

Complete in blue or black ink.

I. HOUSEHOLD COMPOSITION INFORMATION

A. Applicant

Co-Applicant

Name _____

Address _____

Date of Birth _____

Social Security # _____

Home/Work (h)_____ (w)_____ (h) _____ (w)_____

Ethnicity:

Race:

B. Occupancy Information

1. Number of Persons who reside in Applicant(s) current home _____
2. Number of Persons who will reside in your future unit if purchased within next year _____
3. Number of Children who will live with Applicant(s) _____
4. Number of Children under Age 6 who will reside in unit _____
5. Number of Disabled Persons who will reside in unit _____

II. ANNUAL INCOME INFORMATION

<i>List Gross Dollars</i>	<i>Applicant</i>	<i>Co-Applicant</i>
<i>A. Wages, Salary, Tips</i>	\$	\$
<i>B. Business Income</i>	\$	\$
<i>C. Social Security</i>	\$	\$
<i>D. Pension</i>	\$	\$
<i>E. Child Support</i>	\$	\$
<i>F. Alimony</i>	\$	\$
<i>G. Dividends and Interest</i>	\$	\$
<i>H. Unemployment Compensation</i>	\$	\$
<i>I. Other (describe)</i>	\$	\$
<i>J. TOTAL</i>	\$	\$

III. HOUSING EXPENSES

	Monthly Expense
A. Rent (Lease term ends m/d/y:)	\$
B. Telephone	\$
C. Water/Sewer	\$
D. Heat	\$
E. Gas	\$
F. Electricity	\$
G. Other (describe)	\$

Office Use Only: Total Monthly Expenses (A-G)\$

IV. ASSETS

A. Checking Account

Name of Bank _____ Balance: \$ _____

Account No. _____

B. Savings Account

Name of Bank _____ Balance: \$ _____

Account No. _____

C. Certificates of Deposit, Mutual Funds/Stocks/Bonds/401(k)/403(b), and Additional Accounts

Provide name of institution, account numbers, and balances and attach on additional sheet if necessary.

Name of Holder _____ Balance: \$ _____

Account No. _____

D. List Real Estate Owned within Past Three (3) Years

Location of Real Estate _____

If Currently Owned, Market Value: \$ _____ Mortgage Balance: \$ _____

or Date of Transfer/Sale: _____

Price Sold: \$ _____

V. LIABILITIES

List all Credit Accounts, Loans (Credit Cards, Department Stores, Auto, Personal loan, etc.)

Creditor	Balance Due	Monthly Payment
1.	\$	\$
2.	\$	\$
3.	\$	\$
4.	\$	\$

Office Use Only: Total Monthly Liabilities \$

By signing below, Applicant(s) requests the Newton Housing Office to review this application for the purpose of determining eligibility to receive funding assistance through the First Time Homebuyer Program. Applicant acknowledges that such eligibility determination may include without limitation, the acquisition of credit reports and the verification of income and deposits. Applicant declares that they have read and understand the guidelines of the Program, and further, Applicant acknowledges and agrees that Applicant's statements are to the best of their knowledge, are true, correct, and complete.

Applicant Date

Co-Applicant Date

Documents Required to be Included in Application

1. Income Tax Documentation

- ☐ Copies of 3 most recent signed tax documents including W-2 forms (1040,1040A,1040 EZ,1098, 1099, All schedules)
- ☐ In the event a tax document is missing in part or in whole, or if the applicant did not file taxes, a transcript or verification of nonfiling may be requested from the IRS (Form 4506 available upon request or IRWS.gov).
- ☐ If self employed, include year-to-date Profit and Loss statement and last four (4) quarterly tax payment documents

2. Financial Institution Account Information

- ☐ Copies of last three (3) months of account information (All checking, savings, IRA, mutual fund, etc.)
- ☐ Copies of Interest/Dividend income of over \$100.00/annually

3. Evidence of Income

Last 30 days of Applicant(s) and Persons within Household who Earn Income:

- ☐ Payroll stubs
- ☐ Alimony
- ☐ Child Support
- ☐ Social Security
- ☐ Pension
- ☐ Disability (may be required to submit evidence of disability)
- ☐ Unemployment
- ☐ Government Assistance, including Section 8 Homeownership vouchers if applicable
- ☐ Other
- ☐ Child 18 years or older and a full time student, please provide 30 days of income and a letter from the educational institution indicating student's full time status

4. Verification of Income

- ☐ Letter from employer/supervisor indicating length of employment, current salary, any bonus or commissions Applicant has been or may be eligible for on an ongoing basis. Include direct telephone number of employer/supervisor to verify income.

5. Liabilities

Provide copies of two (2) most recent statements *even if account carries a zero balance*:

- ☐ Auto Loan/Lease(s)
- ☐ Credit Card(s)
- ☐ Personal Loan
- ☐ Department Store
- ☐ Other (describe)_____

6. Homebuyer Education

- ☐ Copy of Certification of Completion from certified homebuyer course
- ☐ Copy of Certification of Post Purchase homebuyer course
- ☐ Preapproval/Prequalification letter from lending institution

7. Signed Documents

- ☐ Completed Application
- ☐ Housing Quality Inspection Disclosure (available upon request and required upon execution of Offer)
- ☐ Lead Paint Affidavit (available upon request and required upon execution of Offer)

Guidelines: City of Newton First-Time Homebuyer Program
Newton Housing Office
492 Waltham Street
Newton, MA 02465
(617) 796-1150

Introduction

The City of Newton has funds available to help certain qualified applicants to the City of Newton First Time Homebuyer Program (“FTHP”) with the purchase of their first home. The U.S. Department of Housing and Urban Development (“HUD”) awards funds annually to municipalities through the federal HOME program. Municipalities, such as Newton, must follow the laws and regulations that are promulgated by HUD with regard to how funding assistance is disbursed. Applicants must be qualified based on certain income eligibility requirements mandated by the federal government. Although applicants do not need to be residents of Newton to apply, the property to be purchased must be within the City of Newton boundaries. Funding is available without regard to race, color, religion, national origin, sex, marital status, and age.

The Newton Community Development Authority (“NCDA”) acts as the contracting party and signatory on behalf of the Newton Housing Office with regard to the provision of funding assistance in accordance with the First Time Homebuyer Program.

How to Apply

Applications are available at the City of Newton Housing Office and may be requested by calling the office or may be picked up in person during business hours. Completed applications are reviewed on a first come, first served basis. Incomplete applications will not be processed nor returned. Applicants are encouraged to be in contact with the office during the submission of materials, the search for the property, and the closing process. Within six months of closing, applicants will (1) be required to attend post purchase counseling at an agency of their choice; and (2) will be requested to respond to a questionnaire with regard to the level of service provided to the Applicant by the City.

Completed Application

A completed Application consists of personal and household composition information, and extensive income, financial liability and employment verification documents.

Applicants shall submit all documents required and shall provide a signed Offer and the Purchase and Sale Agreement as soon as practicable.

The applicant shall provide evidence of financing that is within the affordability limit based on a 33% front-end ratio. This means that no more than 33% of the applicant’s total gross income shall be paid toward principal, interest, taxes, and insurance.

Applicants may be required to authorize the primary lending institution to release: (1) the funding Commitment that details terms of the mortgage; (2) the certified appraisal of the property; and (3) any other materials deemed relevant in accordance with the policy of the Newton Housing Office.

Eligibility based on Income

The Federal government requires households receiving federally funded downpayment assistance to have an income below 80% of the Boston area median income.

Household means one or more persons occupying a housing unit.

Household income is calculated based on the number of persons in the household and the total gross household income. Total household income must not exceed the federal maximum income limits (see below). Limits are updated annually by the U.S. Department of Housing and Urban Development. Current income limits are as follows:

Effective February 28, 2004

Number in Family	Maximum Eligible Income
1- person household	\$46,300
2- person household	\$52,950
3- person household	\$59,550
4- person household	\$66,150
5- person household	\$71,450
6- person household	\$76,750
7- person household	\$82,050
8 or more- person household	\$87,350

Income will be projected forward one year based on the prevailing rate of income at the time assistance is provided for the household. Projected income will include income from all household members.

A determination of eligibility based on income limits shall not constitute a financial commitment or legal obligation to provide funding assistance.

Inspection and Lead Paint

The Newton Housing Office is required to visually inspect the property to ensure that the property is in compliance with Housing Quality Standards as defined by the U.S. Department of Housing and Urban Development.

Such inspection is not a substitute for a home inspection. The Applicant is strongly encouraged to hire a licensed home inspector to inspect the property. The inspection should take place at the property in the presence of the Applicant(s), the agents for both the seller and the Applicant, and the inspector. The seller should not be present, as this is a professional, private appointment between the homebuyer and the inspector.

Prior to occupancy, the property must comply with inspection procedures promulgated by the HOME program and the lead paint regulations issued under Title X of the Housing and Community Development Act of 1972 as amended and the laws of the Commonwealth of Massachusetts. The federal lead paint regulation appears within title 24 of the Code of Federal Regulations as part 35 (24 CFR 35).

Maximum Sales Price

The FTHP has limits on the sale price of eligible properties. The current maximum purchase price limits for properties in Newton are:

Single Family	\$555,750.00
Two Family	\$570,000.00
Three Family	\$562,875.00
Condominium	\$384,750.00

Funding Assistance

Qualified Applicants may receive funding assistance as: (1) a deferred loan; and (2)(i) a forgivable grant that may be used toward (i) the good faith offer made on a Purchase and Sale Agreement *or* (ii) closing costs, but not both (i) and (ii).

Deferred Loan

A qualified Applicant may receive up to ninety thousand dollars (\$90,000) in the form of a deferred loan toward the purchase of an eligible property. The funds shall be from the Newton Community Development Authority, the third party that contracts with the Applicant on behalf of the FTHP, and shall be made payable to qualified applicant and the primary lending institution.

A *deferred loan* is a loan where the Applicant(s) is not required to make payments during the duration of the loan unless or until the Applicant(s) refinances the mortgage, sells the property or otherwise transfers the property.

The deferred loan functions as a second mortgage on the property. The loan will become a lien against the property until the property is sold or otherwise conveyed. The loan is contingent upon the Applicant using the property as his/her principal residence from the date of closing onward.

Principal residence means the dwelling where the Applicant maintains (or will maintain) his or her permanent place of abode, and typically spends (or will spend) the majority of the calendar year. A person may have only one principal residence at any one time.

Right of First Refusal

In the event a homeowner would like to transfer a property purchased with funds awarded under the terms of the FTHP, the homeowner is required to offer the property to the City first. The City has a limited period of time to exercise its right to purchase.

Notice Requirements

The Associate Director of Housing and Community Development shall be given reasonable, advance notice in writing of any intent to sell or otherwise dispose of property assisted with federal funds.

Send Notice via Priority Mail To:

Attention: Associate Director of Housing and Community Development

Newton City Hall

1000 Commonwealth Avenue

Newton, MA 02459

Resale

When the homeowner desires to sell the property, the property shall be transferred to a homebuyer who meets income eligibility requirements. The City will provide the eligible buyer. The deed restriction describes the limit in equity the seller is permitted to earn.

The resale provisions are triggered upon sale, rental, gift or any conveyance or transfer of the property or any interest in the property or upon the death of the Applicant.

Grant

In addition to the deferred loan, qualified applicants may be eligible to receive downpayment assistance for use toward the deposit tendered with a Purchase and Sale Agreement *or* for closing cost assistance. Such assistance in the form of a forgivable, contingent grant. The grant is available up to a maximum of five thousand dollars (\$5,000) and in no event will exceed the actual amount of closing costs.

The receipt of closing costs assistance is determinate upon receipt of a HUD-1 RESPA or Settlement Statement. Upon buyer's request, the HUD-1 may be provided by the primary lending institution prior to closing of the primary loan and is a good faith estimate of the amount of closing costs. Applicant is required to provide the HUD-1 as soon as it is available.

The grant shall not be used to pay points or reduce interest rates.

Contingency of Grant

The grant is contingent upon the Applicant using the property as their primary residence for no less than five (5) years from the date of closing. In the event that the Applicant(s) sells, conveys, or otherwise disposes of the property during the five (5) years subsequent to the date of the closing of the FTHP loan, the Applicant(s) shall repay the grant to the NCDA with zero (0%) percent interest in the following manner: The amount of repayment is prorated for each year of primary residence. For example, if Applicant transfers the property after one year, twenty (20%) percent of the grant shall be forgiven and eighty (80%) percent shall be due to NCDA.

The Applicant must at all times comply with the following conditions:

- (1) Applicant continues to use the property as their principal residence; and
- (2) Applicant continues to perform all obligations set forth in the Guidelines, Mortgage document, the Note, and the Declaration of Restrictive Covenants. A copy of each of these documents is available to the Applicant upon request.

Commitment and Closing

After receiving a copy of the fully executed Purchase and Sale agreement, the Newton Housing Office may issue a commitment letter that details the funding assistance, any contingencies to the assistance, and a request for additional materials that may be required to establish a loan closing date.

Closing or Settlement is the date when the property is formally transferred from the seller to the buyer and when the buyer assumes the loan obligations and pays all closing costs.

The Applicant is required to respond to all requests for additional information and to meet all contingencies in a timely manner. At the closing, the Applicant will be asked to sign a Mortgage, Note, Grant Agreement, a Uniform Commercial Code Form 1, a Declaration of Affordable Housing Covenants, a Truth in Lending Disclosure Statement, and a Lead Notification document. The Applicant may be required to provide evidence of smoke detectors, insurance and other documents similar to those requested by the primary lender.

Closing Costs generally total from two to five (2%-5%) percent of the home's purchase price and are in addition to the down payment. Closing costs include such things as points (lender's administrative costs), an appraisal fee, a credit report fee, mortgage interest for the period between the closing date and the first mortgage payment, homeowners insurance premium, title insurance, prorated property taxes, and recording and transferring charges.

After the Closing

Attend the required post purchase counseling class, stay on top of your finances, pay your primary mortgage on time, maintain your insurance coverage, exercise your right of deferral annually, and enjoy your new home!

Congratulations!