



your resource for Affordable Housing



Lottery Information
494 Howe Street
Methuen, MA

One 4 bedroom single family home, located at 494 Howe Street in Methuen, MA, is available, by lottery, to an eligible first time homebuyer. The home includes 4 bedrooms, 1 1/2 baths and a one car garage in approximately 1300 sq. ft. of living space. This home is an existing home that has been fully renovated.

Potential tenants will not be discriminated against on the basis of race, color, national origin, disability, age, ancestry, children, familial status, genetic information, marital status, public assistance reciprocity, religion, sex, sexual orientation, gender identity, veteran/military status, or any other basis prohibited by local, state or federal law.

The sales price for this home is \$224,700. This home 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. Applications will be logged in at time of receipt and reviewed after the application deadline. If your application is incomplete it will not be included in the lottery and you will be notified after the deadline. FHA and VA loans are not accepted as they do not close on deed restricted properties. Applications may be dropped off at MCO Housing Services office for review prior to the application deadline.

Applicants may drop off their application in our Harvard office. If you wait we will review your application for completeness. If you are missing documentation you will have the opportunity to provide before the application deadline.

A Public Information Meeting will be held Thursday, July 19, 2018 at 6:30 p.m. in the Garden Room at the Nevins Library located at 305 Broadway in Methuen, to answer specific questions and provide an overview of the process. If you cannot attend this meeting you may call MCO Housing Services at 978-456-8388.

Applications may be mailed to MCO Housing Services, P.O. Box 372, Harvard, MA 01451. The application deadline is August 9, 2018. All applications must be submitted postmarked on or before August 9th to be included in the lottery. The lottery will be held 6:30 p.m. Wednesday, August 22, 2018 in the Nevins Library Garden Room.

Thank you for your interest in the affordable housing at 494 Howe Street. We wish you the best of luck. If you have questions and cannot attend the Public Information Meeting, please contact MCO Housing Services at 978-456-8388 or email us at lotteryinfo@mcohousingservices.com. 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 Pinnacle Builders LLC



494 Howe Street Methuen, MA

AFFORDABLE HOMES through the Local Initiative Program Question & Answer

LOTTERY APPLICANT QUALIFICATIONS:

1. Household income cannot exceed the following maximum allowable gross income limits.

Household Size	1	2	3	4	5	6	7	8
Max Allowable Income	\$50,350	\$57,550	\$64,750	\$71,900	\$77,700	\$83,450	\$89,200	\$94,950

(Note: This represents 80% of the annual household median income for the area and is subject to adjustments. This assumes a household size of 1-8 people. The income limits are subject to change.)

2. Household must be a first time homebuyer defined as not having owned a residential property for three years, including a home in a trust. ** The following exceptions apply:
 - 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 parent, 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 who the individual has custody or joint custody, or is pregnant);
 - c. households where at least one household member is 55 or over;
 - 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 construction a permanent structure.

** A home owned by one of the above exceptions must be sold prior to closing on the affordable unit.

3. Total household assets shall not exceed \$75,000. Liquid retirement assets are counted.
 - a. Individual retirement, 401K and Keogh accounts are included and may have an account value at 100%.
 - b. The value of Retirement and Pension Funds differ if you are employed or are no longer working. If still employed by the company, 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 for less than their fair market value within the last two years will be counted at their full Fair Market Value to determine eligibility.

Complete Income and Asset Guidelines will be provided upon request, if you have an opportunity to purchase or you can view online at www.mcohousingervices.com.

Additional restrictions or information:

- Units must be principal residence of the owners and cannot be rented or leased.
- Non-household members are not permitted to be co-signers on the mortgage.
- MCO Housing Services will not make any changes to the application once submitted. Any changes you would need to make in person in our office.



Complete Income and Asset Guidelines will be provided upon request or you can view online at www.mcohousing.com.

Are there mortgage guidelines that we need to follow?

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.
7. FHA and VA loans are not accepted.

The mortgage must be from a lender familiar with affordable deed restriction guidelines.

Are there preferences for household size?

Yes, first preference is for households requiring four bedrooms, second for households requiring three bedrooms, third preference for household requiring two bedroom and final preference for households requiring one bedroom.

Home size 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.

Persons with disabilities are entitled to request a reasonable accommodation of rules, policies, practices, or services or to request a reasonable modification of the housing, when such accommodations or modifications are necessary to afford the person(s) with disabilities equal opportunity to use and enjoy the housing.

Are there any restrictions?

Deed restrictions are used to ensure the units are affordable for future buyers. The deed rider requires principal residency, affordability for perpetuity and prior approval from the Town and DHCD for capital improvements and refinancing. If you choose to sell your unit you must notify the town and DHCD in writing. There is a limit on the resale price. The maximum resale price is determined by DCHD using a Resale Price Multiplier, a figure calculated by taking the initial sales price and dividing it by the area median income. **For example**, if the initial price is \$224,700 and the current area median income is \$95,000, the Resale Price Multiplier would be $\$224,700/\$95,000= 2.36$.

Upon resale, the Resale Price Multiplier is multiplied by the updated area median income number to determine the maximum resale price. All selected applicants are urged to review the deed rider with their own attorney. All buyers will be provided with a copy at the time of Purchase and Sale Agreement. The LIP Homebuyer Disclosure Statement summarizes the Deed Rider. Email maureen@mcohousing.com for a copy of the Deed Rider and/or the LIP Homebuyer Disclosure Statement or you can find both online at www.mcohousing.com.



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

The minimum income required to purchase is based upon an applicant's ability to secure a mortgage. Attached is a "Sample 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 units' 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

This affordable home will be distributed by the Open Pool available to all applicants. The home will be distributed by lottery ranking and household size based on the Home Preferences previously stated. The highest ranked applicant that meets the Home Preference size will have the first opportunity to purchase. If household requiring 4 bedrooms are exhausted then we will move to the second preference and down the list until the home is sold.

Time Frames

It is anticipated the affordable home will be available for occupancy.

If you are selected and have the opportunity to purchase the unit you will speak or meet with a representative to review your application to verify all information. The Applicants selected for the units will start working with their lender immediately to secure the necessary mortgage. Please be advised that the final income verification will be done at the time you have an opportunity to purchase a unit. All applicants must be determined income/asset eligible BEFORE they are entered into the lottery. The selected applicants' financial documents are verified again just before closing.

Summary

We hope this helps explain the process by which this home 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.



SAMPLE AFFORDABILITY ANALYSIS

Home Price	\$ 224,700.00
<i>Interest Rate</i>	4.79%
<i>Down Payment (%)</i>	5%
Down Payment (\$)	\$ 11,235.00
Mortgage Amount	\$ 213,465.00
Monthly Expenses	
<i>Principal & Interest</i>	\$ 1,119.00
<i>Real Estate Taxes</i>	267.00
<i>Private Mortgage Insurance</i>	139.00
<i>Hazard Insurance</i>	112.00
TOTAL Monthly Expenses	\$ 1,637.00

NOTES:


ALL values are estimates and are subject to change.

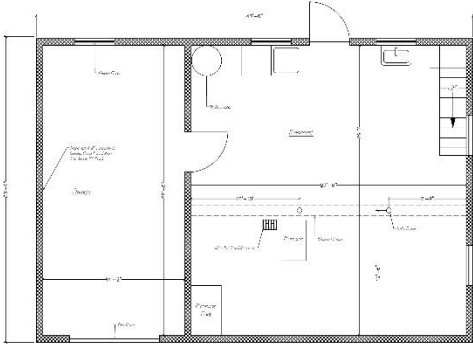
Methuen 2018 Residential Tax Rate = \$14.27 per thousand

SCALE:

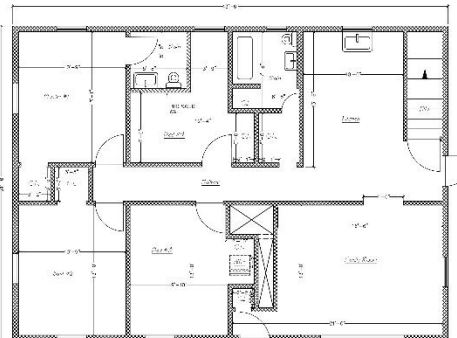
1. CONTAINS: 494 HOWE STREET, METHUEN, MA 01844
2. SHEET: EXISTING DWELLING RENOVATION
3. PLAN: EXISTING DWELLING RENOVATION
4. TITLE: EXISTING DWELLING RENOVATION
5. DATE: 01/03/2017
6. DRAWN BY: CIVIL DESIGN CONSULTANTS, INC.
7. CHECKED BY: CIVIL DESIGN CONSULTANTS, INC.
8. APPROVED BY: CIVIL DESIGN CONSULTANTS, INC.
9. PROJECT NO.: 15-1008B
10. SHEET NO.: 1 OF 1

EXISTING DWELLING #494 HOWE STREET



BASEMENT FLOOR PLAN
SCALE: 1" = 4'



1ST FLOOR PLAN
SCALE: 1" = 4'

HORIZONTAL SCALE
1" = 4'

DATE	ADD BEDROOM #4
DESCRIPTION	EXISTING DWELLING RENOVATION
PREPARED FOR:	MARK SALVO 621 RIVERIDGE AVENUE METHUEN, MA 01844
PROJECT:	EXISTING DWELLING RENOVATION 494 HOWE STREET METHUEN, MA 01844
DATE ISSUED:	JANUARY 3, 2017
PROJECT #:	15-1008B
PREPARED BY:	BA



CIVIL DESIGN CONSULTANTS, INC.
ARCHITECTS, ENGINEERS, INTERIORS CONSULTANTS

18 010 415 0102
18 010 415 0102

DRAWING TITLE:
EXISTING DWELLING RENOVATION

DRAWING #:
1 OF 1



494 Howe Street
LOTTERY APPLICATION
Application Deadline: August, 9, 2018

For Office Use Only: Date Appl. Rcvd: _____ Household Size: _____ Lottery Code: _____

PERSONAL INFORMATION: PLEASE PRINT LEGIBLY

Date: _____

Name: _____

Address: _____ Town: _____ Zip: _____

Home Tele: _____ Work: _____ CELL: _____

Email: _____

Have you or any member of your household ever owned a home? _____ If so, when did you sell it? _____

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, supplement second income and dividend income.)

Borrowers Monthly Base Income (Gross)	_____
Other Income	_____
Co-Borrowers Monthly Base Income (Gross)	_____
Other Income	_____

TOTAL MONTHLY INCOME: _____

Household Assets: (The full list of required assets are included in this package and must be provided with your completed application to be included in the lottery. Note: Assets divested for less than their value within one year of application will be counted at full value toward asset limit. Complete all that apply, below, with current account balances)

Checking	_____
Savings	_____
Stocks, Bonds, Treasury Bills, CD or Money Market Accounts and Mutual Funds	_____
Individual Retirement, 401(k) and Keogh accounts	_____
Retirement or Pension Funds	_____
Revocable trusts	_____
Equity in rental property or other capital investments	_____
Cash value of whole life or universal life insurance policies	_____
Down-payment Gift	_____

TOTAL ASSETS _____

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

Employer: _____
 Street Address: _____
 Town/State/Zip: _____
 Date of Hire (Approximate): _____
 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 home. Please check the appropriate categories:

	Applicant	Co-Applicant	(#) of Dependents
Black or African American	_____	_____	_____
Asian	_____	_____	_____
Hispanic/Latino	_____	_____	_____
Native Hawaiian / Pacific Islander	_____	_____	_____
Native American or Alaskan Native	_____	_____	_____
Other, Not White	_____	_____	_____

The total household size is _____

Household Composition: Include Applicant(s)

Name _____	Relationship _____	Age _____	Name _____	Relationship _____	Age _____
Name _____	Relationship _____	Age _____	Name _____	Relationship _____	Age _____
Name _____	Relationship _____	Age _____	Name _____	Relationship _____	Age _____
Name _____	Relationship _____	Age _____	Name _____	Relationship _____	Age _____

ADDITIONAL INFORMATION:

Please be advised that the income to be used should include income for all members of the household that are to be residing in the home. Applicants will be responsible for all closing costs associated with the purchase of a home. The down payment must be a minimum of 3%, ½ of which must come from the buyer’s own funds, based upon standard underwriting procedures. Some of the down payment may be in the form of a gift depending on the lending institution.

SIGNATURES:

The undersign warrants and represents that all statements herein are true. Income and assets must be verified and a pre-approval letter from a bank submitted before entry into lottery to have an opportunity to purchase the affordable home at 494 Howe Street in Methuen, MA. I (we) understand if selected all information provided shall be verified for accuracy at the time of bank application prior to closing.

Signature _____ Date: _____
Applicant

Signature _____ Date: _____
Co-Applicant

Return with **SIGNED** Affidavit & Disclosure Form, mortgage pre-approval letter and complete financial documentation to:

**MCO Housing Services, P.O. Box 372 , Harvard, MA 01451
Drop Off: 206 Ayer Road, Harvard, MA**



Affidavit & Disclosure Form

I/We understand and agree to the following conditions and guidelines regarding the distribution of the affordable home at 494 Howe Street in Methuen, MA.

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

Household Size	1	2	3	4	5	6	7	8
Max Allowable Income	\$50,350	\$57,550	\$64,750	\$71,900	\$77,700	\$83,450	\$89,200	\$94,950

Income from all family members must be included.

2. I/We have not individually or jointly owned a single family home, town home, condominium or co-op within the past three (3) years, including homes in a trust. We understand the exceptions that apply.
3. I/We certify that my/our total household assets do not exceed the \$75,000 asset limit and we understand full documentation must be provided with the application to be included in the lottery. I/We understand that assets sold for less than full market value within the past two years will be counted at full market value when determining program eligibility.
4. The household size listed on the application form includes only and all the people that will be living in the residence.
5. I/We certify all data supplied on the application is true and accurate to the best of my/our knowledge and belief. I/We understand that providing false information will result in disqualification from further consideration.
6. I/We understand that by being selected in the lottery does not guarantee that I/we will be able to purchase a home. I/We understand that all application data will be verified and additional financial information may be required, verified and reviewed in detail prior to the lottery.
7. I/We understand that it is my/our obligation to secure the necessary mortgage pre-approval for the home purchase through a bank experienced with deed-restricted housing. I/We understand all expenses, including closing costs and down payments, are my responsibility.
8. 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..
9. I/We understand that if selected I/we will be offered a specific home. I/We will have the option to accept the available home, or to reject the available home. If I/we reject the available home I/we will move to the bottom of the waiting list and will likely not have another opportunity to purchase an affordable home.
10. Program requirements are established by the Dept. of Housing and Community Development (DHCD) and the City of Methuen. 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 is final.
11. I/We certify that no member of our family has a financial interest in the project.
12. I/We understand there may be differences between the market and affordable units and accept those differences.
13. I/We understand these are deed restricted units and acknowledge that it is recommended we consult an attorney.

I/We have completed an application and have reviewed and understand the process that will be utilized to distribute the available home at 494 Howe Street. I/We understand that if we submit an incomplete application we will not be included in the lottery. I/We am qualified based upon the program guidelines and agree to comply with applicable regulations.

Applicant
Co-Applicant
Date:

Return with completed and signed application, a mortgage pre-approval letter and all financial documentation to:
MCO Housing Services, P.O. Box 372, Harvard, MA 01451
Drop off: 206 Ayer Road, Harvard, MA



**Required Financial Documentation Form
TO BE RETURNED WITH APPLICATION**

Provide one copy of all applicable information. Complete financial documentation and a mortgage pre-approval is required and must be sent with your application to participate in the lottery. Incomplete applications will not be included in the lottery and the applicant will be notified after the application deadline. You may drop off your application at MCO Housing Services Harvard Office. If you drop off and wait while we review your application, you would have the opportunity to provide the missing documents prior to the deadline.

Initial each that are applicable, and provide the documents, or write N/A if not applicable and return this sheet with your application.

1. _____ Mortgage Pre-approval Letter
2. _____ Federal Tax Returns –2015, 2016, 2017 (NO STATE TAX RETURNS)
 - **NOTE:** Provide all pages that are submitted to the IRS. For example, if a Schedule C is submitted to the IRS and not part of your application, your application will be considered incomplete.
3. _____ W2 and/or 1099-R Forms: 2015, 2016, 2017
4. _____ The most recent last five (5) **consecutive** pay stubs for all jobs (check/direct deposit stubs). For unemployment, copies of unemployment checks or DOR verification stating benefits received. Same for disability compensation, worker’s compensation and/or severance pay.
 - **NOTE:** If you have obtained a new job within the last 12 months you must provide a copy of the Employment Offer Letter.
 - **NOTE:** If you are no longer working for an employer you worked for in 2017, you must provide a letter from the employer with your separation date.
 - **NOTE:** You need to provide 5 pay stubs whether you are paid weekly, bi-weekly or monthly.
5. _____ Current year Benefit letter providing full amount of gross periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts.
6. _____ Child support and alimony: court document indicating the payment amount and/or DOR statement. If you do not receive child support provide a letter stating, that you are not receiving child support or complete the attached form.
7. _____ Interest, dividends and other net income of any kind from real or personal property.
8. Asset Statement(s): provide **current** statements of all that apply, unless otherwise noted:
 - _____ Checking accounts – Last **three (3)** months of statements – EVERY PAGE – FRONT AND BACK.
NOTE: If you have cash deposits or non payroll or income deposits you MUST identify where the funds have come from. If you fail to explain they will be counted as income, which may put you over the income limit.
NOTE: Do NOT provide a running transaction list of activity. You must provide the individual statements.



- _____ Pre-paid debit card statements – current month.
NOTE: This is NOT your ATM/Debit card. This is usually a separate debit card statement showing income deposited directly onto the debit card, i.e. Social Security, child support or other regular income.
NOTE: If Social Security payments are deposited on a Direct Express card it is your responsibility to provide proof. You can print a statement from the Direct Express website at <https://www.usdirectexpress.com/>.

- _____ Saving accounts – last three months of full statements
- _____ Revocable trusts
- _____ Equity in rental property or other capital investments
- _____ Investment accounts, including stocks, bonds, Treasury Bills, Certificates of Deposit, Mutual Funds and Money Market Accounts including all individual retirement accounts, 401K, Keogh accounts and Retirement and Pension funds.
- _____ Cash value of Whole Life or Universal Life Insurance Policy.
- _____ Personal Property held as an investment
- _____ Lump-sum receipts or one-time receipts

9. _____ Proof of current student status for dependent household members over age of 18 and full-time students. Letter from High School or College providing student status, full time or part time for current **and** next semester.

10. _____ A household may count an unborn child as a household member. The household must submit proof of pregnancy with the application, i.e. letter from doctor.

11. _____ If the applicant is in the process of a divorce or separation, the applicant must provide legal documentation the divorce or separation has begun or has been finalized. Information must be provided regarding the distribution of family assets. If you are unable to provide then both parties income/assets and first time homebuyer status will be used in determining eligibility.

12. _____ If you are self-employed you MUST provide a detailed expense and income spreadsheet for the last 12 months and three months of business checking and savings accounts.

13. _____ If you will be receiving a gift for down payment and closing costs you need to provide a letter stating who is providing the gift and the amount. All applications will be checked for downpayment and closing costs funds at time of application. We must see proof of those assets at time of application.

We understand if we do not provide all applicable financial documentation and a mortgage pre-approval we will not be included in the lottery. We also understand we will be notified after the application deadline that our application is incomplete. We also acknowledge that MCO Housing Services will not make any changes to our application, before the deadline date, unless we came to the Harvard office to make the necessary changes.

Print Applicants Name(s): _____

 Applicants Signature

 DATE

 Co-Applicants Signature

 DATE



Return the complete application, Mortgage Pre-Approval, Signed Affidavit and Disclosure Form, Signed and completed and signed Required Financial Documentation Form to:

MCO Housing Services
P.O. Box 372
Harvard, MA 01451
Drop Off: 206 Ayer Road, Harvard, MA
Email: lotteryinfo@mcohousingservices.com



Custody & Child Support Affidavit

Applicant/Tenant: _____ **Unit #:** _____

Please complete a separate form for each minor in this unit not living with both biological or adoptive parents:

Child Name/SSN(last four digits)/DOB : _____ / _____ / _____

Name of Absent Parent: _____

Will this child live with you in the tax credit apartment at least 50% of the time?

YES NO

Was there a legal marriage to the other parent? YES NO STILL LEGALLY MARRIED

- If **YES**, please submit a copy of the divorce decree, separation agreement, or other document outlining custody arrangements.
- If **NO**, please submit documents such as tax return, school records, court order, or DHS records showing placement of child

Who claimed the child as a dependant on their most recent tax return?

I did The absent parent Other: _____ No one

Do you receive support (monetary or not) for this child? YES NO

If **YES** list amount \$ _____ per _____

Have you ever been awarded an amount of child support for this child through the courts or an informal agreement? YES NO

If awarded but not paid, have you taken legal action to collect child support?
 YES NO

If so, please describe efforts _____

Do you expect to receive child support for this child in the next 12 months?
 YES NO

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 understand 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 Tenant)

Date

(Signature of Manager)

Date

