

Information Packet

Liberty Woods

Hanson, MA

An Affordable Age-Restricted (55+) Housing Lottery

Facilitated on behalf of 280 Liberty Condominiums, LLC

This packet contains specific information on the affordable housing program as well as background, eligibility requirements, selection priority categories, and application process for the affordable homes being offered through this lottery for Liberty Woods in the Town of Hanson.

Liberty Woods and the Town of Hanson invite you to read this information and submit an application if you think that you meet the eligibility requirements. This lottery is the first step in the application process and does not assure you a unit.

The first affordable homes are expected to be ready for occupancy in May 2025.

Application Deadline

March 31, 2025 at 2:00 pm

Completed Applications and Mortgage Pre-Approvals must be delivered by this date.

Additional Applications available at

www.sebhousing.com

For Affordable Unit Information call (617) 782-6900 (x1)

For TTY Dial 711

Free Translation Available. Traducción gratuita disponible. Tradução livre disponível

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GENERAL OVERVIEW AND SALES PRICES

This is a lottery for the first five (5) affordable age-restricted (55+) condominiums being built at Liberty Woods, a new, 56-unit residential development in Hanson, MA. These 5 homes will be sold at affordable prices to households with incomes at or below 80% of the area median income and **where at least one household member is age 55 or above**. Nine additional affordable homes will be built in the future. Affordable units are interspersed throughout the development in either a 3 unit or 2 unit building, and provide two floors of living, thoughtful layouts, a two car garage and driveway, large kitchen islands, two and a half bathrooms, 96% efficiency forced hot air and air conditioning, and Rinnai On Demand gas fired water heaters. Units will contain LVT flooring throughout the first floor and lower level, fiberglass tubs and showers, and high-definition laminate countertops. The affordable unit mix is as follows:

# of Affordable Units	Affordable Sales Price	Monthly Condo Fees*	Bedrooms	Bathrooms	Parking Spots	Square Footage <i>*(includes finished lower levels. Does not include garage)</i>
5	\$185,700	\$350*	2	2.5	4	2,206-2,342 square feet

*Condo fees will cover the cost of snow plowing driveways, shoveling walkways, maintenance of the landscaping and irrigation, insurance of common areas and studs in maintenance of structure, operation and maintenance of community clubhouse utilities (gas, electric, cable). This development has an on-site community septic system approved by the Town of Hanson Board of Health.

All affordable units will have a “Deed Rider” that will be filed with the deed at the time of purchase. This Deed Rider limits the amount that the unit can be resold for and requires the resale to another affordable buyer. The Deed Rider ensures that the unit stays affordable in perpetuity. We recommend that potential buyers review the Deed Rider with an attorney so as to fully understand its provisions. For more information on the Deed Rider and resale restrictions, please see the Deed Rider Summary in the last section of this Information Packet.

Since it is anticipated that there will be more interested and eligible applicants than available units, the Developer will be sponsoring an application process and lottery to rank the eligible applicants for the program. The application and lottery process, dates, and eligibility requirements can all be found within this Information Packet.

Liberty Woods 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. Persons with disabilities are entitled to request a reasonable accommodation in rules, policies, practices, or services, or to request a reasonable modification in the housing, when such accommodations or modifications may be necessary to afford persons with disabilities an equal opportunity to use and enjoy the housing.

GENERAL ELIGIBILITY REQUIREMENTS

Q: Who is eligible to apply for the affordable units?

A: In order to qualify for an affordable unit, households must meet each of the following criteria:

- Everyone in the household must qualify as a “first time homebuyer”. Households who qualify for the homeowner exception (see below) must have sold the home prior to submitting a lottery application.
- The entire household’s income and assets must be below the maximum allowable income and asset limits (see page 6)
- Households must be pre-approved for a mortgage or have sufficient assets to purchase the property without a mortgage (see page 8)
- Households, or their families, cannot have a financial interest in the development and a household member cannot be considered a Related Party.
- **At least one household member must be 55 years of age or older.**

Q: Who is a “first-time home buyer”?

A: A person is a “first-time homebuyer” if no person in his or her household has, within the preceding three years, either owned the house they lived in or owned an interest in one or more other houses, such as through joint ownership. Exceptions may be made in the following instances:

1. A displaced homemaker: A displaced homemaker is an individual who is an adult who meets ALL the following criteria:
 - 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
 - Owned a home with his or her partner or resided in a home owned by the partner
 - Does not own the home previously owned with a partner
 - Is unmarried to or legally separated from the spouse
2. A single parent, where the individual owned a home with his or her partner or resided in a home owned by the partner and is a single parent (is unmarried or legally separated from a spouse and either has 1 or more children of whom they have custody or joint custody, or is pregnant).
3. An age-qualified household in which at least one member is age 55 or older.
4. A household that owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.
5. A household that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.

Age Qualified Households, Displaced Homemaker and Single Parent Exception:

Only households qualifying under the exceptions listed above may have owned a home within the preceding 3 years.

Q: If someone in my household is age 55 or over, or if I am a displaced homemaker or single parent, can I currently own a home?

A: No. While households meeting the above exceptions may have owned a home within the preceding three years, they cannot own a home at the time of applying for the lottery. If a household owns a home at the time of lottery application, they will be ineligible for this lottery. If a household who meets one of the first-time home buyer exceptions sells their home, they are free to apply later once the home has been sold, however, there is no guarantee that a unit will be available.

Q: Does my separation or divorce have to be finalized when I apply?

A: Your separation or divorce does not need to be finalized when you *apply for the lottery* but it must be finalized *before you reserve a home*. You will not be allowed to purchase an affordable home until your separation or divorce is complete because the terms specifying the allocation of assets and custody of children must be finalized so that your income and asset eligibility can be accurately reviewed. If you have only filed for separation when it comes time to purchase an affordable home and you haven't finalized your divorce, you will not be allowed to purchase a home at that time. Therefore, you may try to expedite all divorce/separation hearings as your divorce/separation will need to be finalized in the next few months.

Q: If I reserve a home and then a home that was not available when I was selecting my home becomes available, can I “switch” my home for this newly available home?

A: No. If you are given the opportunity to reserve a home, you are allowed to pick from all the available homes at that time. It does not entitle you to pick any home that may become available at any point in the future (specifically because another household was unable to close). Once you have reserved your home, you may not swap that home for another home.

MAXIMUM INCOME AND ASSET LIMITS

Q: How is a household's income determined?

A: A household's income is the total anticipated amount of money received by ALL members of the household over the next 12 months (starting from the date of application and projecting forward 12 months) based on their current income and assets. In an effort to provide as accurate an income estimation as possible, the Lottery Agent will also review historical income data to provide a basis for future income estimates. Any monies you anticipate receiving in the next 12 months will be counted as income and monies received over the previous 6 months will be analyzed to help estimate future income. This includes, but is not limited to, Social Security, alimony, child support, overtime pay, bonuses, unemployment, severance pay, part-time employment, matured bonds, monies to be received in court settlements, and actual or imputed interest and dividends on bank accounts and other assets. ALL SOURCES OF INCOME ARE COUNTED with the exception of income from employment for household members under the age of 18 and any income over \$480/year for full time students who are dependents (but note that all such income must still be documented even if it is exempt from the household income calculation).

It will be assumed that all applicants will continue to receive any monies they have received over the past 12 months unless supporting documentation proves otherwise. It is also not up to the household to determine what monies received over the past year should and should not be counted as their calculated income. Therefore, all monies should be listed on the application and the inclusion of these monies in determining a household's eligibility will be based on affordable housing guidelines.

Households must submit their 3 most recent tax returns for proof that they have not owned a house within the past three years.

Maximum Allowable Income

To be eligible to apply for purchasing an affordable unit, the combined annual income for all income sources of all income-earning members in the household must be at or below eighty percent of median income for the local area (Brockton HMFA). The maximum incomes allowed for this program are:

Household Size	80% Affordable Units Maximum Income Limit
1	\$68,500
2	\$78,250
3	\$88,050
4	\$97,800

Approximate Minimum Income

While there is no specific minimum income, all households must qualify for a mortgage loan to purchase an affordable unit or have sufficient assets to be able to purchase the unit without a loan from a lender. The minimum income limits to qualify for a mortgage will be determined by a lender/bank. All applicants must receive mortgage pre-approval and submit it with their application to be considered eligible for this lottery. The mortgage requirements are listed on page 8 of this information packet.

Asset Limits

All households shall not have total gross assets exceeding \$275,000 in value. Household Assets are calculated at the time of application. Any monies you would use as a future down payment on the home will still be counted as assets. Assets may include cash, cash in savings and checking accounts, net cash value of stocks, net cash value of retirement accounts (such as 401k), real property, bonds, and capital investments.

Q: I cannot withdraw money from my 401k or retirement fund, do I have to include it when I list my assets?

A: Yes. You need to include the *net cash value* of all your current retirement funds. We realize that most retirement funds assess large penalties for early withdrawal but this does not technically mean that you cannot withdraw your funds or do not have access to them. The post-penalty amount is what you need to provide along with supporting documentation.

Q: Are there eligibility exceptions for households that are barely over the income limit but considerably under the asset limit (or vice versa)?

A: No. All households must be under BOTH the income limit and the asset limit. Eligibility isn't based on only one or the other.

MORTGAGE PRE-APPROVAL STANDARDS

Some households applying for the 2BR Age-Restricted homes may have enough in assets/equity in their current home to buy an affordable home without needing to take out a mortgage. **Households with sufficient assets/equity to cover the cost of the home do not need to provide mortgage pre-approvals and can skip this section.**

For households who will need a loan to purchase a unit, immediately after reading this entire Information Packet, such households should apply for mortgage pre-approval. *Mortgage pre-approval is required with the application.* Households can apply with any lender but the pre-approval must meet the following standards:

Mortgage 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.
(No more than 2 percentage points above the current MassHousing rate*)
- The loan can have no more than two points.
- The loan cannot be an FHA or VA loan (as FHA and VA will not accept the terms of the Deed Restriction)
- The buyer must provide a down payment of at least 3%. If the buyer is not receiving down payment assistance or a grant, then half of the 3% must come from the buyer's own funds.
- Any Adult Household Member who is not claimed as a dependent on the tax return of another household member must be on the Mortgage, P&S, and Title to the home, unless the Household Member is married to the Head of Household.

We strongly encourage households to apply through banks who are aware of the resale restrictions and guidelines for affordable housing programs. These banks will likely be aware of additional first-time homebuyer programs that may be of great assistance such as the Massachusetts Housing Partnership's ONE Mortgage. The following lenders are familiar with the process and the mortgage requirements and should be happy to help you with questions or pre-approvals.

Any lenders found here: www.mhp.net/one-mortgage/why-one#find-lender

Households will need to bring the copy of the EXAMPLE Deed Rider to their lender. A copy can be downloaded directly off our website at www.sebhousing.com. *All lenders will be made aware of the resale restrictions regardless of whether you tell them up-front or not.* The Deed Rider is a document that will be signed at the closing. Therefore, it is in all household's best interest to show all lenders a copy of the Deed Rider when applying for a mortgage. Otherwise, they may find a lender who grants pre-approval but backs out at the time of purchase once they are made aware of the resale restrictions, thus eliminating the opportunity to obtain an affordable unit.

The lender will ask you for association fees and taxes. The condo fees can be found on page 3. **Taxes are assessed to the affordable price (not the market-rate equivalent).**

Q: Can a non-household member co-sign on the mortgage?

A: No. Only members of the applying household can sign the mortgage. All monies gifted to household members to assist in down-payment or other costs will be counted as household assets.

HOUSEHOLD SIZE AND COMPOSITION

Q: How is appropriate household size determined?

A: According to the Massachusetts Executive Office of Housing and Livable Communities guidelines:

Within an applicant pool first (priority) shall be given to households requiring the total number of bedrooms in the unit based on the following **criteria**:

- a. There is at least one occupant per bedroom.
- b. A married couple, 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 the first sentence of (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 the lottery agent receives reliable medical documentation as to such impact of sharing.

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

In **Step 1b: The Lottery**, you will find a detailed explanation on how priority is given to certain household sizes and compositions. For the purposes of this lottery, Type II household sizes and compositions will be considered “appropriate” (or given priority) for the 2BR units:

TYPE II

(Priority for a 2BR Condo)

- All 4 person households
- All 3 person households
- 2 person household: 2 heads-of-household under **criteria c** (described above)
- 2 person household: 1 head-of-household plus one member

TYPE I

(May apply for a 2BR Condo, but will not receive a priority for a 2BR)

- 2 person household: 2 heads-of-household
- 1 person household: all types

In “The Lottery” in the Step-By-Step Process, you will find a detailed explanation on how priority is given to certain household sizes and compositions.

Q: Does the unborn child of a currently pregnant household member count towards our household size?

A: Yes. A household may count an unborn child as a household member. You will have to submit proof of pregnancy with all the income and asset documentation that needs to be submitted with your application.

Q: Can a Type I Household apply for a two-bedroom home?

A: Yes. However, *every applying Type II Household will be given the opportunity to buy an affordable unit first.* A Type I Household will be given the opportunity to buy an affordable unit if there are not enough eligible Type II households in the lottery.

Q: If I am currently going through a divorce/separation or planning on being divorced / separated soon, can I still apply?

A: Your separation or divorce does not need to be finalized when you *apply for the lottery* but it must be finalized *before you sign a Purchase and Sale Agreement* (see the Step-by-Step details). You will not be allowed to purchase an affordable home until your separation or divorce is complete because the terms specifying the allocation of assets and custody of children must be finalized so that your income and asset eligibility can be accurately reviewed. If you have only filed for separation when it comes time to purchase an affordable home and you haven't finalized your divorce, you will not be allowed to purchase a home at that time. Also note that if you currently own a home with your current spouse at the time of application, you will not be eligible, regardless whether the divorce is subsequently finalized in the allotted time.

STEP-BY-STEP PROCESS AND TIMELINE

Q: What is the application, selection, and move-in process for the affordable units being offered in Liberty Woods?

A: The process is essentially a two-step process. The following pages explain each step in greater detail.

The first steps all involve qualifying for the Affordable Housing Program and being given a position on the Waiting Lists.

The second steps all involve the actual process of reserving and buying a home (and unit availability will be determined by your position on the Waiting Lists).

Step 1a: Applying for the Housing Program

Through March 31, 2025 (application deadline)

Step 1b: The Lottery

April 14, 2025 at 6:00pm via Zoom. Go to zoom.com/join or call (646) 558-8656 and enter Meeting ID: 857 2736 5609, Passcode: 276410

Step 1c: Waiting List

Within 3 days of the Lottery

Step 1d: Monitoring Agent Approval

Approximately 10 days

Step 2a: Unit Selection and Reservation Agreement

Households given approx. 3 days after Monitoring Agent Approval

Step 2b: Sign Purchase & Sale Agreement

Takes approximately 10 days after the Reservation Agreement has been signed

Step 2c: Obtain Mortgage Commitment

Most banks take approx. 30 days to provide a mortgage commitment

Step 1e: Final Review for Program Eligibility

This is done 3 weeks prior to the closing date

Step 2d: Closing and Move-in

First units ready in May 2025

Information Session

There will be a Public Information Session on February 26, 2025 at 6:00 pm via Zoom where questions about the lottery and the development can be addressed directly.

Go to zoom.com/join, or call (646) 558-8656 and enter Meeting ID: 818 9317 7595, Passcode: 088159. **Attendance is not required at Info or Lottery sessions. To view the recorded sessions at a later date, please search for Liberty Woods on the SEB Housing YouTube channel.**

Step 1a: Applying for the Lottery

Once a household reads this Information Packet, they will need to fill out a Program Application. The applying household must include all income, asset, tax information as directed by the Program Application for every person that will be living in the home. The Program Application must be signed and dated by all heads of household. A mortgage pre-approval **MUST** be submitted with the application for any households who are not buying the home with their own assets. The Program Application and Required Documentation must be received (not postmarked) by the Lottery Agent by March 31, 2025. All applications should be sent to:

SEB Housing
Re: Liberty Woods
257 Hillside Ave
Needham, MA 02494
Fax: 617.782.4500
Email: info@sebhousing.com

To ensure applications arrive on time, we recommend sending them in at least a week prior to the application deadline. **Late applications will not be accepted.** If you want to ensure your application is received, we recommend sending it by certified mail. The Lottery Agent and other affiliated entities are not responsible for lost or late applications.

Once a completed Program Application is received, SEB Housing will determine initial eligibility and compliance. If the applicant is determined to be eligible for the Lottery, they will receive an Application Number in the order in which their application was completed. The purpose of the Application Number is simply to keep all households' names unknown at the lottery. **The Application Number has no bearing on a household's final Waiting List position.**

Households that are deemed ineligible by the Lottery Agent will be notified by mail (or by email if an email address is provided). Entrance into the Lottery does not guarantee that a household is eligible to buy a home. Please read all of the following steps for further details on the review process.

Q: What happens if I don't submit all necessary documentation or fail to correctly complete my Affordable Housing Program Application?

A: Households that submit incomplete documentation will be mailed a notice detailing the additional documentation that is needed to make their application complete. Their application will remain in an "Incomplete Application Pool" until all requested materials have been received. Households with applications in the Incomplete Application Pool will not be entered into the Lottery.

Step 1b: The Lottery

The Lottery will be held on April 14, 2025 at 6:00pm via Zoom. To attend, go to zoom.com/join or call (646) 558-8656 and enter Meeting ID: 857 2736 5609, Passcode: 276410. Households do not have to attend the lottery to remain eligible. Results will be sent to every applying household after the Lottery.

A representative from SEB Housing will pull Application Numbers from a box or, depending on the number of applications, will use Random.org to select the numbers. The Application Numbers are randomly drawn/created and placed in the order drawn on a Lottery Result List.

The order drawn does not necessarily reflect the order that households will get to select units as Application Numbers of smaller households are mixed in with Application Numbers of appropriately sized households (see: Household Size and Composition). It is only how a household is drawn relative to other households of similar qualifications that matters.

Regardless of the order drawn, all households of appropriate size for each unit size will be given the opportunity to buy a unit before any smaller household within the lottery pool.

For example: A one-person household (Type I) is the first household drawn in the Lottery. They will not be given an opportunity to buy a 2BR until every Type II Household is given an opportunity.

To help clarify the actual order that applicants will be given the opportunity to buy units, Waiting Lists will be created from the Lottery Result List (*see next step*).

Step 1c: The Waiting List

The Waiting List will be compiled immediately after the lottery which will illustrate the order households will choose units based on household size. **The purpose of the Waiting List is merely to illustrate the actual order that opportunity will be given. The position each household has on the Waiting List is determined by the order in which their Application Number is drawn in the Lottery relative to households of similar qualifications.** Please see “Household Size and Compositions” for details on Household Types.

The Affordable Unit Waiting Lists

Waiting List for Three 2BR homes (Local Preference)

Top Tier: Type II Local Preference Households

Second Tier: Type II Non-Local Preference Households

Third Tier: Type I Local Preference Households

Bottom Tier: Type I Non-Local Preference Households

Waiting List for Two 2BR homes (Open/General Pool)

Top Tier: Type II Households

Second Tier: Type I Households

Step 1d: Monitoring Agent Review

After the Lottery, top households will need to send income, asset, and tax documentation to SEB in order to be receive program pre-approval. Households will have approximately 10 days to complete their applications with SEB. Households who fail to submit all required documentation, and households who are not eligible according to the documents submitted, will not be pre-approved and will not be permitted to move forward. SEB Housing will send the files of the top eligible households to the Monitoring Agent for program certification. It is ultimately the Monitoring Agent who will determine if a household is eligible and can move forward to the next step of the process.

SEB Housing goes to great lengths to ensure that files are complete when sent to the Monitoring Agent but if the Monitoring Agent needs any additional documentation to complete their eligibility review, they will notify SEB Housing and SEB Housing will notify the applicant. The applicant must submit any documentation requested by the Monitoring Agent within 5 business days. Applicants who do not provide additional documentation and applicants that the Monitoring Agent disqualifies will be removed from the Waiting List and lose their opportunity to move forward in this process. Once the Monitoring Agent has certified a household eligible, they will contact SEB Housing and SEB Housing will direct the household to the next step.

Step 2a: Unit Selection & Reservation Agreement

The top household on the **Waiting List** will be notified by the Lottery Agent when they can move forward with the purchase of any of the available affordable units. When a household is notified, they will be put “on the clock”. When they are “on the clock”, they will be given the contact information for Sales Office and they will have 3 business days to contact the Sales Office and complete a Reservation Agreement.

When a household is at the top or near the top of the Waiting List (and is therefore about to be put “on the clock”), it is recommended that they obtain an attorney who can assist with the review and execution of the Purchase and Sale Agreement.

The Reservation Agreement is a contract between the applicant and the developer which details what unit has been selected and the time and date when a Purchase and Sale Agreement must be executed (*see next step*). **When a Reservation Agreement is signed, a refundable deposit of \$500 is required.** The deposit is refundable if the buyer is unable to secure a mortgage for the unit.

A household that is “on the clock” can choose from any of the available affordable units from the Waiting List that they are on. If one or more units have been reserved, then the next household “on the clock” will be given the opportunity to reserve one of the remaining affordable homes. The date that a Purchase and Sale Agreement will be executed will be approximately 10 business days from the day the Reservation Agreement fully executed.

The next applicant on the list will then be notified that they are “on the clock” when the applicant ahead of them either signs a Reservation Agreement or 3 business days elapse and no reservation has been signed.

If an applicant fails to sign a Reservation Agreement, their Application Number will be removed from the top of the Waiting List and will be dropped to the bottom. This applicant will not get a chance to sign a Reservation Agreement again until all other applicants on the Waiting List are given a chance. Once the applicant who was dropped to the bottom is given a second chance, they must sign a Purchase and Sale Agreement or they will permanently lose their opportunity to purchase an affordable unit at Liberty Woods through this lottery.

Displaced Homemaker and Single Parent Exception:

Based on the lottery results and their positions on the Waiting List, households will be able to estimate when they are about to reach the top of the Waiting List and will therefore know how much time they will have to finalize their divorce/separation. **Applicants who were in the process of being separated/divorced when they applied for the lottery** will need to provide a copy of their Divorce Decree or Separation Agreement **before** reaching the top of a Waiting List.

If the above households fail to provide the required documentation before reaching the top of a Waiting List, they will not be put “on the clock” (meaning they will not be able to purchase a unit) and they will be dropped from the Waiting List.

Step 2b: Sign Purchase and Sale Agreement

Once a household signs a Reservation Agreement, they will have approximately 10 business days to sign a Purchase & Sale Agreement (P&S) and put down the required deposit. This deposit will be 1.5% of the sales price minus the \$500 deposited with the Reservation Agreement. The Purchase and Sale Agreement will have the actual closing date on it.

After the Reservation Agreement is signed, the Liberty Woods Sales Team will give the applicant the Purchase and Sale Agreement, the Deed Rider (which should be attached to the P&S), and the Master Deed. You may also have the bank that is offering your mortgage commitment review these documents.

If the applicant fails to sign the Purchase and Sale Agreement by the agreed upon date (or chooses not to sign it), they will be dropped from the Waiting List and the next applicant in line will then be notified that they are “on the clock” to sign a Reservation Agreement.

Step 2c: Obtain Mortgage Commitment

Mortgage pre-approval does not ensure a mortgage commitment. Once a household has a signed Purchase and Sale Agreement, they will need to go back to their lender that issued them their pre-approval letter and obtain a Mortgage Commitment. This process will begin immediately after signing the P&S. Households do not need to go back to the same lender that gave them their pre-approval letter but it is recommended.

If a household fails to obtain a Mortgage Commitment by the mortgage contingency date in their Purchase and Sale Agreement, their deposit will be refunded and they will be dropped from the Waiting List.

Please note that each lender will handle the Mortgage Commitment differently and this packet only serves as a guide through this process. Generally, the lender will want to see the Purchase and Sale Agreement, the Master Deed, the Condominium/HOA Documents (if any) and the Deed Rider. They will also do an appraisal of the property once the property is ready to move into. Once the appraisal is complete, the household will be able to close on the home.

Step 1e: Final Review for Program Eligibility

Before a household can close on their affordable unit, SEB Housing must do a final review of the household's eligibility income and asset eligibility and the Monitoring Agent must do a review of the household's mortgage eligibility in order to prepare the Resale Price Certificate and Deed Rider that must be recorded at the closing.

It is therefore essential that all households continue to maintain records of all income and assets until they close on their affordable unit **and maintain program eligibility!**

One month prior to the closing date, households will need to complete a Final Review Application and submit all recent income and asset documentation to SEB Housing. SEB Housing will review the Final Review Application and determine if the household is still eligible according to affordable housing program guidelines. If a household is no longer eligible (over the allowable income and asset limits), the household will not be able to purchase an affordable unit.

Additionally, approximately 1 month prior to closing, households must submit a copy of the MORTGAGE COMMITMENT LETTER from the buyer's lender including interest rate, points, length of loan, and annual percentage rate.

SEB Housing will forward the final package of documentation to the Monitoring Agent who requires the documents no less than 2 weeks before the loan closing date. They will review the P&S, Master Deed and mortgage. They will then mail and fax the Resale Price Certificate to the developer's closing attorney who will then complete the Deed Rider to record at the closing.

Step 2d: Closing and Move-in

The Purchase and Sale Agreement will set the Closing Date. If all the steps above are followed, the closing should go smoothly. Your lender and lawyer will be able to guide you with all the steps starting with the Reservation Agreement.

Once you have closed on the unit, you may move in.

Additionally, once you have closed on the unit, there is NO future income or asset eligibility reviews.

DEED RIDER SUMMARY/ PROPERTY RESTRICTIONS

This is not the Deed Rider. The actual Deed Rider will be prepared by the Monitoring Agent, MassHousing and the Closing Attorney and provided on the day of each home closing. A copy of an Example Deed Rider will be on the SEB Housing website.

The purpose of this *summary* is intended to be informational only and it is not a substitute for independent legal advice. It is intended to highlight some of the obligations a purchaser will have upon resale. The Deed Rider is an especially important legal document; in part it ensures that the home remains affordable for future buyers of your property. Purchasers are encouraged to read carefully and to seek legal counsel to have a full understanding of their obligations of the Deed Rider in its entirety.

All of the deeds for the homes designated as affordable will have a deed rider, which you will be required to sign. The rider in part will ensure that the home will stay affordable in perpetuity.

Assuming you qualify, you will be given an opportunity to purchase a home at a substantial discount (“the affordable price”) of the property’s fair market value.

However, significant deed restriction provisions must be observed:

PRINCIPAL RESIDENCE

To occupy the home as a principal residence, where you regularly live, eat, sleep, are registered to vote, etc.

LEASING AND REFINANCING

You may not rent, lease or refinance your home without the prior written consent from the Monitoring Agent and the Town. In addition, you must notify the Town if you are going to refinance your mortgage.

CAPITAL IMPROVEMENTS

Capital improvements must be approved by the Monitoring Agent and MassHousing in order to be considered and added to the resale price. Capital improvements are defined as a necessary maintenance improvement, not covered by a condominium or homeowner association fee, that if not done would compromise the structural integrity of the property. Examples of necessary capital improvements include new roof, heating or plumbing replacement, repair due to termite or water damage, etc. Improvements such as the installation of outdoor decks, flooring (except in cases of replacement due to damage or long-term wear), additions, garages, landscaping, and other items identified by the owner that are upgraded or luxury improvements will not be considered capital improvements and cannot be added to the resale price when the property is sold.

NOTICES WHEN SELLING YOUR HOME

When you wish to sell your home, you must notify the Town and the Monitoring Agent. This notice is referred to as the "Conveyance Notice" in the Deed Rider. The notice must include the Resale Price Multiplier (see below) and the maximum resale price, which MassHousing must approve.

MAXIMUM RESALE PRICE

The Maximum Resale Price is limited by the percentage change in the area median income, includes a modest resale fee and marketing expenses, and provides credit for certain capital improvements that must be pre-approved by the Monitoring Agent.

As an example only, the maximum resale price is calculated assuming a base number (most recent published Area Median Income as determined by HUD). At the time of initial sale the AMI is \$ 95,500 (A) and the initial sales price is \$ 200,000 (B) the Resale Price Multiplier would equal $B/A = (C) = 2.094$. Upon resale, assuming the base number has increased to \$ 99,300 (D).

The Maximum Resale price (F) would then be:

Base number (D) x Resale Price Multiplier (C) + Resale Fee and Marketing Expenses (E) = \$99,300 x 2.094 + \$7,000 = \$214,934 (F)

If there have been capital improvements pre-approved by MassHousing (ex. new roof, \$5,000), the Maximum Resale Price would be:

$(F) + \text{Approved Capital Improvements} = \$214,934 + \$5,000 = \$219,934$

Please note that the Deed Rider requires that the Maximum Resale Price must still be affordable!

RESALE PROCESS

Under no conditions can the home be sold for more than the Maximum Resale Price.

Once the Town and the Monitoring Agent receive the notice to sell, the Town has 90 days to find an eligible buyer (a homebuyer whose income is at 80% of the base area median income and who meets the asset limit). The Town/Monitoring Agent can also decide within those 90 days to purchase the home.

If the Town/Monitoring Agent finds an eligible buyer within the 90-day period, an Eligible Purchaser Certificate will be issued to the new buyer. The certificate states that the sale complies with the Deed Rider. If the Town/Monitoring Agent purchases your home, a Municipal Purchaser Certificate is issued.

If the Town/Monitoring Agent finds an eligible buyer within 90 days, but that buyer cannot obtain financing or is otherwise unable to purchase the home, the Town/Monitoring Agent can receive an extension of an additional 60 days.

If 120 days pass from the date of the Conveyance Notice, and the Town/Monitoring Agent cannot find an eligible buyer and the Town/Monitoring Agent does not want to purchase the home, you may sell your home for the Maximum Resale Price to an Ineligible Buyer who will also have to sign a Deed Rider, ensuring the home will still be subject to all the same rights and conditions.