



your resource for Affordable Housing



Lottery Information

642 Main Street, Unit 200

Wakefield, MA

642 Main Street located in Wakefield is a new 8-unit development offering 1 one-bedroom condo for an eligible first time homebuyer (certain exceptions apply). The unit has one bedroom, one bath, and one underground parking spot, at no charge, in approximately 849 sq. ft. Refrigerator, stove/oven, microwave, dishwasher, laundry hookup, and central air are included. Pets are allowed per the pet policy.

The maximum sales price for the affordable unit is \$222,000. The 2019 tax rate is \$12.83 per thousand. The monthly condo fee is \$125. Water and sewer are included in the condo fee. The unit will be sold by lottery as outlined in the attached package. Please review the enclosed information packet thoroughly 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 will be considered incomplete and will not be included in the lottery if a mortgage pre-approval letter and all financial documentation is not received on or before the application deadline. Applicants who submitted an incomplete application will be notified after the application deadline and will NOT be included in the lottery. An FHA or VA loan are not acceptable as they do not close on Deed Restricted properties.

Applicants may drop off their complete application with all financial documentation and a mortgage pre-approval to our Harvard, MA office. We will review your application for completeness while you wait. If you are missing documentation you will have the opportunity to provide prior to the application deadline.

A Public Information Meeting has been scheduled for 6:00 p.m., Monday, March 16, 2020 in the First Floor Conference Room at the Wakefield Town Hall, 1 Lafayette Street in Wakefield to answer specific questions and provide an overview of the process. If you cannot attend this meeting please call MCO Housing Services at 978-456-8388 with any questions.

Applications may be mailed to MCO Housing Services, P.O. Box 372, Harvard, MA 01451. The application deadline is April 9, 2020. All complete applications must be postmarked on or before April 9, 2020 to be reviewed for eligibility to be included in the lottery. The lottery will be held 1:00 p.m. Thursday, April 16, 2020 in the First Floor Conference Room at the Wakefield Town Hall.

Thank you for your interest in affordable housing at 642 Main 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.



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.



642 Main Street

AFFORDABLE CONDOS through the Local Initiative Program Question & Answer

What are the qualifications required for Prospective Buyers?

- Qualify based on the following maximum income table, which is adjusted for household size:

Household Size	1	2
Max Allowable Income	\$62,450	\$71,400

LOTTERY APPLICANT QUALIFICATIONS:

- Household income cannot exceed the above maximum allowable income limits.
- Household must be a first time homebuyer defined as not having owned a residential property for one years, including in a trust. ** The following exceptions apply:
 - 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;
 - 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);
 - households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
 - 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 exception must be sold prior to closing on the affordable unit.

- Total household assets shall not exceed \$75,000. Liquid retirement assets are counted.
 - Individual retirement, 401K and Keogh accounts are included at 100% of the account value.
 - 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.

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

Other program highlights for Lottery applicants:

- Unit must be principal residence of the owners and can not be rented or leased.
- Non-household members are not permitted to be co-signers on the mortgage.
- A mortgage pre-approval letter, from a bank experienced with deed-restricted properties, is required to participate in this lottery.

Are there mortgage guidelines that we need to follow?

Yes, they are:

- Must secure a 30 year fixed rate mortgage.
- The loan must have a current fair market interest rate. No more than 2% points above the current MassHousing Rate.
- The buyer must provide a down payment of at least 3%, 1.5% of the purchase price must come from the buyer's own funds.
- The loan can have no more than 2 points.



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(5) The sales price of the unit is set by DHCD to be affordable to an income-eligible household paying no more than 30% of their monthly income for housing costs. The buyer may not pay more than 38% of their monthly income for housing costs.

(6) Non-household members are not permitted to be co-signers on the mortgage.

The mortgage must be from an institutional lender familiar with affordable deed restriction guidelines. FHA and VA loans are not accepted. It is recommended applicants consider the One Mortgage Program through Massachusetts Housing Partnership (mhp.net) or a MassHousing loan for their financing.

Are there preferences for local residents and those with families?

There is one unit available in this lottery, so there is no local preference. Household size preference for the one bedroom unit will be given to households that 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.

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?

YES. Deed restrictions are used to ensure the unit 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 DHCD 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 \$222,000 and the current area median income is \$113,300, the Resale Price Multiplier would be $\$222,000/\$113,300=1.95$.

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. Email maureen@mcohousingservices.com for a copy of the deed rider.

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.



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Lottery Process

Due to the nature of the affordable unit' 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

The lottery has one pool – Open. Open to all applicants:

Household size preference for the one bedroom unit will be given households that require one bedroom, second preference is for households requiring two bedroom and third preference is for a household requiring 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 will be pulled and their lottery code announced at the time of the lottery. This order of selection will establish the rankings for the home distribution. There is one pool of applicants. The unit will be distributed by lottery ranking and unit preference size. The highest ranked applicant meeting the unit preference will have the first opportunity to purchase. The maximum household size per the State Sanitary Code is a two person household.

Time Frames

It is anticipated the home will be available for occupancy immediately. 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 Applicant selected for the home 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.

Acceptance of Homes

If you choose not to purchase the property, you will go to the bottom of the list and will likely NOT have another opportunity.

Summary

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



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SAMPLE AFFORDABILITY ANALYSIS

Home Price	\$ 222,000.00
<i>Interest Rate</i>	3.85%
<i>Down Payment (%)</i>	5%
Down Payment (\$)	\$ 11,100.00
Mortgage Amount	\$ 210,900.00
Monthly Expenses	
<i>Principal & Interest</i>	\$ 988.72
<i>Real Estate Taxes</i>	237.00
<i>Private Mortgage Insurance</i>	140.00
<i>Hazard Insurance</i>	74.00
<i>HOA Monthly Fee</i>	125.00
TOTAL Monthly Expenses	\$ 1,562.00

NOTES:

ALL values are estimates and are subject to change.

Wakefield 2019 Residential Tax Rate = \$12.83 per thousand

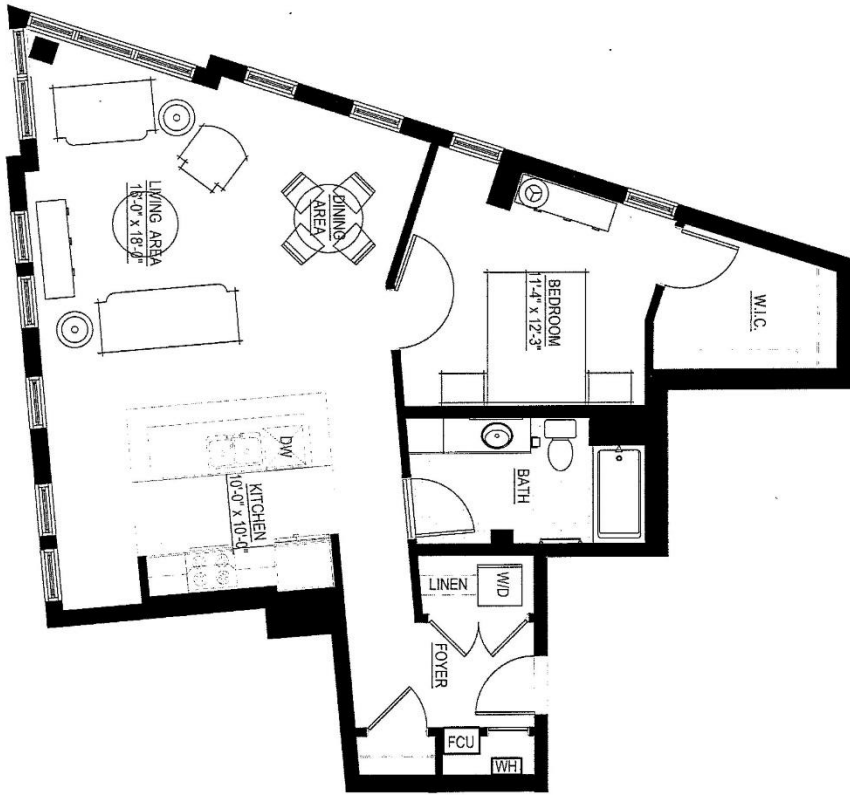
Unit Availability and Distribution

Unit #	Address	Designated Winner	Estimated Availability*
200	642 Main Street	Open	Immediate



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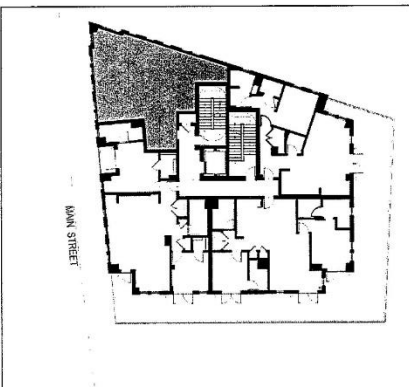
Residences at:
642 Main Street
 Wakefield, MA

2nd Floor
UNIT 200
 1 BEDROOM
 *849 N.S.F.

*Floor plans, square footages, dimensions and floor elevations are estimates and dimensions are subject to change.



KEY



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642 Main Street

LOTTERY APPLICATION

For Office Use Only:

Date Appl. Rcvd: _____

Household Size: _____

Lottery Code: _____

APPLICATION DEADLINE: April 9, 2020

PERSONAL INFORMATION:

Date: _____

Name: _____

Address: _____ Town: _____ Zip: _____

Cell/Home: _____ Work: _____

Email: _____

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

The total household size is _____

Household Composition: Include Applicant(s) that will be living in the home.

Name _____ Relationship _____ Age _____

Name _____ Relationship _____ Age _____

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: (This is a partial list of required assets. A complete list will be provided should you have an opportunity to purchase. Complete all that apply with current account balances)

Checking (avg balance for 3 months) _____

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 _____



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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	_____	_____	_____

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%, 1/2 of which must come from the buyer's own funds, based upon standard underwriting procedures. Some of this 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 homes at 642 Main Street in Wakefield, 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
lotteryinfo@mcohousingservices.com/Phone: 978-456-8388**



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Affidavit & Disclosure Form

I/We understand and agree to the following conditions and guidelines regarding the distribution of the affordable home at 642 Main Street in Wakefield, MA.

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

Household Size	1	2
Max Allowable Income	\$62,450	\$71,400

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 one (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 understand additional asset guidelines will be provided if we have an opportunity to purchase.
- 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 under full penalty of perjury. 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 purchasing a home.
- 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 Town of Wakefield. 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 unit and accept those differences.
- 13. I/We understand these are deed restricted unit 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 homes at 642 Main Street. 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



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**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. MA 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. If you have any questions on what to provide it is YOUR responsibility to ask prior to application submission.

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.
2. _____ If you require a reasonable accommodation you must request at time of application and provide any supporting documentation, if needed, i.e. letter from doctor.
3. _____ 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:** You need to provide 5 pay stubs whether you are paid weekly, bi-weekly or monthly.
 - **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 2019, you must provide a letter from the employer with your separation date.
4. _____ 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.
5. _____ 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.
6. _____ Federal Tax Returns –2016, 2017, 2018, 2019(if available) (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.
7. _____ W2 and/or 1099-R Forms: 2016, 2017, 2018, 2019
8. _____ Interest, dividends and other net income of any kind from real or personal property.
9. 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 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

10. _____ 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.

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 detail expense and income spreadsheet for the last 12 months and three months of business checking and savings accounts. Lyft, Uber etc. are considered self employment.

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 down payment funds at time of application. We must see proof of those assets at time of application.

14. _____ If you are over 55 and have a home to sell you need to provide a copy of your last mortgage statement and a market analysis with the anticipated sale price. If you sold your home within the last two years you need to provide a copy of your HUD settlement statement or closing statement.



We understand if we do not provide all applicable financial documentation 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, MA office to make the necessary changes.

Print Applicants Name(s): _____

Applicants Signature

DATE

Co-Applicants Signature

DATE

Return all documentation, mortgage pre-approval, application and affidavit and disclosure form to:

MCO Housing Services

P.O. Box 372

Harvard, MA 01451

Drop Off: 206 Ayer Road, Harvard, MA

lotteryinfo@mcohousingservices.com

Phone: 978-456-8388



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