must declare all assets for household, not just down payment funds)

1. Bank/ Credit Union_____, address_____

Name	Soc sec #	Type of Account	Account #	Cash value	Annual income from assets	Account Balance

2. Bank/ Credit Union_____, address_____

Name	Soc sec #	Type of Account	Account #	Cash value	Annual income from assets	Account Balance

3. Other (C.D.s, interest funds, dividends)_____

4. Bonds, mutual funds, stocks, (identify)_____

I/ we herby authorize the staff of the North Suburban Consortium as part of the application, to seek verification of, and inquire about, information and data submitted in this application for determination of my/ our eligibility for the NSC first time home buyer program.

Penalty for false or fraudulent statement:

U.S.C. Title 18, section 101 of the U.S Criminal Code provides: "whoever, in any manner within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies or makes and false, fictitious or fraudulent statements or representations or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statements or entry, shall be fined not more than $ 10,000; or imprisoned not more than five years, or both."

I/ we certify that the information contained in this application is true to the best of my/our knowledge.

Signature_____

Signature_____

Date_____

Note: to process your application, the following documents are necessary:

Voluntary Sale Disclosure (this form must be signed by the seller)

Copy of signed Purchase and Sale Agreement

Copy of Primary Mortgage Financing Loan Application

Copy of Primary Mortgage Financing Commitment from qualified lender

Copy of Truth-in-Lending Disclosure or similar document issued by primary mortgage lender

Copy of Credit Report (or Reports if more than one applicant)

Certificate from First Time Home Buyer Counseling Workshop (not more than two years old)

Copies of 3 years most recent federal tax returns

Copies of 3 months most recent bank statements for all bank accounts

Copies of 3 months most recent paystubs

Documentation of "other" income sources (alimony, child support, welfare assistance, etc.)

Zero Income Affidavit (this form must be completed by every household member over 18 years of age who has no income)

Tenant Notice of Non-Displacement

Liquid Asset Certification

IRS Certification Form

VOLUNTARY SALE DISCLOSURE

Dear _____:

This is to inform you that _____
("Purchaser") would like to purchase the property located at
_____, _____, Massachusetts.

The Purchaser is prepared to pay $_____ for clear title to the property under the conditions described in the attached proposed purchase and sale agreement. Because Federal funds may be used in this purchase, the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) requires that we disclose to you the following:

1. The sale is **voluntary.** The person or agency acquiring your property does not have authority to acquire property by eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement; and
2. Based upon a final evaluation, the market value of the property is estimated at $_____. You are willing to sell the property for $_____; and
3. You may withdraw from the sales agreement based on this disclosure.

Since the purchase will be a voluntary, arm's length transaction, you will not be eligible for relocation payments or other relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), or any other law or regulation. Furthermore, by signing below you are certifying the following:

i. your property is 100% owner occupied at the time of the purchase offer or tenants have all agreed to stay in the property or waive relocation rights;
ii. if you rent the property between the time you accept the purchase offer and the sale of the property closes, you will provide written notice, prior to the first day of the term of the rental agreement, that the property is under contract for sale, that the occupant will be required to vacate the property prior to the closing date, and as such, the occupant will not be eligible to receive relocation assistance under the URA. These provisions do not apply when the purchaser of the property is the occupant of the property or if, prior to receiving the purchase offer, the occupant had notified you or your agent, in writing, of his/her intent to vacate the unit prior to the date established for completing the sale of the property.

Again, please understand that if you do not wish to sell your property, the Purchaser or IHFA will take no further action to acquire it. As a voluntary sale, you are not entitled to relocation assistance.

I/We hereby acknowledge having received a copy of this certification and certify that I/we will abide by the terms stated herein. I/We agree that the proposed sale is totally voluntary.

_____ _____
Owner Date

_____ _____
Owner Date

Zero Income Affidavit

Household Name: _____

_____

Subject Property Address: _____

_____

1. I hereby certify that I do not individually receive income from any of the following sources:
   a. Wages from employment (including commissions, tips, bonuses, fees, etc.);
   b. Income from operation of a business;
   c. Rental income from real or personal property;
   d. Interest or dividends from assets;
   e. Social Security payments, annuities, insurance policies, retirement funds, pensions or death benefits;
   f. Unemployment or disability payments;
   g. Public assistance payments;
   h. Periodic allowances such as alimony, child support or gifts received from persons living in my household;
   i. Sales from self-employed resources (Avon, Mary Kay, Shaklee, etc.);
   j. Any other source not named above.

2. I currently have no income of any kind and there is no imminent change expected in my financial status or employment status during the next 12 months.

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. The undersigned further understands that providing false representation herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of a lease agreement.

_____

Signature of Applicant/Household Member Date

Sworn to before me and subscribed in my presence this _____ day of _____, 20___.

_____

Signature of Notary Public Name

My Commission Expires: _____

TENANT NOTICE OF NON-DISPLACEMENT

Dear Tenant:

On _____, 20___, _____ (buyer) entered into an agreement with _____ (seller) to purchase the property you currently occupy at _____, _____, Massachusetts. If and when negotiations are completed and the sale is final, certain improvements will be made. Part of the funding may come from federal sources.

This notice is to inform you that you will not be displaced from this project. Therefore, we urge you not to move anywhere at this time. (If you do elect to move for reasons of your choice, you will not be provided relocation assistance.)

After the sale is final, you will be able to occupy your present apartment (or another suitable, decent, safe and sanitary apartment in the same building). Of course, you must comply with standard lease terms and conditions. If you must move temporarily so that rehabilitation can be completed, suitable housing will be available to you for the temporary period and you will be reimbursed for all reasonable extra expenses, including moving costs and any increase in housing costs.

Because federal assistance will be involved, you will be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. If it is necessary to increase your rent, your new rent (including the estimated average monthly utility costs) will not exceed 30% of the gross income of all adult members of your household.

Again, we urge you not to move. If and when the sale is final, you can be sure that we will make every effort to accommodate your needs. If you have any questions, you may contact me at _____

_____.

This letter is important and should be retained.

Sincerely,

_____

_____ _____

Tenant Date

(Tenant Notice of Non-Displacement:NSC:FTHB Legal Docs)

NORTH SUBURBAN CONSORTIUM
FIRST TIME HOME BUYER PROGRAM

Liquid Asset Certification

The combined totals of my/our available liquid assets (after loan closing) do not exceed $75,000. The definition of liquid assets is typified by monetary holdings in bank accounts (savings and checking) and certificates of deposit (CDs).

Borrower Signature: _____ Date_____

Co-Borrower: _____ Date _____

Co-Borrower: _____ Date_____

Witness: _____ Date_____

NORTH SUBURBAN CONSORTIUM
FIRST TIME HOME BUYER PROGRAM

Internal Revenue Certification

I/We certify that the _____, _____ and _____ 1040 IRS Tax Returns with Schedules submitted to the North Suburban Consortium are those actually submitted to the Internal Revenue Service by me/us and that to date, they have not been challenged to necessitate any change in income as reported.

Borrower Signature: _____ Date_____

Co-Borrower: _____ Date _____

Co-Borrower: _____ Date_____

Witness: _____ Date_____