



Dear Prospective Applicant,

Essex County Habitat for Humanity is a non-profit organization whose goal is to make home ownership possible for low-income families throughout Essex County.

Thank you for your interest in applying for the purchase of the affordable home at 6 First Street in Ipswich. This opportunity is offered by the Town of Ipswich, Essex County Habitat for Humanity (ECHFH) and the Department of Housing and Community Development (DHCD).

ECHFH is acting solely as Monitoring Agent for the resale of this affordable home to ensure that its affordability is preserved in perpetuity. This is **not** a Habitat Homeowner Partnership property. ECHFH role is to ensure that the eligibility requirements and resale limits of the deed are followed. Therefore, the eligibility requirements and process are a bit different.

While your total household income still needs to be between 40% and 60% of Area Median Income, your asset value must not exceed \$75,000, and you must be a first-time homebuyer, you will be responsible to secure your own mortgage and pay any down payment required. The purchaser will be selected in a fair lottery system and then sign a typical purchase and sale agreement.

The process is fully described in detail in the pages that follow. **Please read all attached information carefully** to determine if you would likely qualify and if you would like to apply. Please include the enclosed checklist with the application and required documents.

Deadline: The completed application must be received at the Essex County Habitat for Humanity office, at 14 Park Street, Danvers, MA 01923 by 4:00 PM Monday October 31, 2022, to be considered. This is not a postmark deadline. Applications cannot be faxed or emailed. Late applications will not be considered.

Please do not submit original documentation to Habitat; instead provide *copies* of these documents. We suggest you keep a copy of your application materials if you wish. We do not return submitted materials. Habitat keeps applications for 12 months after the households have been selected, and then we destroy them. Habitat's copy machine is not available for use by the general public.

If you have any questions, please call the office at 978-681-8858 from 9:00 a.m. to 4:00 p.m., weekdays. Our website www.essexcountyhabitat.org has detailed information in the "Homeownership" section.

We appreciate the effort it takes on your part to go through the application process to benefit your family.

Sincerely,
Monitoring Agent,
Essex County Habitat for Humanity

*Spanish translation of application is available at: <https://www.essexcountyhabitat.org/application/>

AN EQUAL OPPORTUNITY HOUSING LENDER



ECHFH does not discriminate in the selection of applicants 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 law

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LOTTERY INFORMATION & APPLICATION

This packet contains specific information for the lottery for the resale of the deed restricted duplex condo at 6 First Street in Ipswich, including eligibility requirements, the selection process, and lottery application. We invite you to read this information and submit an application.

The affordable unit will be sold to qualifying applicants with incomes between 40% and 60% of the area median income. **Sale price is \$246,000.**

Key milestones for this housing opportunity:

- Application Period opens September 1, 2022
- Open House October 5, 2022
- Application Deadline October 31, 2022
- Lottery November 15, 2022

APPLICATIONS

Applications will be available via email or USPS mail from, and must be returned to:

Monitoring Agent: Anngybel Moreta, Essex County Habitat, 14 Park St, Danvers, MA 01923, 978-681-8858, annybel@essexcountyhabitat.org

Applications can also be downloaded at the following websites:

Essex County Habitat: www.essexcountyhabitat.org/current-homeownership-opportunities/ipswich

The state affordable housing: www.massaccesshousingregistry.com/

Application deadline: October 31, 2022

OPEN HOUSE

One Open House will be offered for all interested applicants to view the property.

Date: Wednesday, October 5, 2022 from 6:00pm to 8:00pm

LOTTERY

The lottery will take place remotely via Teams Meeting. Following are the details for meeting access:

Date: Tuesday, November 15, 2022 at 6:00 pm

Teams Meeting access information will be sent to all qualified applicants before the Lottery

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PROJECT DESCRIPTION

One half of a duplex condo at 6 First Street in Ipswich MA. The unit has approximately 1200 square feet of living space on 3 floors. The home was completely rehabbed in 2015 and has an open kitchen/living room, a 1 3/4 bath and a washer/dryer hook up on first floor. On the second floor is the primary bedroom with walk in closet as well as a full bath. The top floor has 2 bedrooms with vaulted ceilings. There is plenty of storage in the eaves in addition to the unfinished basement. Outside there is a one car detached garage, a quaint backyard space and off-street parking for 4 cars. It is just a short walk to the commuter rail station, and the restaurants and shops of downtown Ipswich. Ipswich is a safe and beautiful coastal town about 40 minutes north of Boston and has a highly rated school district.

There is an association fee that will cover shared expenses including snow removal and landscape upkeep. This HOA is managed by the homeowners. The 2022 tax rate for Ipswich is \$12.86 per thousand dollars of value and taxes are assessed to the affordable price (not the market-rate equivalent). Property Taxes, insurance and association fees will be paid by the homeowner.

This unit is sold in accordance with state DHCD Guidelines. The property is sold below the market price with deed restrictions. These restrictions maintain the affordability of the property in perpetuity using resale price limitations.

LOTTERY DESCRIPTION

1. Applicants must submit all the necessary information by the application deadline. If sending electronically, redact (black-out) all social security numbers and account numbers. Late applications (applications mailed and/or received after the above date) and applications that are incomplete will not be accepted. Applications will be reviewed for completeness. An application will be considered complete when all required items on the checklist have been provided.
2. The applicant's household size and required number of bedrooms will be determined from the application. Priority shall be given to households requiring at least the total number of bedrooms in the unit. There may be no more than two occupants per bedroom.
3. The applicant's total household income must fall between 40% and 60% of Area Media Income. Household income will be verified and compared to the income limits as published by HUD for the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area (see Attachment B). Income includes all income prior to any deductions from all adult household members, and are determined using the method as in the HUD Section 8 program defined at 24 CFR 5.609. The following 2022 household income limits will be used:
1P: \$58,920, 2P: \$67,320, 3P: \$75,720, 4P: \$84,120, 5P: \$90,900, 6P: \$97,620

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4. Household assets shall not exceed \$75,000 in value, including equity in a dwelling (to be sold). Assets include but are not limited to all cash, cash in savings accounts, checking accounts, certificates of deposit, bonds, stocks, cash value of retirement accounts, value of real estate holdings and other capital investments. Include the value of the asset, with a deduction for the reasonable cost of selling the asset. The value of necessary personal property (furniture, vehicles) is excluded from asset values. If a potential purchaser divests him/herself of an asset for less than full and fair cash value of the asset within two years prior to application, the full and fair cash value of the asset shall be included for purposes of calculating eligibility.

Income and asset documents required to determine household eligibility shall be updated to be current within 60 days of the purchase closing date of an affordable unit.

5. Eligible applicants must be first-time home buyers or shall not have owned a home within 3 years preceding the application, with the exception of:
 - 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 parents, 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 whom 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 constructing a permanent structure.
6. Once the Lottery Agent has verified the information in the application and confirmed eligibility, applicants will be given lottery numbers and told the date, time and place of the lottery.

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7. Units are awarded based on bedroom size within the lottery pool. The top ranked household needing at least the number of bedrooms in the home will be offered the opportunity to purchase the specific unit. Within an applicant pool, first preference shall be given to households requiring the total number of bedrooms in the unit based on the following criteria:
 - There is at least one occupant and no more than two occupants per bedroom.
 - 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.
8. The lottery will be held via Teams Meeting. The lottery numbers will be pulled for each pool by an independent, unbiased, third party. The lottery numbers will be ranked in the order in which they are drawn and recorded on the Lottery Drawing List. The list of numbers drawn will be posted and all applicants will be informed of their ranking. Applicants are encouraged, but not required, to attend.
9. The lottery coordinator shall maintain the Lottery Drawing Lists until all units are closed. In the event that any of the applicants are unable to obtain financing, withdraw for any other reason, or do not comply with guidelines, the next qualified applicant will be offered that particular unit.
10. All lottery participants are subject to final approval by the monitoring agent. Qualification for the lottery is not an assurance that those buyers awarded units will ultimately purchase.
11. The winners will sign a Purchase and Sale Agreement within 15 days of the lottery.
12. Affordable housing loans must adhere to the following mortgage requirements:
 - The loan must be a 30 year fixed interest rate.
 - 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 minimum down payment of 3%; half must come from the buyer's funds.
 - The buyer may not pay more than 38% of their monthly income for housing costs.
 - No family loans or FHA mortgages can be accepted.
 - Non-household members shall not be permitted as co-signers of the mortgage.

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13. The Fair Housing Act prohibits discrimination in housing because of Race or color, National origin, Religion, Sex, Familial status. An applicant who believes that they have been discriminated against in the buyer selection and sales process may contact: the Massachusetts Commission Against Discrimination (617) 994-6000; and/or the United States Department of Housing and Urban Development (617) 994-8300.
14. For applicants with Limited English Proficiency, upon request the Monitoring Agent will use a translation service.
15. See attached Homebuyer Disclosure Statement for restrictions and procedures regarding refinancing, capital improvements, resale and foreclosure.

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KEEP THIS DOCUMENT ACCESSIBLE
IT CONTAINS VALUABLE CONTACT INFORMATION

LOCAL INITIATIVE PROGRAM (LIP) HOMEBUYER DISCLOSURE STATEMENT

This Homebuyer Disclosure Statement summarizes your rights and obligations in purchasing this home. You are about to purchase a home located at _____, in Ipswich, Massachusetts (the “Municipality”) at less than the home’s fair market value, under the Local Initiative Program (LIP). When you sell the home, that same opportunity will be given to the new buyer. In exchange for the opportunity to purchase the home at less than its fair market value, you must agree to certain use and transfer restrictions. These restrictions are described in detail in a LIP Deed Rider that will be attached to the deed to your home and recorded at the Registry of Deeds.

PLEASE REMEMBER:

- You must occupy this home as your primary residence;
- You must obtain consent from the Department of Housing and Community Development (DHCD) and the Municipality [and _____ (if another monitoring agent is listed)] (together they are referred to as the “Monitoring Agents” in this Homebuyer Disclosure Statement) before renting, refinancing or granting any other mortgage, or making any capital
- Improvements to your LIP home;
- You must give written notice to the Monitoring Agents when you decide to sell your
- property.
- Your LIP property may not be transferred into a trust.
-

The contact information for the Monitoring Agents is listed in the LIP Deed Rider.

Please read the LIP Deed Rider restriction in its entirety because it describes and imposes certain important legal requirements. It is strongly recommended that you consult an attorney to explain your legal obligations and responsibilities.

Primary Residence

You must occupy your LIP property as your primary residence.

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Renting, Refinancing and Capital Improvements

You must obtain the prior written consent of the Monitoring Agents before you do any of the following:

- Rent your LIP home;
- Refinance an existing mortgage or add any other mortgage including a home equity loan; or
- Make any Capital Improvements (for example, a new roof or a new septic system – see attached Capital Improvements Policy) if you wish to get credit for those costs (at a discounted rate) when you sell your home.

Before taking any action, please contact DHCD for instructions on renting, mortgaging, or making capital improvements to your home. If you do not obtain the required consent from the Monitoring Agents, you can be required to pay all of the rents or proceeds from the transaction to the Municipality.

Resale Requirements

When you sell your home, you are required to give written notice to the Monitoring Agents of your desire to sell so that they may proceed to locate an Eligible Purchaser for your LIP home. Your sale price will be computed by DHCD based on the formula set forth in the LIP Deed Rider to reflect your original purchase price plus certain limited adjustments.

The allowed sale price is defined as the “Maximum Resale Price” in the LIP Deed Rider. It is calculated by adjusting the purchase price you paid for the home to reflect any change in the area median income from the time you purchased the LIP home to the time of the resale plus:

- (a) The Resale Fee as stated in the LIP Deed Rider;
- (b) Approved marketing fees, if any; and
- (c) Approved Capital Improvements, if any.

The Maximum Resale Price can never be more than the amount which is affordable to an Eligible Purchaser earning 60% of the area median income, as determined by a formula set forth in the LIP Deed Rider. The sales price will also never be less than the purchase price you paid, unless you agree to accept a lower price.

The Monitoring Agents have up to 90 days after you give notice of your intention to sell the home to close on a sale to an Eligible Purchaser, or to close on a sale to a Monitoring Agent, or to a buyer that one of them may designate. This time period can be extended, as provided in the LIP Deed Rider, to arrange for details of closing, to locate a subsequent purchaser if the first selected purchaser is unable to obtain financing or *for lack of cooperation* on your part.

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It is your obligation to cooperate fully with the Monitoring Agents during this resale period.

If an Eligible Purchaser fails to purchase the home, and none of the Monitoring Agents (or their designee) purchases the home, you may sell the home to a purchaser who does not qualify as an Eligible Purchaser (in this event, this purchaser is referred to as an ineligible purchaser), subject to the following:

- (i) the sale must be for no more than the Maximum Resale Price;
- (ii) the closing must be at least 30 days after the closing deadline described above;
- (iii) the home must be sold subject to a LIP Deed Rider; and
- (iv) if there are more than one interested ineligible purchasers, preference will be given to any purchaser identified by DHCD as an appropriately-sized household whose income is more than 60% but less than 120% of the area median income.

Any sale by you to an Eligible Purchaser, or to an ineligible purchaser (as described in the LIP Deed Rider), is subject to the normal and customary terms for the sale of property, which are set forth in the LIP Deed Rider and which will be included in your Purchase and Sale Agreement.

There is no commitment or guarantee that an Eligible Purchaser will purchase the LIP home, or that you will receive the Maximum Resale Price (or any other price) for your sale of the LIP home.

A sale or transfer of the home will not be valid unless (1) the total value of all consideration and payments of every kind given or paid by the selected purchaser do not exceed the Maximum Resale Price, and (2) the LIP Compliance Certificate that confirms that the sale or transfer was made in compliance with the requirements of the LIP Deed Rider is executed by the Monitoring Agents and recorded at the Registry of Deeds by the closing attorney.

If you attempt to sell or transfer the home without complying with the LIP Deed Rider requirements, the Monitoring Agents may, among their other rights, void any contract for such sale or the sale itself.

Foreclosure

In the event that the holder of a mortgage delivers notice that it intends to commence foreclosure proceedings, the LIP Deed Rider gives the Municipality an option to purchase the home (or to designate another party to purchase the home) for a period of 120 days after notice of the Lender's intent to foreclose.

If this foreclosure purchase option is exercised, the purchase price will be the greater of (i) the amount of the outstanding balance of the loan secured by the mortgage, plus the

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outstanding balance of the loans secured by any mortgages senior in priority, up to the Maximum Resale Price as of the date the mortgage was granted, plus any future advances, accrued interest and/or reasonable costs and expenses that the mortgage holder is entitled to recover, or (ii) the Maximum Resale Price at the time of the foreclosure purchase option, except that in this case the Maximum Resale Price may be less than the purchase price you paid. By signing the LIP Deed Rider, you are agreeing that you will cooperate in executing the deed to the Municipality (or its designee) and any other required closing documents.

If the foreclosure purchase option has not been exercised within 120 days of delivery of the foreclosure notice to the Monitoring Agents, the mortgage holder may conduct a foreclosure sale. The mortgage holder or an ineligible purchaser may purchase the home at the foreclosure sale, subject to the LIP Deed Rider.

If the sale price at the foreclosure sale is greater than the purchase price that would have applied for the Municipality's foreclosure purchase option as described above, the excess will be paid to the Municipality. By signing the LIP Deed Rider, you are agreeing to assign any rights and interest you may otherwise have in the balance of any foreclosure proceeds available after satisfaction of all obligations to the holder of the foreclosing mortgagee, for delivery to the Municipality.

There is no commitment or guarantee that the Municipality will exercise the foreclosure purchase option, or that your Lender will receive the Maximum Resale Price (or any other price) in any foreclosure sale of the LIP home. In addition, the foreclosing lender retains the right to pursue a deficiency against you.

Violation of Restriction Requirements

If you violate any of the Restriction terms, you will be in default and the Monitoring Agents may exercise the remedies set forth in the LIP Deed Rider.

If one or more of the Monitoring Agents brings an enforcement action against you and prevails, you will be responsible for all fees and expenses (including legal fees) for the Monitoring Agent(s). The Monitoring Agent(s) can assert a lien against the home to secure your obligation to pay those fees and expenses.

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Acknowledgments

By signing below, I certify that I have read this Homebuyer Disclosure Statement and understand the benefits and restrictions described. I further certify that I have read the LIP Deed Rider and understand the legal obligations that I undertake by signing that document.

I also certify that I have been advised to have an attorney review this document and the LIP Deed Rider with me.

Dated _____, 2022

Homebuyer

Witness

Homebuyer

Witness

Local Initiative Program (LIP)
Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114
617-573-1100

Attachment A - Document Checklist

THIS APPLICATION IS INCOMPLETE IF NOT SUBMITTED WITH THE FOLLOWING:

Submit all of the following documents that pertain to your situation with your completed application. Please do not submit original documents, only copies.

- Completed application signed by all individuals over the age of 18.
- Copy of most current 3 years FEDERAL tax returns including 1099's, W-2's and schedules, for every current or future person living in the household over 18. (Please do not include the state return.)
- Copy of 5 most recent pay stubs for all employed household members over 18. Self-employed members must provide a recent Profit and Loss statement.
- Copy of last consecutive 3 months statements and documents from all other sources of income of all members listed on the application, on organization letterhead.
- Copy of last consecutive 3 months statements of all assets showing current value including all bank accounts, investment accounts, retirement accounts, etc. on organization letterhead.
- Mortgage pre-approval document
- Proof of adequate assets to cover down payment and closing costs.
- Documentation regarding current or past interest in real estate, if applicable.
- Minority Self Declaration, if applicable.
- Proof of Local Preference, if applicable.
- No Income Statement, signed and notarized, for any household member over 18 with no source of income, if applicable.
- Copy of school registration for any household member that's a full time student over 18.
- No Child Support Statement, signed and notarized, if applicable, containing the language "Under Penalties of Perjury".
- Documentation of all assets over \$1,000 in value – land, businesses, investment accounts, collectibles, etc.

**Please note additional documents may be requested by the application reviewer as needed to verify credit and income. If selected, applicants will need to provide proof of identity and may need to provide proof of citizenship or permanent residency for at least one household member if required by the mortgage lender.*

Attachment B - Income Guidelines 2022

Ipswich Resale Income Guidelines		
Household Size	Minimum	Maximum
1	\$ 39,150	\$ 58,920
2	\$ 44,750	\$ 67,320
3	\$ 50,350	\$ 75,720
4	\$ 56,080	\$ 84,120
5	\$ 60,400	\$ 90,900
6	\$ 64,875	\$ 97,620

Based on 40%-60% of 2022 HUD-defined Area Median Income. Subject to change.

Family size shall not exceed sanitary code requirements for occupancy of a unit.

Maximum income is 60% of the area median income adjusted for family size.

Area median income calculations are from HUD

<https://www.masshousing.com/-/media/Files/Developers/Income-Rent-Limits/2022-HUD-Income-Rent-Limits.ashx>

To determine what is included as income, see HUD Definition of Annual Income document.

In accordance with the Equal Credit Opportunity Act and the Fair Housing Act, Essex County Habitat for Humanity does not discriminate with regards to race, color, religion, national origin, sex, handicap, family status, marital status, receipt of public assistant income or age (provided that the applicant has the capacity to enter into a binding contract).



Attachment C - How to Submit your Documents

How to submit your documents

There are several options to safely and securely submit your application on time:

1. Mail your paper application with copies of required documents to be **received by** the Monday, October 31, 2022 deadline (this is **not** a postmark deadline). Late or incomplete applications will not be considered. Mail to:

Essex County Habitat for Humanity
14 Park Street
Danvers, MA 01923

2. Drop off your paper application with copies of required documents to our office at 14 Park Street in Danvers between the hours of 9:00am and 1:00pm, Monday through Friday. We're in the blue-grey house - just knock on the front door!
3. Submit digitally. Go to: <https://www.essexcountyhabitat.org/opportunities-ipswich> and click the link to upload all of your documents to the folder in our secure Box account. Your documents will be encrypted in transfer and in rest.

Please do not email account numbers, social security numbers or other personal information directly to us. We suggest you keep a copy of your application material as we do not return them.

Application Deadline

To be considered you must submit your application on or before Monday, October 31, 2022 at 4:00pm.

In accordance with the Equal Credit Opportunity Act and the Fair Housing Act, Essex County Habitat for Humanity does not discriminate with regards to race, color, religion, national origin, sex, handicap, family status, marital status, receipt of public assistant income or age (provided that the applicant has the capacity to enter into a binding contract).

