



Old Colony Habitat for Humanity

P.O. Box 100 • Attleboro, MA 02703 • Email: dir@oldcolonyhabitat.org



INFORMATION PACKET

35 HAWTHORNE ROAD, NORTON MA
AFFORDABLE HOME PURCHASE LOTTERY

\$135,000



This packet contains specific information on the background, eligibility requirements, selection priority categories, and application process for the Old Colony Habitat for Humanity affordable housing purchase opportunity at 35 Hawthorne Road in Norton, MA. Old Colony Habitat for Humanity invites 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 that you will be selected to purchase the property at 35 Hawthorne Road.



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If you are selected in the lottery, you must apply for and secure approval for a mortgage. Old Colony Habitat is working with local banks that will review and potentially pre-approve the applicant that is selected through the lottery selection process. It is strongly suggested that applicants seek loan pre-approval prior to the lottery selection process. The lottery will include all pre-qualified applicants and will be conducted by Old Colony Habitat for Humanity once pre-qualification reviews are completed.

The approved mortgage must meet the following minimum standards:

1. the loan must have a fixed interest rate through the full term of the mortgage, and the loan must have a current fair market interest rate; and
2. the buyer must provide a down payment; and
3. the buyer may not pay more than 36% of their monthly income for monthly housing costs (inclusive of principal, interest, property taxes, hazard insurance, and private mortgage insurance); and
4. the buyer must the lending institution's meet minimum credit score requirements.



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PROPERTY DESCRIPTION

This property was built in 2012. It is a two-level home, with 3 bedrooms & 1.5 baths.

The square footage is approximately 1,200 square feet and it sits on an approximately 5,009 sq. ft. lot.



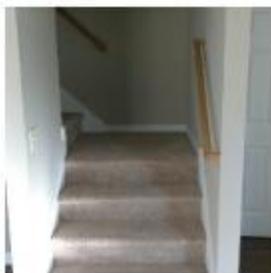
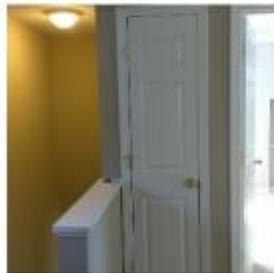
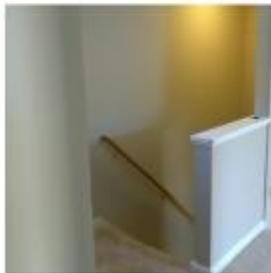


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The home must be owner-occupied as a primary residence and will have a “Deed Rider” that will be filed with the mortgage at the time of purchase. This deed restriction limits the amount that the unit can be refinanced for or resold for, and requires another affordable buyer. The deed restriction insures that the house remains affordable forever.





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Since it is anticipated that there will be a number of interested and eligible applicants, Old Colony Habitat for Humanity will be sponsoring an application process and lottery to rank the eligible applicants for the program. The application and lottery process, as well as the eligibility requirements, are described in Information Sheets A-D.

Applications are available at:

Old Colony Habitat for Humanity **ReStore**, located at 9 Washington Street in Attleboro, MA,

online at www.oldcolonyhabitat.org

or

by email request to the Executive Director at dir@oldcolonyhabitat.org.

A public information session is scheduled for:

10:00 A.M. on NOVEMBER 8, 2017 at 35 Hawthorne Road, Norton, MA.

To schedule an appointment to view the property, send an email to dir@oldcolonyhabitat.org



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ELIGIBILITY REQUIREMENTS (Information Sheet A)

Q: Who is eligible to apply for the Lottery?

A: Households who meet income limits set by the Department of Housing and Urban Development (HUD).

Q: What are the eligibility requirements?

A: To be eligible to purchase 35 Hawthorne Road:

1. The applicant's combined annual income for all income sources of all income-earning members in the household must be at or below seventy percent (70%) of the median income for the Norton area, but must be high enough to be eligible to purchase the house for at least \$135,000. Income in most cases is defined as gross income. (For a Family of 4 the maximum income would be \$62,300, and a family of 3 the maximum income would be \$56,070)
2. The home must go to a family of at least three people since all bedrooms in the house must be utilized.
3. The applicant(s) must meet financial pre-qualifications of the lending bank.
4. The applicant's Credit Score must be a minimum of 640.
5. The applicant(s) must be a first time home buyer
6. A Down Payment is required.



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SELECTION PRIORITY (Information Sheet B)

Q: How will applicants for the lottery be selected?

A: Households submitting an eligible application prior to the application deadline will be placed in a lottery. Applications will be screened before the lottery. Applicants will be ranked according to their lottery number drawn. Late applications will not be considered for the lottery- there will be no exceptions to this rule. After the lottery, the highest ranked participant(s) will have 30 days to secure financing.

Q: Will there be Local Preference for purchasing 35 Hawthorne Road?

A: There will be preference given to a household with one or more applicants who are a current Norton resident. There must be at least one occupant per bedroom and no more than two occupants per bedroom. A husband and wife, or those with a similar living arrangement, shall be required to share a bedroom unless they provide medical documentation of a severe adverse impact on sharing.

Q: Will there be a preference for minority applicants?

There are no specific requirements to provide preference to a minority applicant. However, the Local Initiative Program requires that the local preference pool reflects the area's minority population. After the lottery application deadline has passed, Old Colony Habitat for Humanity will determine if the number of minority applicants meets the percentage of minority households in the surrounding HUD defined area of 20.7 % and will add minority applicants from the General pool to the Local preference pool if this percentage is not initially reached. The additional minority applicants will be added through a random drawing of total minority applicants.



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LOTTERY PROCESS & SELECTION SCHEDULE (Information Sheet C)

Q: What is the schedule for applications and the selection of buyers for 35 Hawthorne Road?

A: October 25, 2017- November 25, 2017: Old Colony Habitat for Humanity will be publicizing the availability of 35 Hawthorne Road in Norton, MA to all interested citizens throughout the area.

November 08, 2017: A Public Workshop will take place at 35 Hawthorne Rd., Norton, MA at 1:00 P.M to answer questions about the lottery process.

Homebuyers interested in applying for the purchase of 35 Hawthorne Road should complete and submit an application to participate in the lottery. The deadline for application submittal is **DECEMBER 01, 2017**.

ALL APPLICATIONS SHOULD BE MAILED TO OLD COLONY HABITAT FOR HUMANITY, P.O. BOX 100, ATTLEBORO, MA 02703 OR HAND-DELIVERED TO THE OLD COLONY HABITAT FOR HUMANITY RESTORE LOCATED AT 9 WASHINGTON STREET, ATTLEBORO, MA. Applications must be received (and not post marked) by December 01, 2017. Late applications will not be accepted.

December 15, 2017: The lottery for the purchase of 35 Hawthorne Road will be held at **OLD COLONY HABITAT FOR HUMANITY RESTORE LOCATED AT 9 WASHINGTON STREET, ATTLEBORO, MA 10:30 A.M.**

MAIL YOUR APPLICATION EARLY

Upon receipt of a completed signed Lottery application, the application will then be reviewed to determine if the household meets the threshold eligibility criteria. Eligible applicants will be issued a letter and lottery number confirming entry in the lottery selection process within 7 days after the receipt of the application.

Your application will be reviewed for eligibility after it has been received. If you are eligible to enter the lottery, you will be notified with a confirmation letter that will include your registration number as well as information regarding the pool you are eligible to participate in. Applicants will also be notified that they must begin the process of obtaining their financing.

You are encouraged, but not required, to be present at the lottery drawing. If you are a selected lottery applicant, you will have a period of 30 days from the lottery date to secure financing.



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PURCHASE PRICE (Information Sheet D)

Q: How much is 35 Hawthorne Road being sold for?

A: 35 Hawthorne Road will be sold for a minimum of \$135,000. However several factors will determine the maximum sale price, including taxes, income limitations, the mortgage interest rate, homeowner's insurance, etc. The following are examples of the estimated calculation of the maximum sale price for a family of 3 with a maximum income of \$56,070 and a family of 4 with a maximum income of \$62,300.00.

Family of 3:

- \$56,070 income cap. Multiply by .28 and divide by 12 to arrive at the monthly amount for PITI (principal, interest, taxes and insurance) = 1,308.30 for PITI
- Subtract \$191.61 for taxes ($\$2,299.35/12 = \191.65) and subtract \$143.33 for insurance ($\$1720.00/12 = \143.33) leaves \$973.32 for principal and interest.
- Calculating for a 30 year fixed rate mortgage at 4% interest per annum allows for a **maximum sale price of \$203,872.00**
- The maximum total debt of the buyer including credit cards, student loans, car payments, etc. but exclusive of housing, would be \$405 per month (approx) based upon 36% of gross income. Bank underwriting may vary on this.

Family of 4:

- Same calculations, except a family of 4 equals a \$62,300 income cap. So, $62,300.00 \times .28 / 12 = \$1,453.67$ for PITI
- Same deductions for taxes and insurance since those do not change.
- Same calculation for 30 year fixed rate @ 4% equals \$1,118.69 for principal and interest.
- Calculating for a 30 year fixed rate mortgage at 4% interest per annum allows for a **maximum sale price of \$234,322.00**
- The maximum total debt of the buyer including credit cards, student loans, car payments, etc. but exclusive of housing, would be \$415 per month (approx) based upon 36% of gross income. Bank underwriting may vary on this.



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AFFORDABLE HOME DEED RIDER (Information Sheet E)

Q: What is an Affordable Home Deed Rider?

A: Summary of Deed Rider Restrictions

- * 35 Hawthorne Road cannot be refinanced, or have capital improvements made, without the PRIOR approval of Old Colony Habitat for Humanity and the Town of Norton
- * 35 Hawthorne Road must be resold to eligible buyers with owners providing notice when they are ready to sell to both Old Colony Habitat for Humanity and the Town of Norton
- * 35 Hawthorne Road must remain affordable and subject to the Deed Rider forever. Resale prices are set using a formula that maintains the affordability in perpetuity and only increases sales prices at the same rate as Area Median Incomes increase
- * All buyers should review the Deed Rider with their own attorney to insure that they fully understand its provisions
- * Owners must live in 35 Hawthorne Road as their primary residence, renting of the home is not allowed



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FIRST TIME HOMEBUYER DEFINITION EXPLAINED (Information Sheet F)

Q: What does “First time homebuyer” mean?

A: “First time homebuyer” means that the household shall not have owned a home *within three years* preceding the application.

Exceptions to this rule include:

1. 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.
2. 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 one or more children of whom the individual has custody or joint custody, or is pregnant);
3. Households where at least one household member is 55 years of age or older;
4. Households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
5. Households that owned property that was not in compliance with state, local or model building codes and that cannot be brought back into compliance for less than the cost of constructing a permanent structure.

Please note: Even if you qualify for the exception, your previously owned home must be sold before the time and date of your application.