Cambridge Community Development
HOUSING DIVISION

FIRST-TIME HOMEBUYER APPLICATION QUALIFYING GUIDELINES

HOMEOWNERSHIP RESALE POOL

PLEASE READ THIS BEFORE COMPLETING APPLICATION

In order to better match buyers to affordable units being sold by the existing owner, the Community Development Department is creating a new system where one application will enter households into the Homeownership Resale Pool.

Applications will be reviewed for unit size eligibility and preference pool. Preference will be given to Cambridge residents and families with children. When units become available, we will identify the next qualified applicant based on income, assets and household size eligibility. Units will be offered first come, first served to applicants who are eligible for the available unit. Not all applicants will be eligible for all units. **This is not a waiting list.**

There was a one-time lottery that established the order of initial applications that were received by **August 24, 2009**. Applications received after this date will be added to the pool in the order in which they are received.

Unit location, size and price will vary. In order to be added to the Homeownership Resale Pool, applicants must have a household income of at least 40% but not more than 100% Area Median Income as defined by HUD. Current income limits are:

Household Size	1 person	2 person	3 person	4 person	5 person	6 person
40%	$26,440	$30,240	$34,000	$37,760	$40,800	$43,840
100%	$66,100	$75,600	$85,000	$94,400	$102,000	$109,600

Applications should be submitted to the City of Cambridge, Community Development Department 344 Broadway, 3rd floor, Cambridge, MA 02139. Incomplete applications will not be considered.

Step 1: Minimum Eligibility Criteria:

All households must meet the following minimum eligible criteria:

1. Household income must be between 40% - 100% Area Median Income adjusted for household size.

2. Applicant must not have owned a home in the past three years.

Step 2: Required Income & Household Documentation:

A. Employment Income:

All employed household members must provide recent income documentation either:

- Four (4) most recent paystubs for weekly payrolls,
- Two (2) paystubs for bi-weekly payrolls or
- Verification from your employer through the payroll department on company letterhead verifying your annual gross salary.

B. Self-Employed:

If you are a self-employed household, you must provide the following information to be considered:

- Self-employed applicants must provide the Community Development Department with a copy of their most recent Federal Income tax forms, all schedules (including Schedule C), and a statement of income expenses and all related tax documents to verify income information. The Community Development Department reserves the right to request additional income verification.

C. Income from other sources:

Complete this section on the CDD application if applicable to your household

D. Federal Tax Return Documentation:

All household members must submit a copy of the most recent **federal tax return, including all W-2's and 1040s, 1099s and all associated forms** for each household member over the age of 18. If a household member is not listed on the federal tax return and has not submitted an individual tax return, provide an explanation and appropriate documentation.

E. Savings & Checking accounts:

Submit three months worth of the most recent statements for all bank accounts for all members of the household. Include all Retirement Accounts, 401K and Money Market.

F. Household Assets:

A household with assets of $75,000 or more at the time of application is not eligible for City of Cambridge homeownership units. Funds held in restricted retirement accounts (i.e. 401K, 403B, 457 plans) will be counted at 60% of the current balance. Households where all members are 62 or over, and households where all members are disabled, may be eligible for special consideration.

G. No Income Documentation:

Any household member over 18 years of age who has no source of income (including no employment or financial benefits) must contact CDD for a "Statement of No Income" form and explanation of circumstances. Additional documentation may be requested).

H. Full time students:

Any household member over 18 years of age who is a full-time student must provide documentation from the school describing enrollment status.

I. Social Security Card: Social Security Card must be provided for all household members.

J. Birth Certificate: Certificate must be provided for all household members under 18 years of age.

K. IF THERE ARE ANY UNUSUAL CIRCUMSTANCES IN YOUR HOUSEHOLD, PLEASE DOCUMENT THEM IN WRITING AND SUBMIT WITH YOUR APPLICATION.

Examples of unusual circumstances include, but are not limited to:

- part-year employment,
- adult household members without income or who are full-time students,
- dependents not on your tax forms.

Step 3: Priority Point System:

First Priority
A. Current Cambridge Resident B. Household with children under 18 C. Household with at least one child under 6

A. Cambridge Resident Definition:
If you are currently living in Cambridge, please provide evidence of residency from **two** of the following options (additional documentation may be requested):

- the City's voting records
- a rental lease signed and dated within the last year in your name
- a utility bill in the applicant's name: original gas, electric, phone, cable. We will need to see the entire bill before payment and it must be dated within thirty days.
- a car registration or driver's license with your current address that is listed on application.
- a current school registration record with current address

If you are a former Cambridge resident who has been involuntarily displaced since January 1, 1995 as a result of the end of rent control, you must show proof of prior Cambridge residency & displacement due to rent control (contact CDD to verify documentation required).

B. Households with children under 18

C. Households with children under 6

***Please note:** Second priority will be given to applicants who are not presently living in Cambridge but are employed in Cambridge. These applicants will follow the same priority point system as Cambridge residents and are required to provide documentation of one full year of full-time employment in Cambridge at the time of application. Contact CDD for further information.

Step 4: Complete Application Submitted to the Community Development Department:

Upon receipt of the completed application and all associated documentation, CDD staff will review and notify all applicants of their status by mail.

Step 5: Lottery:

In order to establish the initial order of the Homeownership Resale Pool, all applications will be reviewed and sorted based on the priority point system and by eligible bedroom size.

A lottery will be held to determine placement within each preference group by unit size.

The pool will consist of the following:

- **3 bedroom unit pool**
  a) 6 point preference group
  b) 5 point preference group
  c) 4 point preference group
  d) 2 point preference group
  e) 1 point preference group
  f) 0 point preference group

- **2 bedroom unit pool**
  a) 6 point preference group
  b) 5 point preference group
  c) 4 point preference group
  d) 2 point preference group
  e) 1 point preference group
  f) 0 point preference group

- **1 bedroom unit pool**
  a) 4 point preference group
  b) 2 point preference group
  c) 1 point preference group
  d) 0 point preference group

Please note that all applicants who apply by August 24, 2009 will be notified in writing when a lottery has been scheduled for their preference group. The lottery process will establish the initial order within each preference and unit size group for consideration as units become available.

Step 7: Available Units:

The Community Development Department will request additional and/or updated information from applicants to determine eligibility as units become available. The first eligible applicant within the preference group for that unit size will be offered first choice of the units available.

Eligible applicants will have sufficient income to buy the unit given the income and credit requirements of mortgage lenders. A household's monthly housing expense (principal, interest, taxes, and condo fee) shall, in general, not exceed 30% of its gross monthly income.

The household will have the opportunity to view the units and must make a decision within 72 hours of viewing the units. If the applicant declines the unit then the next eligible household will be offered the unit. This process will continue until all units have been filled.

If an applicant declines available units at three different locations, they will be placed at the bottom of the pool for their preference group and will not be offered another unit for at least 90 days.

When all applicants within a preference group have been placed or declined all available units, the units will be offered to the first eligible applicant in the next preference group.

If an applicant decides to move forward with purchasing a unit, the applicant shall within 72 hours of viewing the unit submit a completed Letter of Intent to purchase the unit to the Community Development Department. The Letter of Intent indicates the purchaser's interest in moving forward with the process. The buyer will also be required to obtain a mortgage commitment at this time. Buyers who have not already taken a first-time homebuyer workshop

will be required to attend a workshop to be scheduled by the Community Development Department prior to closing.

Please note that the Community Development Department will accept updates and/or changes to an applicant's application in writing only. Applicants should notify the CDD in writing of changes to household size and income. CDD may periodically request that applicants submit updated and/or supporting documentation. Applicants who fail to respond to these mailings may be removed from the Homeownership Resale Pool.

Step 8: Purchase & Sale Agreement:

The Purchase and Sale Agreement will be drafted and should be reviewed by the buyer and buyer's attorney prior to the buyer signing and returning the Purchase and Sale within ten days of receipt. Failure to sign and return the Purchase and Sale Agreement within the ten-day period will result in forfeit of the opportunity to purchase the unit. Selected buyers are expected to engage the services of a qualified Home Inspector and Attorney to assist in the transaction. The chosen applicant will be expected to purchase the unit within forty-five days of the execution of the Purchase and Sale Agreement.

If you have any questions about the Homeownership Resale Pool, please call Antonia Finley 617-349-4643. Please leave your name and daytime phone number.

Occupancy Standards for Homeownership Units
(Based on Federal Section 8 regulations)

To Determine Unit Size

1. To determine appropriate unit size for an applicant, the following criteria shall be used:
   a) No more than two persons shall occupy the same bedroom.
   b) Persons of the opposite sex (other than a couple) shall not be required to share a bedroom.
   c) Two children of the same sex shall share a bedroom unless the difference in their ages is 10 years or more.

2. Families may choose to under-house themselves based on the following:
   a) Children of opposite sexes may share a bedroom if the sum of their ages is 15 or less.
   b) Children of the same sex may occupy the same bedroom regardless of age.

1. Eligible household size is based on all current, full-time and permanent household members at the time of application.
   a) All household members must have had the same address as the applicant for at least 3 months from the time the application is submitted.
   b) Only children that are born before the application deadline or are expected within two months of the application deadline (as documented by a medical professional) will be counted as household members.
   c) Children of applicants, who are full-time students age 18 years and over and living in a college dormitory, will be considered part of the household if they are listed as dependents on their parent's tax return.

2. Applicants must be able to document, to the satisfaction of the City of Cambridge, that any recent additional members to their household are permanent, full-time members.

3. Those household members not listed on the most recent year's federal tax return as dependents of the applicant will be required to document that they have resided with the applicant for at least 3 months from the date of application.

   a) Household members not listed, as dependents will be required to sign a notarized affidavit stating their intention to remain as a permanent full-time member of the applicants' household for the foreseeable future.

How to Determine Income Eligibility

Your total household income can not exceed the following:

Household Size	1 person	2 person	3 person	4 person	5 person	6 person
40%	$26,440	$30,240	$34,000	$37,760	$40,800	$43,840
100%	$66,100	$75,600	$85,000	$94,400	$102,000	$109,600

The income chart is based on federal, state, and Cambridge income limits for housing programs. These limits are determined by the US Dept. of Housing and Urban Development and are subject to change.

City of Cambridge

Community Development Department, Housing Division
344 Broadway, Cambridge, MA 02139
Tel: 617-349-4622 TTY 617-349-4621

First-Time Homebuyer Application- Homeownership Resale Pool

Check Appropriate Category (Please review occupancy standards):

☐ 1 bedroom **☐ 2 bedroom** **☐ 3 bedroom**

Applicant Name: _____**Date**: _____
Head of Household

Co-Applicant Name: _____

Marital Status: ☐ Married ☐ Single ☐ Divorced ☐ Widowed

Home Address: _____ _____ _____
Number & Street *Apt.#* *City* *State* *Zip Code*

Mailing Address: _____ _____ _____ _____
Number & Street or P.O. Box *City* *State* *Zip Code*

Telephone #: _____ _____ **Email Address:**_____
Day *Evening*

No. of people in household:_____

How long have you lived at current address? _____ **What is your present rent?** _____

How many bedrooms are in your present unit?_____

Current Property Management Co. or Landlord: _____ _____ _____
Name *Address* *Phone*

How did you hear about this marketing? ☐ Newspaper ☐ Web Site ☐ Flyer ☐ Direct Mailing

Have you completed a certified Homebuyer Training Program?_____

If yes, when? _____ where? _____
month & year **city or town**

Have you received individual counseling through CDD? _____ **If yes, when?**_____

Are you currently or were you ever an owner or part owner of any real estate? ____**If yes, when?**_____

Have you or any members of your household ever filed bankruptcy? _____ **If yes, when?**_____

HOUSEHOLD MEMBERS

Beginning with Head of household, list the legal names, Social Security numbers, birth dates, and relationship to head of household of each person who will reside in the unit:

Name	SS #	DOB	Relationship to Applicant
			Head of Household

EMPLOYMENT INFORMATION FOR ALL HOUSEHOLD MEMBERS

List the current Sources of all household income: This includes but not limited to, full and/or part-time employment.

Household Member	Employer/Address/Telephone #	Length of employment	Gross income	Hrs./ Wk	Weekly	Bi-weekly	Semi-monthly

You MUST provide documentation for all income you have declared. Copies only.

DOCUMENTATION REQUIRED:

1. **EMPLOYMENT INCOME VERIFICATION:**

   All full-time and part-time employed household members must provide income documentation from all employers:

   - Four (4) most recent paystubs for weekly payrolls,
   - Two (2) paystubs for bi-weekly payrolls or verification from your employer through the payroll department on company stationery verifying your annual gross salary.
   - Any other income received since the beginning of the current year. (FOR EXAMPLE: BONUS, INHERITANCE ETC.)

3. **SELF-EMPLOYED INDIVIDUAL:**

   If you are a self-employed household, you must provide the following information to be considered:

   - Self-employed applicants must provide us with copies of most recent Federal Income tax forms and all related tax documents and all associated schedules (includes Schedule C) and a statement of income expenses, such as, Profit and Loss Statement (Schedule C) and all related tax documents to verify income information.

The Community Development Department reserves the right to request additional information.

3. INCOME SOURCES OTHER THAN EMPLOYMENT:

a) RETIREMENT INCOME OR DISABILITY AWARD:

Name of Recipient: _____

Name of Company: _____Amount of Monthly Income: $_____

Required Documentation: A letter from the source of retirement or disability income stating your benefits and how long you have been receiving them or a copy of your most recent check.

b) SOCIAL SECURITY INCOME:

Name of Recipient:_____

Gross Monthly Amount:$_____

Required Documentation: A letter from Social Security stating your benefits or a copy of your most recent check or a bank statement.

c) VETERAN'S ASSISTANCE:

Name of Recipient: _____

Gross Monthly Amount: $_____

Required Documentation: A letter from Veteran's Administration stating your benefits or a copy of your most recent check or a bank statement.

d) PUBLIC ASSISTANCE:

Name of Recipient: _____
Gross Monthly Amount: $_____

Required Documentation: A letter from the Public Assistance Office stating your benefits and how long you have been receiving them.

e) UNEMPLOYMENT:

Name of Recipient: _____

Weekly Amount: $_____When did benefits start?: _____When do they expire:?____

Required Documentation: Your most recent unemployment check stubs or a letter from unemployment stating amount of benefits and the date benefits began.

f) INTEREST/DIVIDEND: (*In excess of $100.00)*

Name of Recipient: _____

Source of Interest: _____Annual Interest: $ _____

Required Documentation: A letter from the source of the income stating the amount of interest earned in the last twelve months.

g) CHILD SUPPORT/ALIMONY:

Amount Received: $_____ Payment(s): Monthly:_____ Weekly:_____ Bi-weekly_____

Required Documentation: A copy of most recent check(s) for one month's alimony/child support or a copy of the court order or a letter from your lawyer stating the amount received, frequency you receive payment, and the date you started receiving that amount.

4. FEDERAL TAX RETURN DOCUMENTATION:

All household members must submit a copy of their most recent **Federal tax return, and include copies of all W-2's and 1040s, 1099s and all associated forms** for each household member over the age of 18. If a household member is not listed on the federal tax return and has not submitted an individual tax return, provide an explanation and appropriate documentation.

5. FULL TIME STUDENTS:

If you have any household member over 18 years of age and is a full-time student, you must provide documentation from the school describing enrollment status.

6. NO INCOME DOCUMENTATION:

If you have any household member over 18 years of age who has no source of income (No employment or financial benefits) contact CDD for a "Statement of no Income" form and explanation of circumstances and your last Federal Tax Forms (additional documentation may be requested).

7. Social Security cards for all household members (Copies only)

8. Birth Certificates for all household members under 18 (Copies only)

9. Assets:

List all Savings Accounts of Applicants: *(includes financial institutions, 401K, Money Market)*

Attach three months worth of your most recent financial statements for all account.

Institution: _____ Current Balance: $_____

Institution: _____ Current Balance: $ _____

List all Checking Accounts of Applicants:

Institution: _____ Current Balance: $ _____

Institution: _____ Current Balance: $ _____

10. Debtors:

List all loans with outstanding balances including car loans, personal loans and student loans:

Name of Lender: _____Balance Due: _____Monthly Payment: _____

Name of Lender: _____Balance Due: _____Monthly Payment: _____

11. Credit Cards:

Card Name: _____Balance: _____ Minimum Monthly Payment: _____

Card Name: _____Balance: _____ Minimum Monthly Payment: _____

Card Name: _____Balance: _____ Minimum Monthly Payment: _____

CERTIFICATIONS

I/We certify, under penalty of perjury, all information on this application to the best of my/our knowledge is true. I/We understand that false information given is sufficient grounds for rejection of this application. Furthermore, verification may be obtained from any source herein.

Penalty for False or Fraudulent Statement, U.S.C.

"Title 18, Section 1001, provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies…. Or makes any false fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statements or entry, shall be fined not more than $10,000 or imprisoned not more than five (5) years or both."

- **All persons whose names will appear on the deed when property purchased must sign here:**

Signature:_____ **Date:** _____

Signature:_____ **Date:** _____

- **All persons whose names will appear on the deed when property purchased must sign here:**

I _____, authorize the City of Cambridge and all designees to obtain information regarding my household's eligibility for housing or housing subsidy, income, present or former tenancies, and credit history, including court judgments and bankruptcies, from any parties having information, including any agency or housing authority managing any housing subsidy for which I am eligible. I authorize and release any parties from whom that information is requested to release it to the City of Cambridge and their employees.

Signature:_____ **Date:** _____

Signature:_____ **Date:** _____

Please submit completed application to:
City of Cambridge
Community Development Department, Housing Division
344 Broadway
Cambridge, MA 02139

Cambridge Community Development Department
HOUSING DIVISION

The City of Cambridge Community Development Department does not discriminate on the basis of disability. The Department will provide auxiliary aids and services, written materials in alternative formats, and reasonable modifications in policies and procedures to persons with disabilities upon request.

EQUAL HOUSING OPPORTUNITY

IMPORTANT

APPLICATION CHECKLIST

Please make sure that you have attached all of the required documentation along with your application. Incomplete applications will not be considered.

All Households members must submit the following documentation:

_____ *Fully completed and signed application*

_____ *Please review Occupancy Standards to determine appropriate bedroom size.*

_____ SIGNED COPY OF MOST RECENT FEDERAL INCOME TAX RETURN WITH ALL ASSOCIATED SCHEDULES AND W-2 FORMS.

_____ 4 weekly pay stubs, ***if you are paid weekly or***

2 bi-weekly pay stubs, ***if you are paid every 2 weeks or twice a month or***

1 monthly pay stub, **if you are paid monthly**

_____ *Three months of current Bank Statements for Savings/Checking*

_____ *Copies of statements for any other assets such as retirement accounts, stocks, etc.*

_____ Proof of Residency**,** provide two forms of proof (rental lease, utility bills, voter registration, etc.)

_____ Birth Certificate for all children under 18

_____ Social Security Cards for all household members

_____ Statement of no income form for unemployed adults. Please call (617) 349-4622 to request form.

Cambridge Community Development Department
HOUSING DIVISION

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EQUAL HOUSING OPPORTUNITY