



your resource for Affordable Housing



Millstone Village Medway, MA

Millstone Village is a new 80 unit community for age-qualified (55+) homebuyers being built on Winthrop Street in the Town of Medway. The development consists of 45 town homes and 35 detached single family homes. Eight affordable town homes units are available by lottery for eligible age-qualified (55+) homebuyers. There will be two lotteries for the project. This application is for the final lottery for 5 units.

The two bedroom affordable units are priced at \$194,000 and include 2 ½ bathrooms, 2 car garage and unfinished basement in +/- 2000 sq. ft. of living space. All affordable units will be sold by lottery as outlined in the attached package. Please review the enclosed information packet in detail and complete the application and disclosure statement at the rear of the packet.

PLEASE NOTE: All applicants must include a mortgage pre-approval letter, from an institutional lender familiar with affordable deed restrictions and complete financial documentation with the application. An application submitted incomplete will not be reviewed or considered for the lottery. If a complete application is received on or before the application deadline it will be reviewed for eligibility and included in the lottery, if appropriate. The FHA and VA will not close on deed restricted properties so pre-approvals using those programs will not be accepted.

You may drop off your application at our Harvard Office. We will review your application, for completeness, while you wait. If you are missing documentation you will have time to submit prior to the deadline.

A Public Information Meeting will be held to answer specific questions and provide an overview of the lottery process. The meeting is scheduled for 6:30 p.m., Monday November 26, 2018 at the Medway Senior Center, 76 Oakland Street, Medway, MA. If you have questions and can attend this meeting, please hold them until that time.

Applications can be obtained on line at www.mcohousingservices.com. The application deadline is December 28, 2018. You must submit an application postmarked on or before December 28th to be in the lottery. The lottery is scheduled for 6:30 p.m., Wednesday January 9, 2019 at the Medway Senior Center.

Thank you for your interest in affordable housing at **MILLSTONE VILLAGE**. We wish you the best of luck. Please contact MCO Housing Services at 978-456-8388 or email us at lotteryinfo@mcohousingservices.com if you have any questions. We encourage you to advise other people or organizations that may be interested in this program and make copies of the relevant information as needed.

Sincerely,

Maureen M. O'Hagan
MCO Housing Services for
Elite Home Builders, LLC



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.



Millstone Village
AFFORDABLE HOMES through LIP Question & Answer

What are the qualifications required for Prospective Buyers?

1. The maximum allowable gross income guidelines, adjusted for household size, as follows:

Household Size	1	2	3	4
Max Allowable Income	56,800	\$64,900	\$73,000	\$81,100

(Note: This represents 80% of the annual household median income for the area and is subject to adjustments. This assumes a household size of 1-4 people. This income limit is subject to change based upon DHCD updating.)

2. At least one homebuyer must be 55 years of age or older and the remaining household members must be 18 years of age or older.

3. Eligible households are allowed up to \$275,000 combination equity from home sale and assets. You can not purchase an affordable home unless your current home is sold. If you do not have a home to sell the asset limit is the same at \$275,000.

Assets are determined as follows:

- a. Individual retirement, 401K and Keogh accounts are included at 100% of the account value.
- b. 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.
- c. Assets divested at less than full market value within the past two years will be counted at full market value in determining eligibility.

Other program highlights for Lottery applicants:

- Units must be owner occupied. They cannot be rented or leased.
- Non-household members are not permitted to be co-signers on the mortgage.
- A mortgage pre-approval letter is required to participate in this lottery.
- Guests under the age of 18 may only stay up to 6 months in any calendar year.
- Given sufficient notice, basic accommodations will be made for people with disability for little or no cost to the buyer.
- Access ramps will be built in garages and billed at cost to the unit owner, if requested, a time of Purchase and Sale Agreement

Are there specific mortgage guidelines?

Yes, they are:

1. Be a fully amortizing fixed rate mortgage with a down payment of at least 3%, at least half of which must come from the buyer's own funds.
2. Be made by an institutional lender.
3. Have a fixed interest rate through the full term of the mortgage that is a current fair market interest rate.
4. No more than 2 points.
5. Monthly housing (inclusive of principal, interest, property taxes, hazard insurance, private mortgage insurance and condominium or homeowner association fees) may not exceed 38% of the buyers monthly income for the mortgage.



6. Non-household members shall not be permitted as co-signers of the mortgage.

Are there preferences for local residents?

Yes. Preference will be given to local residents for 3 of the 5 affordable units. Proof of local residency will be verified if you have the opportunity to purchase. See application for list of local preference criteria. Any questions regarding an applicant's local preference eligibility will be directed to the Town of Medway and/or DHCD for clarification.

Preference for the two bedroom units will be given to households which require a two bedroom unit. Second preference will be given to households who require one bedroom.

Unit preferences are based on the following:

- a. There is at 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.

Is there preference for minorities?

If the percentage of minority applicants in the Local Preference Pool is less than the percentage of minorities in the Surrounding HUD-defined area, currently 27%, a preliminary lottery will be held, comprised of all the minority applicants who do not qualify for the Local Preference Pool. These minority applicants would be drawn until their percentage in the local pool closely approximates the percentage in the Boston area population. Applicants not selected for the local pool would be in the at-large pool only.

Are there any restrictions?

YES. Deed restrictions are used to protect the affordability of the town homes for future buyers. The deed restrictions encumber the property in perpetuity, with certain exceptions. If you choose to sell your unit, there is a limit on the resale price. The maximum resale price is determined using a Resale Price Multiplier, a figure calculated by taking the initial sales price and dividing it by the area median income. **For example**, the initial 2 bedroom affordable condominium unit price is \$194,000 and the current area median income is \$107,800, the Resale Price Multiplier would be $\$194,000 / \$107,800 = 1.80$.

Upon resale, the Resale Price Multiplier is multiplied by the updated area median income number to determine the maximum resale price. A resale fee up to 2% of the resale price may be added onto the resale price to be paid by the buyer to the Monitoring Agent.

Applicants are strongly encouraged to review the restrictions in the deed rider with their attorney.

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

The minimum income required to purchase is based solely upon an applicant's ability to secure a mortgage. Attached is an "Affordability Analysis" based upon current interest rates and anticipated real estate taxes and related housing expenses.



Lottery Process

Due to the nature of the affordable homes 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

Five town home units are available by lottery at Millstone Village. The lottery has two pools – Local and At-Large. The separation below provides the overall unit breakdown of the units only. The pools breakdown as follows:

<u>Pool</u>	<u>Qualifications</u>	<u># of Units</u>
Local Pool	Must meet at least one of the Local Preference Criteria as listed on the application.	3
At-Large Pool	All applicants – including local pool	2

Local applicants would have two opportunities to purchase a unit by being in both the Local and At-Large Pools.

Preference for the two bedroom units will be given to households which require a two bedroom unit. Second preference will be given to households who 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.

All of the applicants for a given pool will be pulled at the time of the lottery. This will establish the rankings for the distribution of units. This means if you are a two person household and by the above definition (b) require a one bedroom unit and are drawn first in the lottery, we will move to the first applicant on the list that meet the unit preference for the two bedroom units. If we have gone through the list and have units remaining, we will begin working from the top of the list and you may likely have an opportunity to purchase.

Time Frames

Millstone Village is currently under construction and the first two affordable units will be available for immediate occupancy.

If you are selected and have the opportunity to purchase a unit you will speak or meet with a representative to review your application to verify all information. Applicants selected for units approaching completion will need to start working with an approved lender immediately to secure the necessary mortgage. Please be advised the official income verification will be done at the time you have an opportunity to purchase a unit. Meaning, if one year after the initial lottery you have the opportunity to purchase a unit and you are over income at that time, you may not be able to purchase.



Acceptance of Homes

It is important for all applicants to understand that specific units are attached to specific lottery rankings based upon the projected availability of the completed unit. Applicants will not have a choice of unit locations, style or schedules. You will not be able “pass” on a unit and wait for another unit. If you choose not to take the designated unit, you will go to the bottom of the list and will NOT have another opportunity.

Resale of Units

The resale of the affordable units will be coordinated by the Monitoring Agent. If you have an opportunity to purchase you will receive a copy of the LIP Homebuyer Disclosure Statement which outlines the limitation on profit, steps to resell the unit, time allowed to sell, and capital improvements etc. If you would like to receive a copy of this document send an email to maureen@mcohousingservices.com and a copy will be emailed to you.

Summary

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

AFFORDABILITY ANALYSIS (FOR ILLUSTRATION PURPOSES ONLY)

Home Price	\$ 194,000
<i>Interest Rate</i>	4.89%
<i>Down Payment (%)</i>	5%
Down Payment (\$)	\$ 9,700
Mortgage Amount	\$ 184,300
Monthly Expenses	
<i>Principal & Interest</i>	\$ 977.01
<i>Real Estate Taxes</i>	286.00
<i>Private Mortgage Insurance*</i>	120.00
<i>Insurance</i>	97.00
<i>Estimated Association Fee</i>	100.00
TOTAL Monthly Expenses	\$ 1,579.00

NOTES:

ALL Values are estimates and are subject to change.

Medway 2018 Residential Tax Rate = \$17.66 per thousand



Unit Availability and Unit Distribution

Unit #	Address	Designated Winner	Estimated Availability*
63	3 Riverstone	Local	Immediate Availability
60	9 Riverstone	ALP	Immediate Availability
66	10 Ridgestone	Local	Immediate Availability
75	3 Fieldstone	ALP	60-90 days
72	9 Fieldstone	Local	60-90 days

Codes:

Local – Local Pool Applicants

ALP – At Large Pool Applicants

** All Dates are Estimates*



Millstone Village

LOTTERY APPLICATION

Application Deadline: December 28, 2018

For Office Use Only:

Date Appl. Rcvd: _____

LOCAL Pool: Y / N

Household Size: _____

Lottery Code: _____

PERSONAL INFORMATION:

Date: _____

Name: _____

Address: _____ Town: _____ Zip: _____

Home Telephone _____ Work Telephone: _____ Cell: _____

Email: _____ Have you ever owned a home? ___ If so, when did you sell it? ___

Do you meet any of the Local Preference Eligibility Criteria established by the Town of Medway? _____ Please check the appropriate category below*:

- Current Medway Resident
- Employed by the Town of Medway or the Medway Public Schools
- Employee working in a business working in the Town of Medway

Proof of local residency will be verified if you have the opportunity to purchase.

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, supplemental second income and dividend income.)

Borrowers Monthly Base Income (Gross) _____

Other Income, specify _____

Co-Borrowers Monthly Base Income (Gross) _____

Other Income, specify _____

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 or you can view online at www.mcohousing.com. Complete all that apply with current account balances)

Checking (avg balance for 6 months) _____

Savings _____

Stocks, Bonds, Treasury Bills, CD or _____

Money Market Accounts and Mutual Funds _____

Individual Retirement, 401K and Keogh accounts _____

Retirement or Pension Funds (amt you can w/d w/o penalty) _____

Revocable trusts _____

Equity in rental property or other capital investments _____

Cash value of whole life or universal life insurance policies _____

Down Payment Gift _____

TOTAL HOUSEHOLD ASSETS _____



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

Employer: _____
Street Address: _____
City/State/Zip: _____
Date of Hire (Approx): _____
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 condominium. Please check the appropriate categories:

	Applicant	Co-Applicant	(#) of Dependents
Non-Minority	_____	_____	_____
Black or African American	_____	_____	_____
Hispanic or Latino	_____	_____	_____
Asian	_____	_____	_____
Native American or Alaskan Native	_____	_____	_____
Native Hawaiian or Pacific Islander	_____	_____	_____

The total household size is _____ (This is very important to determine the maximum allowable income for your household.)

Household Composition	Name _____	Relationship _____	Age _____
(including applicant(s))	Name _____	Relationship _____	Age _____
	Name _____	Relationship _____	Age _____
	Name _____	Relationship _____	Age _____

ADDITIONAL INFORMATION:

Applicants will be responsible for all closing costs associated with the purchase of a home. A copy of the deed rider can be found at www.mcohousing.com or you can email lotteryinfo@mcohousing.com for a copy.

SIGNATURES:

The undersign warrants and represents that all statements herein are true. It is understood that the sole use of this application is to establish the preliminary requirements for placement into a lottery to have an opportunity to purchase an affordable condominium at Millstone Village. I (we) understand if selected all information provided shall be verified for accuracy at the time of bank application.

Signature _____ Date: _____
Applicant(s)

Signature _____ Date: _____
Co-Applicant(s)

Return with signed Affidavit & Disclosure Form to:

MCO Housing Services,
P.O. Box 372,
Harvard, MA 01451
Drop Off: 206 Ayer Road, Harvard, MA
Phone: 978-456-8388
lotteryinfo@mcohousing.com



Millstone Village
Affidavit & Disclosure Form

I/We understand and agree to the following conditions and guidelines regarding the distribution of the affordable condominiums at Millstone Village through the LAU program in Medway, MA:

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

Household Size	1	2	3	4
Max Allowable Income	56,800	\$64,900	\$73,000	\$81,100

Income from all family members must be included.

2. I/We certify that my/our total assets do not exceed the \$275,000 asset limit and the full value or a portion of our retirement assets will be included. I/We understand any equity we earn if we have a home to sell will be counted as part of the \$275,000 asset limit. Assets divested within the last two years at below market value will be counted at full market value in determining eligibility.
3. The household size listed on the application form includes only and all the people that will be living in the residence. All household members must be at least 18 years of age and at least one homebuyer must be 55 years of age.
4. 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 perjury will result in disqualification from further consideration.
5. I/We understand that by being selected in the lottery does not guarantee that I/we will be able to purchase a unit. I/We understand that all application data will be verified, and additional financial information will be required, verified and reviewed in detail prior to purchasing a unit.
6. I/We understand that it is my/our obligation to secure a mortgage for the unit purchase through a bank familiar with deed restricted properties, if a mortgage is necessary. All expenses, including closing costs and down payments, are my responsibility. We also understand a deed rider is attached to the unit which restricts the resale price.
7. 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 for Millstone Village.
8. I/We understand that if selected I/we will be offered a specific unit. I/We will have the option to accept the available unit, or to reject the available unit. If I/we reject the available unit I/we will move to the bottom of the waiting list and will likely not have another opportunity to purchase an affordable unit at Millstone Village.
9. Program requirements are established by DHCD and the Town of Medway. 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 or the Monitoring Agent is final.
10. I/We certify that no member of our family has a financial interest in Millstone Village.
11. I/We understand that there may be differences between the affordable and market rate unit and accept those differences.
12. I/We understand this is a deed restricted unit and it is recommended we consult an attorney prior to purchase,

I/We have completed an application and have reviewed and understand the process that will be utilized to distribute the available condominiums at Millstone Village. I/We am qualified based upon the program guidelines and agree to comply with applicable regulations.

Applicant

Co-Applicant

Date

Return with completed application, complete financial documentation and Mortgage Pre-Approval to:

MCO Housing Services, LLC, P.O. Box 372, Harvard, MA 01451



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

Provide one copy of all applicable information. Complete financial documentation is required and must be sent with your application to participate in the lottery. Incomplete applications will not be included in the lottery and the applicant will be notified after the application deadline. You may drop off your application at MCO Housing Services Harvard Office. If you drop off and wait while we review your application, you would have the opportunity to provide the missing documents prior to the deadline. 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. _____ Proof of Age: i.e. Birth Certificate
2. _____ Mortgage Pre-approval. You may pay cash for the unit.
3. _____ 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.
4. _____ Federal Tax Returns –2015, 2016, 2017 (NO STATE TAX RETURNS)
 - **NOTE:** Provide all pages that are submitted to the IRS. For example, if a Schedule C is submitted to the IRS and not part of your application, your application will be considered incomplete.
 - **NOTE:** If you do not have a copy of your tax return you can obtain a transcript through the IRS using form 4506-T. You can obtain the form at the irs.gov.
 - **NOTE:** If you did not file taxes in any of the required years you must provide a verification of non-filing letter from the IRS using form 4506-T. You can obtain the form at irs.gov.
5. _____ W2 and/or 1099-R Forms: 2015, 2016, 2017
6. _____ The most recent last five (5) **consecutive** pay stubs for all jobs (check/direct deposit stubs). For unemployment, copies of unemployment checks or DOR verification stating benefits received. Same for disability compensation, worker’s compensation and/or severance pay.
 - **NOTE:** If you have obtained a new job within the last 12 months you must provide a copy of the Employment Offer Letter.
 - **NOTE:** If you are no longer working for an employer you worked for in 2017, you must provide a letter from the employer with your separation date.
 - **NOTE:** You need to provide 5 pay stubs whether you are paid weekly, bi-weekly or monthly.
7. _____ 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.



8. ____ 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.
9. ____ Interest, dividends and other net income of any kind from real or personal property.
10. 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
11. ____ 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.
12. ____ A household may count an unborn child as a household member. The household must submit proof of pregnancy with the application, i.e. letter from doctor.
13. ____ 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.

14. _____ 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.

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

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

Print Applicants Name(s): _____

_____	_____	_____	_____
Applicants Signature	DATE	Co-Applicants Signature	DATE

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

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

