



PROGRAM GUIDELINES
THE “ONE” MORTGAGE PROGRAM

The objective of this program is to provide down payment and closing cost assistance for those who are participating in the State approved “One” Program. The “One” loan is available to low and moderate income first time homebuyers to reduce their first mortgage amount in order to eliminate the need for Private Mortgage Insurance (PMI) and to make homeownership more affordable. The LHAND will provide a 1.5% deferred loan for down-payment and closing cost assistance to eligible first-time buyers whose savings and income are inadequate to meet the cost associated with the purchase of a 1-4 family or condominium residential properties. The resources of this program will be in the form of a deferred loan. Program is subject to the availability of funds.

- This program is available city-wide.
- Homebuyers whose household income do not exceed the income limits below will be eligible for a \$5,000 loan at 0% interest deferred until the owner refinances or is no longer the owner occupant of the property. Other Funding may be available for the removal of lead paint or the correction of code violations.

Eligibility Criteria:

1. Household income (all sources) must not exceed the following gross income limits:

Household Size (Number of Persons)							
1	2	3	4	5	6	7	8
\$48,800	\$55,800	\$62,750	\$69,700	\$75,300	\$80,900	\$86,450	\$92,050
Gross Annual Income Limits as of 03/09/2015							

2. The applicant(s) must enroll and participate in an MHFA approved Homebuyer Workshop and receive a completion certificate prior to applying for the “One” Homeownership program. (LHAND provides Homebuyer Workshops throughout the year.)
3. The applicant (s) must occupy the property as their primary residence.
4. The applicant(s) must have a minimum of 1.5% down-payment of their own savings to participate in this program. The minimum down payment must comply with the buyer’s mortgage product and the maximum down payment cannot exceed 10% of the purchase price. A household cannot have more than \$50,000 in cash assets, excluding 401K’s and other retirement accounts after the purchase of the property
5. The purchase property must be a 1-4 family or condominium residential property. Ownership must be in fee simple title or 99-year leasehold interest.
6. The applicant(s) must not have owned a home in the past three (3) years.
7. At the time of initial occupancy, the property must be free from any defects that pose a danger to the health or safety of occupants. The property must pass a Housing Quality Standards (HQS) inspection for code compliance by our housing specialist. The HQS housing inspection is not in place of a detailed home inspection by a professional home inspector.
8. **Dwellings Occupied by Children under the age of 6**
 Please be advised that as a condition of participating in this program, LHAND will require a

Lead-Paint test of the units (including all common areas) occupied by children under the age of six (6) years, if Lead paint is found, all applicable areas (interior and exterior) must be delead. The cost of deleading may be eligible under the Lead Abatement Grant Program. The removal of lead paint must be completed within 3 (three) months of property transfer to the first –time homebuyer.

Should the applicant already have a “Certificate of Abatement Compliance” on the dwelling, the LHAND Rehabilitation Specialist will provide details on the required conditions under which the LHAND can accept the certificate.

9. The after-rehabilitation appraised value of the purchase property cannot exceed \$362,790 for a single-family home / condominium; \$461,113 for a 2-family home; \$560,231 for a 3-family home; or \$646,421 for a 4-family home.

10. The applicant(s) should be credit worthy with a minimum credit score of 660 if purchasing a single family property or condominium and 680 if purchasing a two or three family property. Serious negative credit experiences will have to be fully explained and documented in writing if further eligibility is to be considered. All loans are subject to the approval of the LHAND Loan Committee and the Executive Director. Submission of a completed application does not automatically constitute a commitment of funds.

PLEASE READ THE FOLLOWING CAREFULLY:

INCOMPLETE APPLICATIONS WILL RESULT IN A DELAY IN PROCESSING WHICH MAY MAKE YOU INELIGIBLE FOR LOAN ASSISTANCE. COMPLETED APPLICATIONS WILL BE SUBMITTED TO THE LOAN COMMITTEE FOR REVIEW ONLY AFTER ALL OF THE APPLICATION MATERIALS LISTED BELOW HAVE BEEN RECEIVED. APPLICATION PROCESSING TAKES APPROXIMATELY THREE (3) WEEKS PENDING LOAN COMMITTEE APPROVAL.

STEP 1:

Immediately after signing the Contract to Purchase submit the following documents:

1. **Application Form**
2. **Guidelines** – Sign and date.
3. **Income Documents** *The following applies to all members of the owner's household* –
 - Most recent 4 (four) consecutive paycheck stub
 - Current Social Security award letter (1099 is not acceptable)
 - Current pension award letter (Award letters indicate monthly gross income for the current year), and/or other acceptable forms of current income verification, which ever apply.
 - Complete copy of the applicant's 3 (three) most recent years federal Income Tax form 1040, with all schedules. If self-employed or incorporated, financial statements for the past three years and profit and loss statement year to date.
 - **Asset Income** – 3 (three) consecutive months of bank statement for **all** bank accounts in the household.
4. **Contract to Purchase** – *Signed photocopy.*
5. **Any other documentation needed for household verification purposes.**
6. **Home Inspection** – Report Required

After the above documentation is submitted to the LHAND office, a Rehabilitation Specialist from LHAND will contact you to schedule an inspection of the interior and exterior and the premises for "Public Health and Safety" violations. **It is necessary that you are present during the inspection.**

STEP 2:

Upon completion of the inspection, you will receive a copy of the inspection report. The inspection report will indicate code violations that must be corrected before initial occupancy and other code violations that must be corrected within four months of occupancy. You may make arrangements with the seller to correct all or some of the items listed on the inspection report. Any code violations the seller will correct must be included in the P&S agreement. If there are items you will be responsible for, you must submit copies of written

itemized cost estimates from licensed contractors. If you want to do a portion or all of the work, you must submit an *itemized* cost estimate (“quote”) for the materials. LHAND will not reimburse a client for his/her own labor. Permits must be submitted prior to commitment.

You are free to choose your own **licensed** contractors, or to undertake work yourself, provided that we agree you are capable.

STEP 3:

Submit the following documentation:

Please provide photocopies when asked.

1. **CHAPA APPROVED FIRST TIME HOMEBUYER CERTIFICATE**
2. **Delead "Full Certificate of Compliance" or Lead Paint Inspection Report and Written Cost Estimates** – Photocopy. For all units in which children under six (6) are expected to reside. If property is *not* de-leaded, participants will be required to participate in the Lynn Lead Program to abate property.
3. **Deposit Checks** – Photocopy
4. **Purchase and Sale (P & S) - Signed** photocopy.
5. **Mortgage Application from Lender – Signed** Photocopy.
6. **Commitment Letter from Lender – Signed** Photocopy. A Conditional Commitment letter will be accepted for initial review of the application.
7. **Truth In Lending Statement and Good Faith Estimate (GFE). Signed** Photocopy
8. **Proposed Deed from Lenders Atty. with Exhibit A** (Property Description) - Photocopy.
9. **Appraisal from Lender** – Photocopy.
10. **Itemized Cost Estimates** – Photocopy of estimates for correction of code violations or deleading estimates from a licensed deleader.
11. **Tenant Survey** – Completed and signed by tenant(s) provided by LHAND.
12. **Buyer/Seller Disclosure Statement** - Signed by Buyer and Seller provided by LHAND.
13. **Vacancy Notice** - Completed and signed by owner, if any vacancies provided by LHAND.

STEP 4:

A written commitment, detailing your funding amounts, will be provided to you after all the necessary paperwork is in order. At this point you should notify your lender and the lender's closing attorney so that they can schedule the closing two weeks or later from receipt of the LHAND commitment letter. You should notify LHAND immediately of the closing date and time. LHAND will notify you of the “**The “One” Homeownership Program**” loan closing and will provide you with a check for down payment and/or closing costs. **Please allow 5-7 business days for LHAND to process check** once the bank has approved the closing.

Funds from the “**The “One” Homeownership Program**” that are allocated for rehabilitation will be held in escrow by LHAND and will be disbursed when work is completed.

If the cost of all required work (i.e. down payment, rehabilitation, deleading) exceeds the maximum loan amount available under this program, LHAND staff will advise the buyer of other resources if available, which may be combination of programs that may help you complete the purchase and rehabilitation of your home.

Additional Eligibility Criteria:

1. The principal amount of this loan is due and payable to the LHAND at the time of any additional creation of units to the property, sale, refinance, transfer, conversion of the property to a rental unit or to another non-residential use, default, or destruction of the property due to fire or any other unknown reasons. **The property must be owner-occupied for the duration of the loan indebtedness. LHAND will periodically request that the borrower provide documentation of proof of owner-occupancy.**
2. The property must be: 1) occupied by the seller and will become vacant immediately after closing; 2) tenant purchaser occupied or; 3) vacant. No involuntary displacement of tenants as a direct result of the acquisition is allowed. A Disclosure Statement relating to this matter will be provided to the Seller(s) and will be required to be signed by both the Buyer(s) and Seller(s).
3. At time of initial occupancy, the property must be free from any defects that pose a danger to the health or safety of occupants including the removal of lead paint. Within 3 (three) months of property transfer to the first-time homebuyer, the property must meet LHAND's Housing Quality Standards (HQS).
4. LHAND will not consider requests to subordinate its' lien position for any purpose except to refinance the existing first mortgage for a lower interest rate.
5. LHAND will **only** accept a fully documented loan.

Additional Requirements:

Dwellings Occupied by Children under the age of 6

Please be advised that as a condition of participating in this program, LHAND will require a Lead-Paint test of the units (included all common areas) occupied by children under the age of six (6) years. If Lead Paint is found, all applicable areas (interior and exterior) must be delead. The cost of deleading may be eligible under the Lead Abatement Grant Program.

Should the applicant already have a "Certificate of Abatement Compliance" on the dwelling, the LHAND Rehabilitation Specialist will provide details on the required conditions under which the LHAND can accept the certificate.

Post Purchase Workshop

All homebuyers participating in the Soft Second Homeownership Program must complete a Post Purchase Workshop within one year after purchasing. A complete list of certified homeownership workshops can be found at www.chapa.org.

LHAND Follow Up:

LHAND may request applicants to participate in a brief survey either by phone or mail.

Additionally, LHAND is a community partner with the Mass Save Program and recommends taking advantage of the free energy assessment offered. More information about energy rebates and free home energy assessments visit www.masssave.com.

“If you close your first mortgage prior to the LHAND Homebuyer assistance then you are ineligible for assistance and your application will be voided. No funds will be disbursed after your bank closing.”

Please sign below to confirm that you have received a copy of the “The “One” Homeownership Program” Guidelines and that you have read and understands these Guidelines.

DATE

APPLICANT'S SIGNATURE

DATE

CO-APPLICANT'S SIGNATURE

