

Duxbury Affordable Housing Purchase Assistance Program

The Affordable Housing Purchase Assistance Program [AHPAP] is designed to take advantage of the private market for housing utilizing assistance from the Duxbury Affordable Housing Trust (DAHT) which is funded from the Community Preservation Act, Inclusionary Zoning contributions and other sources.

The overall strategy is to assemble a list of households which are interested in and qualified for affordable housing and to link them with housing opportunities in Duxbury.

For further information, the DAHT can be reached at (781) 934-1100, x. 350.

Grant Amounts

1 BR	2 BR	3 BR	4 BR	5 BR
\$60,000	\$75,000	\$90,000	\$100,000	\$100,000

1. Minimum Requirements for Households

- A. All households must have an adjusted annual income which is at or below 80% of the Area Median Income, as published by HUD from time to time.
- B. The household must be a first time home buyer. To be a first time homebuyer, applicant households must not have had an ownership interest in a residential property for the preceding 3 years. Exceptions are described on page 6 under “3. First Time Homebuyer Status.”
- C. Participants must meet the then in effect asset limitations as defined by the Commonwealth Department of Housing and Community Development Local Initiative Program. Current asset limitation is \$75,000. Definition includes all retirement programs.
- D. All prospective purchasers will be required to attend a Massachusetts homeownership collaborative course.

2. Preferences and Selection Procedures

In order to ensure that applicants are treated fairly, the waiting list will be organized by preferences and within each preference group, potential buyers will be chosen by lottery.

There will be local preferences for current Duxbury residents, employees of the Town of Duxbury, and persons currently employed within the Town. See p. 7, “Local Preference.”

Local preference will be limited to 70% of the units funded by this program.

3. Minimum Standards for Housing

Submission to DAHT of an inspection report for the Property prepared by a licensed home inspector (1) showing that the Property is either a 1-4 family residence, a condominium unit or a manufactured home on a lot, (2) an HQS report prepared by DAHT's inspector demonstrating that the Property complies with the Section 8 Housing Quality Standards ("HQS") contained in United States Department of Housing and Urban Development ("HUD") regulations at 24 C.F.R. 882.109 or a listing of items of noncompliance with HQS. A follow-up inspection report shall be submitted to the DAHT at closing demonstrating that the items of noncompliance have been corrected.

Home inspection costs range from \$250 to \$500, depending on the size of the unit. The HQS report will be done at DAHT's cost.

A valid Title V inspection must be provided by the seller prior to closing.

4. Household Size Requirements

There must be at least one occupant per bedroom.

A husband and wife, or those in a similar living arrangement, will be required to share a bedroom, unless a consequence of sharing would be a severe adverse impact on his or her mental or physical health and the lottery agent receives reliable medical documentation as to such impact of sharing.

Other household members may share but are not required to share a bedroom.

5. Occupancy and Resale Restrictions

- A. Any units purchased under the program will be subject to the LIP Universal Deed Rider recorded on the deed at closing which limits the resale of the property in perpetuity to subsequent first time homebuyer households at an affordable price per formula with the same relative income limits.
- B. The unit must remain the principal residence of the participant.
- C. Any future capital improvements must be pre-approved by the Town and the DHCD.

6. Mortgage Standards

Applicants are required to submit, as part of their application, a pre-approval letter from an institutional lender familiar with deed-restricted housing for a mortgage in an amount sufficient to purchase an affordable house.

In accordance with the program, the mortgage must meet certain standards:

- The loan must have a fixed interest rate through the full term of the mortgage.
- The loan must have a current fair market interest rate but no more than 2 percentage points above the current Mass Housing rate. However, participants will be strongly urged to use state or federally subsidized first time homebuyer financing programs to minimize the use of program funds.
- The lender can charge no more than 2 points.

- The buyer must provide a down payment of at least 3% - half of which must come from the buyer's own funds.
- The buyer may not pay more than 38% of their monthly income for the principal, interest, taxes, insurances and condo or association fees.

The monitoring, screening and lottery agent will be D.K. Falcione Affordable Housing and Consulting Services.

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LOTTERY PROCESS AND PREFERENCES

The Lottery will be held on **July 26, 2010 at 7:00 p.m.** in the Mural Room in the Duxbury Town Hall, Duxbury, MA. Applicants are encouraged but not required to attend the lottery. All applicants will be notified by mail of their status.

ELIGIBILITY REQUIREMENTS

Applicants must meet specific requirements to qualify for the Housing Assistance Program.

1. INCOME AND ASSET ELIGIBILITY

In order to be eligible for the program, annual income and assets must be within the guidelines listed below. There is no minimum income, but the applicant must be able to support a mortgage that is sufficient to purchase the affordable home. For information regarding the definition of income **please see attached, APPENDIX I: INCOME AND ASSETS**

Maximum Income

Eligible applicants must have a combined annual household income from all sources for all income-earning members of the household of not more than 80% of area median income, as defined by HUD and adjusted for household size. Income in most cases is defined as gross taxable income as reported to the IRS. According to the 2006 Income Guidelines released by HUD, 80% of the area median income for Duxbury, MA and therefore the maximum allowable household income is as follows:

Household Size	Maximum Income
1	\$45,100
2	\$51,550
3	\$58,000
4	\$64,400
5	\$69,600
6	\$74,750

Maximum Assets

The asset limit is \$75,000 for all assets. For information regarding the definition of assets **please see attached, APPENDIX I: INCOME AND ASSETS**

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2. MORTGAGE STANDARDS

Applicants are required to submit, as part of their application, a pre-approval letter from an institutional lender familiar with deed-restricted housing for a mortgage in an amount sufficient to purchase the affordable house.

In accordance with the LIP Program under which this Program is administered, the mortgage to be obtained by the household has to meet certain standards. **Please see attached, APPENDIX II: LIP PROGRAM STANDARDS FOR NEW MORTGAGE LOANS.**

Potential applicants may take APPENDIX II to their lender to ensure that their pre-approval conforms to these standards. Potential applicants are advised to seek out advantageous loan programs such as MassHousing and the Massachusetts Housing Partnership Soft Second Loan.

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

3. FIRST-TIME HOMEBUYER STATUS

Applicants must be first-time homebuyers. To be a first-time homebuyer, applicant households must not have had an ownership interest in a residential property for the preceding 3 years. Exceptions may be made for:

(1) A displaced homeowner: A displaced homeowner is an individual who is an adult, who has owned a home only with a spouse, who is legally separated from a spouse, and who does not currently own the home previously owned with a spouse;

(2) Any individual who is a single parent (as defined by HUD) may not be excluded from consideration as a first-time homebuyer under this definition on the basis that the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse; and

(3) An individual may not be excluded from consideration as a first-time homebuyer on the basis that the individual owns or owned, as a principal residence during the 3-year period before the purchase of a home with assistance under the Program, a dwelling unit whose structure is:

(i) Not permanently affixed to a permanent foundation in accordance with local or other applicable regulations; or

(ii) Not in compliance with State, local, or model building codes, or other applicable codes, and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

(4) An age-qualified household (in which at least one member is age 55 or over) which is selling a home in order to purchase a LIP unit.

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4. HOMEOWNER EDUCATION REQUIREMENT

All prospective purchasers will be required to attend a Massachusetts homeownership collaborative course.

5. HOUSEHOLD SIZE REQUIREMENTS

There must be at least one occupant per bedroom.

A husband and wife, or those in a similar living arrangement, will be required to share a bedroom, unless a consequence of sharing would be a severe adverse impact on his or her mental or physical health and the lottery agent receives reliable medical documentation as to such impact of sharing.

Other household members may share but are not required to share a bedroom.

LOCAL PREFERENCE

Applicants will be organized by preference and potential buyers will be chosen by lottery from within the preference group and from the non-preference group. Local preference equally includes:

- a. Households in which one or more member is currently employed by Town of Duxbury.
- b. Households in which one or more member is currently employed within the Town of Duxbury.
- c. Households in which one or more member lives within the Town of Duxbury.

Applicant claiming local preference will be required to provide proof of residency, employment or relationship. Acceptable documentation of residency is a current utility bill, rent receipt, street listing, or voter registration listing. Employment proof shall consist of a pay stub or letter from employer. Child/parent relationship documentation shall be a birth certificate.

Local preference will be limited to 70% of the units funded by this program.

LOTTERY PROCESS

Households submitting a complete application prior to the application deadline will be pre-screened for completeness, income eligibility, and first time homebuyer status. If there are more applicants than funds available, a lottery will be held to determine the order in which eligible

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applicants will have the opportunity to find a home. Eligible applicants will be chosen from the local preference pool and from the open pool. The local preference pool will be adjusted as necessary to meet HUD minority population percentages. Applicants will be entered into each pool for which they qualify.

All eligible applications will be drawn at the lottery and will be numbered in the order that they are selected.

The top three (3) from the local preference pool and the top two (2) from the open pool will be issued Letters of Eligibility for grants to help purchase units. They will then have sixty (60) days to produce a signed Purchase and Sale Agreement on a housing unit within the Town of Duxbury that meets the program guidelines. DAHT grant will be made available at the closing. **Selected applicants who are unable to proceed within those time frames will forfeit their right to purchase and the next application in the order selected by Lottery will be offered the unit.**

The DAHT may grant one thirty (30)-day extension for the home search, at its discretion.

The monitoring and screening agent will be D.K. Falcione Affordable Housing and Consulting Services.

APPLICATION DEADLINE

Applications must be submitted by 12:00 noon on July 9, 2010 to the Town Clerk's Office, Duxbury Town Hall, 878 Tremont St., Duxbury, in order to be considered. Late applications will not be accepted.

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I. HOMEBUYER PROGRAM APPLICATION

I. HOUSEHOLD COMPOSITION INFORMATION

Applicant _____ Co-Applicant _____

Name _____ M/F _____ M/F _____

Address _____

Date of Birth _____

Social Security # _____

Tel _____ (h) _____ (w) _____ (h) _____ (w) _____
 _____ mobile _____ mobile

Ethnicity (OPTIONAL): Hispanic or Latino or Not Hispanic or Latino

Race: White Black or African American Asian

Native Hawaiian or Other Pacific Islander American Indian or Alaskan Native

A. *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 the next year _____
3. Number of Children who will live with Applicant(s) _____
4. 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>
A. <i>Wages, Salary, Tips</i>	\$	\$
A. <i>Business Income</i>	\$	\$
B. <i>Social Security</i>	\$	\$
C. <i>Pension</i>	\$	\$
D. <i>Child Support</i>	\$	\$
B. <i>Alimony</i>	\$	\$
E. <i>Dividends and Interest</i>	\$	\$
F. <i>Unemployment Compensation</i>	\$	\$
G. <i>Other (describe)</i>	\$	\$
A. <u>TOTAL</u>	\$	\$

DAHT does not discriminate on the basis of race, creed, color sex, handicap, marital status, sexual preference, national origin or any other basis prohibited by law

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III. ASSETS

A. Checking Account

Name of Bank _____ Balance \$ _____

Account No. _____

B. Savings Account

\$ _____ Balance

Name of Bank _____

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: \$ _____

IV. 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 \$ _____

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By signing below, Applicant(s) requests the Duxbury Affordable Housing Trust 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 _____

SUBMIT APPLICATION BY 12:00 NOON ON JULY 9, 2010 TO:

Town Clerk's Office

Duxbury Town Hall

878 Tremont St.

Duxbury, MA 02332

LATE APPLICATIONS WILL NOT BE ACCEPTED.

For further information or help filling out this application, please call the DAHT at (781) 934-1100, x. 350.

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ALL DOCUMENTS ARE REQUIRED FOR AN APPLICATION TO BE CONSIDERED COMPLETE

1. Income Tax Documentation

Copies of 3 most recent signed tax documents including W-2 forms (1040,1040A,1040EZ,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-T available upon request or IRS.gov).

If self employed, include year-to-date Profit and Loss statement.

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 60 days of Applicant(s) and Persons within Household who Earn Income 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. Verifications

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.

Verification of Duxbury Connection: Applicants are required to submit a signed and notarized letter that specifically defines the applicant's Duxbury Connection.

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Verification of No Conflict of Interest: Municipal employees are required to contact the Town of Duxbury Accounting Office (781-934-1100, x. 154) and obtain and follow the procedures to ensure that the employee has no conflict in participation in the Program. A copy of the certificate of No Conflict is required to be included in the application.

5. Homebuyer Education

Copy of Certification of Completion from certified homebuyer course.

6. Credit Report/Liabilities

Provide a copy of a credit report dated within the past three months (available at www.freecreditreport.com or from homebuyer education course).

If required to pay child support/alimony, please include a copy of your divorce decree.

7. Signed Documents

Completed Application

Certifications

Acknowledgements

For assistance filling out this application, please contact a homebuyer counseling agency at http://www.chapa.org/?q=homebuyer_counseling or contact the DAHT at (781) 934-1100, x. 350.

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III. CERTIFICATIONS

Please check and fill in the following items that apply to you

_____ I/We certify that our household is comprised of _____ (insert #) persons.

_____ I/We certify that our gross annual household income is \$_____

_____ I/We certify that my/our total assets do not exceed the asset limit as defined in the application package.

_____ I/We certify we have read the document entitled “Description of Deed Restriction Provisions” contained in the application materials.

I/We certify that the information contained in this 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.

I/We understand that if selected in the Lottery this does not guarantee that I/We will be able to purchase a home. I understand that all application data will be verified and my qualifications will be reviewed in detail.

I/We understand that it is my/our obligation to secure the necessary mortgage for the purchase of the home and all expenses, including closing costs and down payments, are my/our responsibility.

I/We further authorize the Duxbury Affordable Housing Trust to verify any and all income, asset and other financial information; to verify any and all household, resident location and workplace information and I/we direct any employer, landlord or financial institution to release any information to the Trust for the purpose of determining income eligibility for the Program.

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IV. ACKNOWLEDGEMENT: DESCRIPTION OF DEED RESTRICTION PROVISIONS FOR AFFORDABLE HOUSING UNITS

The price at resale is set by a predetermined formula in order to insure the unit remains affordable over time.

You are buying an affordable home at a substantial discount price under the Commonwealth of Massachusetts Local Initiative Program (LIP); because of this there are requirements that the home remain affordable for future buyers of your property.

You will sign a “deed rider” which describes your responsibilities under this affordable housing program. The deed rider will be recorded with your deed. The deed restriction is in perpetuity. The restrictions will apply to you and to future buyers of your home. The Duxbury Affordable Housing Trust strongly urge you to review the deed rider with your attorney and lender. You should only complete the purchase if all your questions have been answered and you are comfortable with the deed rider and the restrictions. A copy of the deed rider is attached.

The document is intended to be for information only and it is not a substitute for independent legal advice.

A general description of important deed restrictions are as follows:

Principal Residence

The property must be your principal residence, where you regularly live, eat, sleep, are registered to vote, etc.

Leasing and Refinancing

You may not rent or lease your home without the prior written consent of the monitoring agent (DHCD and the Town of Duxbury). In addition, you must tell the monitoring agent if you are going to refinance your mortgage.

Selling your Home

If you want to sell your home, you must notify the Town of Duxbury and DHCD. This notice is called a Conveyance Notice in the Deed Rider. The notice must include the Resale Price Multiplier and the maximum resale price. The DHCD must approve the maximum resale price.

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Maximum Resale Price

If you choose to sell your home, there is a limit on the resale price. The maximum resale price is determined by multiplying the area median income as reported by HUD times the resale price determined by the multiplier listed in the deed rider.

Resale Process

Upon notice that the owner wishes to sell in accordance with the provisions of the Deed Rider, the Town of Duxbury and DHCD have 90 days to find an eligible buyer. The seller may also assist in finding an eligible homebuyer.

Acknowledged by:

Borrower

Date

Borrower

Date

Witness

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APPENDIX I: INCOME AND ASSETS

Annual Income

Annual gross income means all amounts, monetary or not, which go to, or on behalf of, the family head or spouse or to any other family member received from a source outside the family during the 12-month period following application.

Annual income includes, but is not limited to:

- The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family;
- The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount;
 - Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
 - Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;
 - All regular pay, special pay and allowances of a member of the Armed Forces;
 - Income derived from assets to which any member of the family has access.

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Annual income does not include the following:

- Income from employment of children (including foster children) under the age of 18 years;
- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
 - Income of a live-in aide, as defined in Sec. 5.403;
- The full amount of student financial assistance paid directly to the student or to the educational institution;
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
 - Temporary, nonrecurring or sporadic income (including gifts);
- Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;
 - Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
 - Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply.

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Assets

Net Family Assets include the following:

Cash held in savings and checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average balance for the last six months. Assets held in foreign countries are considered assets.

- **Revocable trusts.** Include the cash value of any revocable trust available to the applicant.
- **Equity in rental property or other capital investments.** Include the current fair market value less (a) any unpaid balance on any loans secured by the property and (b) reasonable costs that would be incurred in selling the asset (e.g., penalties, broker fees, etc.).
- **Stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts.** The value of stocks and other assets vary from one day to another and should be determined within a reasonable time in advance of the applicant's submission of a lottery application.

Individual retirement, 401K, and Keogh accounts. These are included when the holder has access to the funds, even though a penalty may be assessed. If the applicant is making occasional withdrawals from the account, determine the amount of the asset by using the average balance for the previous six months. (Do not count withdrawals as income.)

Retirement and pension funds. *While the person is employed,* include only amounts the applicant can withdraw without retiring or terminating employment. Count the whole amount 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 from pension and retirement funds are counted as assets. Count the amount as an asset or as income, as provided below.

If benefits will be received in a lump sum, include the lump-sum receipt in net family assets.

If benefits will be received through periodic payments, include the benefits in annual income. Do not count any remaining amounts in the account as an asset.

If the applicant initially receives a lump-sum benefit followed by periodic payments, count the lump-sum benefit as an asset as provided in the example below and treat the periodic payment as income. In subsequent years, count only the periodic payment as income. Do not count the remaining amount as an asset.

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NOTE: This section assumes that the lump-sum receipt is a one-time receipt and that it does not represent delayed periodic payments. However, in situations in which a lump-sum payment does represent delayed periodic payments, then the amount would be considered as income and not an asset.

- **Cash value of life insurance policies available to the applicant before death** (e.g., the surrender value of a whole life policy or a universal life policy). It would not include a value for term insurance, which has no cash value to the applicant before death.

- **Personal property held as an investment.** Include gems, jewelry, coin collections, or antique cars held as an investment. Personal jewelry is NOT considered an asset.

- **Lump-sum receipts or one-time receipts.** These include inheritances, capital gains, one-time lottery winnings, victim's restitution, settlements on insurance claims (including health and accident insurance, worker's compensation, and personal or property losses), and any other amounts that are not intended as periodic payments.

- **A mortgage or deed of trust held by an applicant.**

Payments on this type of asset are often received as one combined payment of principal and interest with the interest portion counted as income from the asset.

This combined figure needs to be separated into the principal and interest portions of the payment. (This can be done by referring to an amortization schedule that relates to the specific term and interest rate of the mortgage.)

To count the actual income for this asset, use the interest portion due, based on the amortization schedule. for the 12-month period following the certification.

To count the imputed income for this asset, determine the asset value at the end of the 12-month period following the certification. Since this amount will continually be reduced by the principal portion paid during the previous year, the owner will have to determine this amount at each annual recertification.

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Assets disposed of for less than fair market value Applicants must declare whether an asset has been disposed of for less than fair market value at each certification and recertification. Owners must count assets disposed of for less than fair market value and the amount actually received.

Net family assets DO NOT include the following:

- Personal property (clothing, furniture, cars, wedding ring, other jewelry that is not held as an investment, vehicles specially equipped for persons with disabilities).
- Interests in Indian trust land.
- Term life insurance policies (i.e., where there is no cash value).
- Equity in the cooperative unit in which the applicant lives.
- Assets that are part of an active business. "Business" does NOT include rental of properties that are held as investments unless such properties are the applicant's main occupation.
- Assets that are NOT effectively owned by the applicant. Assets are not effectively owned when they are held in an individual's name, but (a) the assets and any income they earn accrue to the benefit of someone else who is not the applicant, and (b) that other person is responsible for income taxes incurred ^{on} income generated by the assets.
- Assets that are not accessible to the applicant and provide no income to the applicant. Nonrevocable trusts are not covered under this paragraph.

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APPENDIX II: LIP PROGRAM STANDARDS FOR NEW MORTGAGE LOANS

- The loan must have a fixed interest rate through the full term of the mortgage.
- The loan must have a current fair market interest rate.
(No more than 2 percentage points above the current
MassHousing Rate*
*(617) 854-1000 or www.masshousing.com)
- The buyer must provide a down payment of at least 3%, with at least 1.5% of the sale price from the buyer's own funds.
- The loan can have no more than 2 points.
- The sales price of the unit is set by DHCD to be affordable to an income-eligible household paying no more than 38% of their monthly income for total housing costs.