



your resource for Affordable Housing



Millstone Village Medway, MA

February 2016

Millstone Village is a new 80 unit community for age-qualified (55+) homebuyers being built on Winthrop Street in the Town of Medway. The development consists of 45 town homes and 35 detached single family homes. Eight affordable town homes unit are available by lottery for eligible age-qualified (55+) homebuyers. There will be two lotteries for the project. This application is for the first lottery for 3 units.

The two bedroom affordable units are priced at \$174,700 and include 2 ½ bathrooms, 2 car garage and unfinished basement in +/- 2000 sq. ft. of living space. All affordable units will be sold by lottery as outlined in the attached package. Please review the enclosed information packet in detail and complete the application and disclosure statement at the rear of the packet.

PLEASE NOTE: All applicants must include a mortgage pre-approval letter, from an institutional lender familiar with affordable deed restrictions and complete financial documentation with the application. An application submitted incomplete will not be reviewed or considered for the lottery. If a complete application is received on or before the application deadline it will be reviewed for eligibility and included in the lottery, if appropriate. The FHA and VA will not close on deed restricted properties so pre-approvals using those programs will not be accepted.

A Public Information Meeting will be held to answer specific questions and provide an overview of the lottery process. The meeting is scheduled for 6:30 p.m., Thursday, March 31, 2016 at the Medway Senior Center, 76 Oakland Street, Medway, MA. If you have questions and can attend this meeting, please hold them until that time.

Applications can be obtained on line at www.mcohousingervices.com. The application deadline is April 22, 2016. You must submit an application postmarked on or before April 22nd to be in the lottery. The lottery is scheduled for 6:30 p.m., Tuesday, May 3, 2016 at the Medway Senior Center.

Thank you for your interest in affordable housing at **MILLSTONE VILLAGE**. We wish you the best of luck. Please contact MCO Housing Services at 978-456-8388 or email us at lotteryinfo@mcohousingervices.com if you have any questions. We encourage you to advise other people or organizations that may be interested in this program and make copies of the relevant information as needed.

Sincerely,

Maureen M. O'Hagan
MCO Housing Services for
Elite Home Builders, LLC

Potential applicants will not be discriminated against on the basis of race, color, religious creed, marital status, military status, disability, national origin, sex, age, ancestry, sexual preference, source of income, presence of children, or any other basis prohibited by local, state or federal law.



Millstone Village
AFFORDABLE HOMES through LIP Question & Answer

What are the qualifications required for Prospective Buyers?

1. The maximum allowable gross income guidelines, adjusted for household size, as follows:

Household Size	1	2	3	4
Max Allowable Income	\$51,150	\$58,450	\$65,750	\$73,050

(Note: This represents 80% of the annual household median income for the area and is subject to adjustments. This assumes a household size of 1-4 people. This income limit is subject to change based upon DHCD updating.)

2. At least one homebuyer must be 55 years of age or older and the remaining household members must be 18 years of age or older.

3. Eligible households are allowed up to \$275,000 combination equity from home sale and assets. You can not purchase an affordable home unless your current home is sold. If you do not have a home to sell the asset limit is the same at \$275,000.

Assets are determined as follows:

- a. Individual retirement, 401K and Keogh accounts are included at 100% of the account value.
- b. The value of Retirement and Pension Funds differ if you are employed or are no longer working. If still employed the value is determined using the amount you can withdraw less any penalties or transaction costs. At retirement, termination of employment or withdrawal periodic receipts from pension and retirement funds are counted as income. Lump sum receipts are counted as assets.
- c. Assets divested at less than full market value within the past two years will be counted at full market value in determining eligibility.

Other program highlights for Lottery applicants:

- Units must be owner occupied. They cannot be rented or leased.
- Non-household members are not permitted to be co-signers on the mortgage.
- A mortgage pre-approval letter is required to participate in this lottery.
- Guests under the age of 18 may only stay up to 6 months in any calendar year.
- Given sufficient notice, basic accommodations will be made for people with disability for little or no cost to the buyer.
- Access ramps will be built in garages and billed at cost to the unit owner, if requested, a time of Purchase and Sale Agreement

Are there specific mortgage guidelines?

Yes, they are:

1. Be a fully amortizing fixed rate mortgage with a down payment of at least 3%, at least half of which must come from the buyer's own funds.
2. Be made by an institutional lender.
3. Have a fixed interest rate through the full term of the mortgage that is a current fair market interest rate.
4. No more than 2 points.
5. Monthly housing (inclusive of principal, interest, property taxes, hazard insurance, private mortgage insurance and condominium or homeowner association fees) may not exceed 38% of the buyers monthly income for the mortgage.



6. Non-household members shall not be permitted as co-signers of the mortgage.

Are there preferences for local residents?

Yes. Preference will be given to local residents for 2 of the 3 affordable units. Proof of local residency will be verified if you have the opportunity to purchase. See application for list of local preference criteria. Any questions regarding an applicant's local preference eligibility will be directed to the Town of Medway and/or DHCD for clarification.

Preference for the two bedroom units will be given to households which require a two bedroom unit. Second preference will be given to households who require one bedroom.

Unit preferences are based on the following:

- a. There is at least one occupant per bedroom.
- b. 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.
- c. A person described in (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and reliable medical documentation is provided substantiating the adverse impact.
- d. A household may count an unborn child as a household member. The household must submit proof of pregnancy with the application.
- e. 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, as set forth in the application.

Is there preference for minorities?

If the percentage of minority applicants in the Local Preference Pool is less than the percentage of minorities in the Surrounding HUD-defined area, currently 27%, a preliminary lottery will be held, comprised of all the minority applicants who do not qualify for the Local Preference Pool. These minority applicants would be drawn until their percentage in the local pool closely approximates the percentage in the Boston area population. Applicants not selected for the local pool would be in the at-large pool only.

Are there any restrictions?

YES. Deed restrictions are used to protect the affordability of the town homes for future buyers. The deed restrictions encumber the property in perpetuity, with certain exceptions. If you choose to sell your unit, there is a limit on the resale price. The maximum resale price is determined using a Resale Price Multiplier, a figure calculated by taking the initial sales price and dividing it by the area median income. **For example**, the initial 2 bedroom affordable condominium unit price is \$174,700 and the current area median income is \$98,500, the Resale Price Multiplier would be $\$174,700 / \$95,800 = 1.77$.

Upon resale, the Resale Price Multiplier is multiplied by the updated area median income number to determine the maximum resale price. A resale fee up to 2% of the resale price may be added onto the resale price to be paid by the buyer to the Monitoring Agent.

Applicants are strongly encouraged to review the restrictions in the deed rider with their attorney.

How much money do I need to make to afford the condominiums?

The minimum income required to purchase is based solely upon an applicant's ability to secure a mortgage. Attached is an "Affordability Analysis" based upon current interest rates and anticipated real estate taxes and related housing expenses.



Lottery Process

Due to the nature of the affordable homes availability it is important for everyone to understand the procedure. Please understand the allowable income guidelines are adjusted based upon your household size. Also be advised that the program and its requirements are subject to changes in local, state or federal regulations.

Lottery Pools

Three town home units are available by lottery at Millstone Village. The lottery has two pools – Local and At-Large. The separation below provides the overall unit breakdown of the units only. The pools breakdown as follows:

<u>Pool</u>	<u>Qualifications</u>	<u># of Units</u>
Local Pool	Must meet at least one of the Local Preference Criteria as listed on the application.	2
At-Large Pool	All applicants – including local pool	1

Local applicants would have two opportunities to purchase a unit by being in both the Local and At-Large Pools.

Preference for the two bedroom units will be given to households which require a two bedroom unit. Second preference will be given to households who require one bedroom. Unit preferences are based on the following:

- a. There is a least one occupant per bedroom.
- b. 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.
- c. A person described in (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and reliable medical documentation is provided substantiating the adverse impact.
- d. A household may count an unborn child as a household member. The household must submit proof of pregnancy with the application.
- e. 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, as set forth in the application.

All of the applicants for a given pool will be pulled at the time of the lottery. This will establish the rankings for the distribution of units. This means if you are a two person household and by the above definition (b) require a one bedroom unit and are drawn first in the lottery, we will move to the first applicant on the list that meet the unit preference for the two bedroom units. If we have gone through the list and have units remaining, we will begin working from the top of the list and you may likely have an opportunity to purchase.

Time Frames

Millstone Village is currently under construction and the first affordable unit will be available for immediate occupancy.

If you are selected and have the opportunity to purchase a unit you will speak or meet with a representative to review your application to verify all information. Applicants selected for units approaching completion will need to start working with an approved lender immediately to secure the necessary mortgage. Please be advised the official income verification will be done at the time you have an opportunity to purchase a unit. Meaning, if one year after the initial lottery you have the opportunity to purchase a unit and you are over income at that time, you may not be able to purchase.



Acceptance of Homes

It is important for all applicants to understand that specific units are attached to specific lottery rankings based upon the projected availability of the completed unit. Applicants will not have a choice of unit locations, style or schedules. You will not be able “pass” on a unit and wait for another unit. If you choose not to take the designated unit, you will go to the bottom of the list and will NOT have another opportunity.

Resale of Units

The resale of the affordable units will be coordinated by the Monitoring Agent. If you have an opportunity to purchase you will receive a copy of the LIP Homebuyer Disclosure Statement which outlines the limitation on profit, steps to resell the unit, time allowed to sell, and capital improvements etc. If you would like to receive a copy of this document send an email to maureen@mcohousingservices.com and a copy will be emailed to you.

Summary

We hope this helps explain the process by which the units will be distributed. It can be a lengthy and sometimes complicated process. We greatly appreciate your participation and wish you the best of luck in the lottery process.

AFFORDABILITY ANALYSIS (FOR ILLUSTRATION PURPOSES ONLY)

Home Price	\$ 174,700
<i>Interest Rate</i>	4.5%
<i>Down Payment (%)</i>	5%
Down Payment (\$)	\$ 8,500
Mortgage Amount	\$ 161,500
Monthly Expenses	
<i>Principal & Interest</i>	\$ 841.00
<i>Real Estate Taxes</i>	264.00
<i>Private Mortgage Insurance*</i>	108.00
<i>Insurance</i>	58.00
<i>Estimated Association Fee</i>	100.00
TOTAL Monthly Expenses	\$ 1,371.00

NOTES:

ALL Values are estimates and are subject to change.

Medway 2016 Residential Tax Rate = \$18.11 per thousand



Unit Availability and Unit Distribution

Unit #	Address	Designated Winner	Estimated Availability*
8	10 Millstone	Local 1	Immediate Availability
54	10 Millstone	ALP 1	6-8 months
57	22 Millstone	Local 2	6-8 months

Codes:

Local – Local Pool Applicants

ALP – At Large Pool Applicants

** All Dates are Estimates*



Millstone Village

LOTTERY APPLICATION

Application Deadline: April 22, 2016

For Office Use Only:

Date Appl. Rcvd: _____

LOCAL Pool: Y / N

Household Size: _____

Lottery Code: _____

Date: _____

PERSONAL INFORMATION:

Name: _____

Address: _____ Town: _____ Zip: _____

Home Telephone: _____ Work Telephone: _____ Cell: _____

Email: _____ Have you ever owned a home? ___ If so, when did you sell it? ___

Do you meet any of the Local Preference Eligibility Criteria established by the Town of Medway? _____ Please check the appropriate category below*:

- Current Medway Resident
- Employed by the Town of Medway or the Medway Public Schools
- Employee working in a business working in the Town of Medway

Proof of local residency will be verified if you have the opportunity to purchase.

FINANCIAL WORKSHEET: (Include all Household Income, which includes gross wages, retirement income (if drawing on it for income), business income, veterans' benefits, alimony/child support, unemployment compensation, social security, pension/disability income, supplemental second income and dividend income.)

Borrowers Monthly Base Income (Gross) _____

Other Income, specify _____

Co-Borrowers Monthly Base Income (Gross) _____

Other Income, specify _____

TOTAL MONTHLY INCOME: _____

Household Assets: (This is a partial list of required assets. A complete list will be provided should you have an opportunity to purchase or you can view online at www.mcohousingervices.com. Complete all that apply with current account balances)

Checking (avg balance for 6 months) _____

Savings _____

Stocks, Bonds, Treasury Bills, CD or _____

Money Market Accounts and Mutual Funds _____

Individual Retirement, 401K and Keogh accounts _____

Retirement or Pension Funds (amt you can w/d w/o penalty) _____

Revocable trusts _____

Equity in rental property or other capital investments _____

Cash value of whole life or universal life insurance policies _____

Down Payment Gift _____

TOTAL HOUSEHOLD ASSETS _____



EMPLOYMENT STATUS: (include for all working household members. Attach separate sheet, if necessary.)

Employer: _____
Street Address: _____
City/State/Zip: _____
Date of Hire (Approx): _____
Annual Wage - Base: _____
Additional: _____ (Bonus, Commission, Overtime, etc.)

ABOUT YOUR FAMILY: (OPTIONAL)

You are requested to fill out the following section in order to assist us in fulfilling affirmative action requirements. Please be advised that you should fill this out based upon family members that will be living in the condominium. Please check the appropriate categories:

	Applicant	Co-Applicant	(#) of Dependents
Non-Minority	_____	_____	_____
Black or African American	_____	_____	_____
Hispanic or Latino	_____	_____	_____
Asian	_____	_____	_____
Native American or Alaskan Native	_____	_____	_____
Native Hawaiian or Pacific Islander	_____	_____	_____

The total household size is _____ (This is very important to determine the maximum allowable income for your household.)

Household Composition	Name _____	Relationship _____	Age _____
(including applicant(s))	Name _____	Relationship _____	Age _____
	Name _____	Relationship _____	Age _____
	Name _____	Relationship _____	Age _____

ADDITIONAL INFORMATION:

Applicants will be responsible for all closing costs associated with the purchase of a home. A copy of the deed rider can be found at www.mcohousing.com or you can email lotteryinfo@mcohousing.com for a copy.

SIGNATURES:

The undersign warrants and represents that all statements herein are true. It is understood that the sole use of this application is to establish the preliminary requirements for placement into a lottery to have an opportunity to purchase an affordable condominium at Millstone Village. I (we) understand if selected all information provided shall be verified for accuracy at the time of bank application.

Signature _____ Date: _____
Applicant(s)

Signature _____ Date: _____
Co-Applicant(s)

Based upon the preliminary information provided, it is my judgment that the applicant should be allowed to participate in the lottery for affordable units at Millstone Village. If selected all information provided shall be verified for accuracy at the time of bank application.

Signature _____ Date: _____
Certifying Agent (MCO Housing Services)

Return with signed Affidavit & Disclosure Form to:
MCO Housing Services,
P.O. Box 372, Harvard, MA 01451



Millstone Village
Affidavit & Disclosure Form

I/We understand and agree to the following conditions and guidelines regarding the distribution of the affordable condominiums at Millstone Village through the LAU program in Medway, MA:

1. The annual household income for my family does not exceed the allowable limits as follows:

Household Size	1	2	3	4
Max Allowable Income	\$51,150	\$58,450	\$65,750	\$73,050

Income from all family members must be included.

2. I/We certify that my/our total assets do not exceed the \$275,000 asset limit and the full value or a portion of our retirement assets will be included. I/We understand any equity we earn if we have a home to sell will be counted as part of the \$275,000 asset limit. Assets divested within the last two years at below market value will be counted at full market value in determining eligibility.
3. The household size listed on the application form includes only and all the people that will be living in the residence. All household members must be at least 18 years of age and at least one homebuyer must be 55 years of age.
4. I/We certify all data supplied on the 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.
5. I/We understand that by being selected in the lottery does not guarantee that I/we will be able to purchase a unit. I/We understand that all application data will be verified and additional financial information will be required, verified and reviewed in detail prior to purchasing a unit.
6. I/We understand that it is my/our obligation to secure a mortgage for the unit purchase through a bank familiar with deed restricted properties, if a mortgage is necessary. All expenses, including closing costs and down payments, are my responsibility. We also understand a deed rider is attached to the unit which restricts the resale price.
7. I/We further authorize MCO Housing Services to verify any and all income, assets and other financial information, to verify any and all household, resident location and workplace information and directs any employer, landlord or financial institution to release any information to MCO Housing Services and consequently the project's monitoring agency, for the purpose of determining income eligibility for Millstone Village.
8. I/We understand that if selected I/we will be offered a specific unit. I/We will have the option to accept the available unit, or to reject the available unit. If I/we reject the available unit I/we will move to the bottom of the waiting list and will likely not have another opportunity to purchase an affordable unit at Millstone Village.
9. Program requirements are established by DHCD and the Town of Medway. I/We agree to be bound by whatever program changes that may be imposed at any time throughout the process. If any program conflicts arise, I/we agree that any determination made by DHCD or the Monitoring Agent is final.
10. I/We certify that no member of our family has a financial interest in Millstone Village.
11. I/We understand that there may be differences between the affordable and market rate unit and accept those differences.
12. I/We understand this is a deed restricted unit and it is recommended we consult an attorney prior to purchase,

I/We have completed an application and have reviewed and understand the process that will be utilized to distribute the available condominiums at Millstone Village. I/We am qualified based upon the program guidelines and agree to comply with applicable regulations.

Applicant

Co-Applicant

Date

Return with completed application, complete financial documentation and Mortgage Pre-Approval to:

MCO Housing Services, LLC, P.O. Box 372, Harvard, MA 01451





your resource for Affordable Housing



LIST OF REQUIRED FINANCIAL DOCUMENTATION

Provide **one copy** of all applicable information.

1. 3 most recent Federal Tax Returns –2013, 2014, 2015 (DO NOT SEND STATE RETURNS)
2. 3 most recent W2 and/or 1099-R Forms: 2013, 2014, 2015
3. Asset Statement(s):
 - Last Six (6) months **checking account** statement(s) (full statement – all pages front and back),
 - Current saving accounts (full statement), investment accounts including retirement, certificates of deposit, property, down payment gift amount etc.
4. Five (5) **consecutive** pay stubs ending within one month of unit application for all jobs (check/direct deposit stubs). For unemployment, copies of unemployment checks or DOR verification stating benefits received.
5. Social Security: official statement of monthly amount received for year in review and statement of total amount received for latest tax year.
6. Pension: statements indicating amount received for year in review and statement of total amount received for latest tax year.
7. Child support and alimony: divorce settlement indicating the payment amount.
8. Proof of student status for dependent household members over age of 18 and full-time students.
9. If you intend to utilize a 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.
10. 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, HUD Settlement Statement.
11. If you are pregnant you may count the unborn child as a member of the household but you need to provide documentation of the pregnancy, i.e. letter from doctor.
12. If you are self employed you must submit a detailed expense/income spreadsheet for the last 5 months and business checking and saving accounts for 6 months.
13. If you are separated or going through a divorce you must provide legal documentation of proceedings.

RETURN ALL DOCUMENTS WITH APPLICATION AND MORTGAGE PRE-APPROVAL TO:

MCO Housing Services, P.O. Box 372, Harvard, MA 01451

