



CITY OF NEWBURYPORT
AFFORDABLE HOUSING TRUST
60 PLEASANT STREET • P.O. BOX 550
NEWBURYPORT, MA 01950
(978) 465-4400 • (978) 465-4452 (FAX)

DOWN PAYMENT ASSISTANCE PROGRAM GUIDELINES

The Down Payment Assistance (DPA) Program is offered through the City of Newburyport's Affordable Housing Trust and offers up to 10% of the purchase price up to \$15,000 for eligible buyers to be put toward down payment and/or closing costs for the purchase of deed-restricted affordable units. It is intended for lower income home buyers who can afford monthly mortgage payments but do not have enough to pay the initial home purchase costs with the goal to increase homeownership among low and moderate income households in the City of Newburyport. Applications and a checklist to guide you through the process are available at the Planning Office or <http://www.cityofnewburyport.com/Planning/AffordableHousing.html>.

You are encouraged to begin your house-hunting process by applying for DPA early, before you have made an offer on a property. To avoid unnecessary delays, submit your application and all required documentation a minimum of five (5) weeks prior to your loan closing. Once qualified, your conditional letter of approval is valid for 6 months.

What Type of Assistance is Available?

DPA is considered a "deferred payment loan." The loan is interest free and you will not have to pay anything back unless you refinance or sell the property within ten (10) years. If the property is sold prior to the fifth anniversary of the sale, you will be required to pay back the full amount. Between five and ten years, the loan is forgiven in an amount equal to 20% of the assistance provided for each of the years remaining on the loan. If you reside in your home for 10 years, the deferred loan will be forgiven.

What is the Maximum Amount of Assistance?

The DPA program will provide eligible buyers with 10% of the purchase price up to \$15,000.

Who is Eligible?

Applicants must meet the following eligibility requirements:

- You must purchase a deed-restricted affordable unit in Newburyport and agree to future resale restrictions
- The home must be intended for and maintained as your principal residence
- You must complete an approved homebuyer training course and provide certification of completion
- A household cannot have more than \$75,000 in assets (\$375,000 for those over 55 years of age)
- You must be approved for a mortgage with a lender
- You must provide a 3% down payment
- You must be a First Time Home Buyer (or one that has had no homeownership interest in a principal residence during the past 3 year OR you are a displaced homemaker or single parent who has only owned a home with a former spouse while married)
- You must not exceed 80% of the HUD annual median household income in the Boston Area as indicated below (as of February 2013)

Household Size	1	2	3	4	5
Income Limits	\$51,150	\$58,450	\$65,750	\$73,050	\$78,900



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DOWN PAYMENT ASSISTANCE APPLICATION

NAME: _____ SS#: _____

NAME: _____ SS#: _____

CURRENT ADDRESS: STREET: _____

CITY/TOWN: _____ STATE: _____ ZIP CODE: _____

DAYTIME PHONE: _____ EVENING PHONE: _____

EMAIL ADDRESS: _____

For Planning Office Only
 Date Received:

HOUSEHOLD INFORMATION

TOTAL NUMBER OF PERSONS IN HOUSEHOLD (INCLUDING SELF): _____

PLEASE LIST ALL HOUSEHOLD MEMBERS WHO WILL OCCUPY THE HOME, REGARDLESS OF AGE

NAME	AGE	RELATIONSHIP

1. Do you own or have financial interest in any other real estate and/or business? YES ___ No ___

If yes, please describe: _____

2. Do you qualify as a First Time Home Buyer? YES ___ No ___

A First Time Home Buyer is defined as:

- You have not had an ownership interest in a residence in the past three (3) years **OR**
- You meet the Federal Government's definition of a "displaced homemaker" **AND**
- You will reside in the property you purchase

3. Have you attended an approved First Time Home Buyer Education class*? YES ___ NO ___
 If yes, please provide a copy of your completion certification.
 * Attendance is a requirement of funding.

4. Do you have an executed Purchase and Sales Agreement? YES _____ NO _____

Address: _____ Purchase Price: \$ _____

Property Type: Single-Family Condominium Multi-family _____ # of Units

Scheduled Closing Date: _____

HOUSEHOLD INCOME

A. EMPLOYMENT/OTHER EARNINGS

Gross annual income includes all wages prior to deductions, net income from the operation of a business, SSI, AFDC, pensions, rental income, alimony and child support, and other earnings. Please provide twelve (12) consecutive weeks of pay stubs from both full- and part-time employment, entire federal tax returns from past two years, and verification of all other income sources.

Household Member	Employer/Source of Income	Start & End Date	Gross Amount
			\$
			\$
			\$
			\$
			\$
Subtotal gross annual household earned income:			\$ _____

B. ASSETS & INTEREST

Assets are items of value, such as IRAs, CDs, and checking and savings accounts. Interest received from assets are included as part of your income. Assets do not include necessary personal property such as clothing, furniture, automobiles, jewelry, etc. Please describe your assets and income or dividends from these assets in the chart below. Continue on a separate sheet if necessary.

Household Member	Asset Description	Cash Value	Annual Interest Income
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
Total cash value of all assets:		\$ _____	
Subtotal annual household interest income:			\$ _____

TOTAL GROSS ANNUAL HOUSEHOLD INCOME (SUBTOTALS A + B): \$ _____
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CERTIFICATION

In signing this application I/we hereby certify that:

- I/we have correctly indicated the number of persons in the household;
- My/our total liquid assets do not exceed the asset limits as defined in the application;
- The information contained in this application is true and accurate to the best of my/our knowledge and belief under the full pains and penalties of perjury and understand that perjury will result in disqualification from further consideration; and
- I/we understand that it is my/our obligation to secure the necessary mortgage for the purchase of the home and all expenses, including closing costs, down payments, etc.

I/we further authorize the City of Newburyport to verify any and all income and asset and other financial information, to verify any and all household, resident location, and workplace information and direct any employer, landlord, or financial institution to release any information to the City for the purpose of income determination eligibility.

I/we understand that I/we are purchasing an affordable home at a substantially discounted price and that the home will remain affordable for any future buyers. I/we understand that I/we will be required to sign a Deed Rider that describes my/our responsibilities under the affordable housing program. The restrictions will apply to me and all future buyers of my/our home.

Signature

Date

Signature

Date

Submit to City of Newburyport, Office of Planning & Development,
60 Pleasant Street, Newburyport, MA 01950



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**DOWN PAYMENT ASSISTANCE PROGRAM
APPLICATION CHECKLIST**

Applying for down payment assistance is a two-step process. The first step is to submit an application and **copies** of all required income documentation in order for us to determine if you qualify for the program. Second, once you have found a home, submit all of the property eligibility information for review. After the property's eligibility is confirmed, on the morning of your loan closing with your primary lender, you will sign loan agreements in the Office of Planning & Development. We will then provide you with a check to take to your loan closing.

Step 1: Submit Applicant Eligibility Information

- Completed Down Payment Assistance Application
- Income Verification, **COPIES** of the following that apply to *any* household member

Employed	Twelve (12) consecutive weeks of pay stubs for all working household members age 18 and over .
Self-Employed	Most recent federal tax returns, including Schedule C and all attachments.
Unemployed	Two (2) most recent month's checks and letter stating start date and assistance.
Social Security	Current year's letter from Social Security Office stating benefits (even for children).
Public Assistance	Recent checks and letter from agency stating amount of assistance.
Pension/Disability	Company letter stating monthly benefits for current year or direct deposit records.
Alimony and/or Child Support	Court Order or letter from non-custodial parent/ex-spouse stating payments or copies of deposited checks.
Rental Income	Two (2) most recent months of rent receipts.
Full Time Students	Letter from school stating full-time enrollment for students age 18 and over .

- Past two (2) years of Federal Tax Returns (Form 1040 with all schedules & attachments)
- Two (2) months of most recent statements including
 - Checking Accounts
 - Savings Accounts
 - Investment Accounts – including retirement, Certificates of Deposit, Property, down payment gift amount, etc. Include all pages of statements.
- Evidence of a sufficient down payment, i.e. minimum of 3%, (bank statement, gift letter, etc.)
- If you owned a home within the past three (3) years but it was sold due to a divorce, provide a copy of the divorce or separation papers and proof of the home sale showing equity received (HUD Settlement Statement).
- Mortgage Pre-Approval letter

Step 2: Submit Property Eligibility Information

- An executed Purchase and Sale Agreement, as soon as it is available.
- Application Form 1003 from your lender
- Proof of cash paid by applicant toward down payment (copy of check)
- Executed Final Loan Commitment