



## Guidelines City of Newton First Time Homebuyer Program

Newton Housing Office  
1000 Commonwealth Avenue  
Newton, MA 02459  
(617) 796-1149  
TDD/TTY (617) 796-1089

### Introduction

The City of Newton provides assistance to certain qualified applicants with the purchase of their first home through the First Time Homebuyer Program ("FTHP"). If you meet the family income and other program guidelines, you may be eligible for a Cost Buydown Grant of up to \$110,000 and a Closing Cost Forgivable Loan of up to \$5,000. In order to receive the grant you will have to agree to a deed restriction (restrictive covenant) that limits the resale price of your home.

A "First Time Homebuyer" is defined as someone having no ownership interest in real estate for the prior three years (exceptions include "displaced homemaker status").

The property to be purchased must be within the City of Newton. Funding is available without regard to race, color, disability, religion, sex, familial status, sexual orientation, national origin, genetic information, ancestry, children, marital status, or public assistance.

The Newton Community Development Authority ("NCDA") may act as the contracting party and signatory on behalf of the City of Newton's Housing Office with regard to the provision of funding assistance.

### Purpose of the Program

The purpose of the Cost Buydown Grant is to bring down the price of a home to an affordable range with a regular mortgage. For example, if you find a home for \$250,000 and you could only afford \$200,000 with your mortgage pre-approval, this program may buy down the cost of the \$250,000 by \$50,000 to \$200,000. Your mortgage and downpayment would then only have to cover the \$200,000.

### Front End Ratio Defined

The front end ratio is defined as that percentage of the applicant's total gross income that will be paid toward principal, interest, taxes, condo fees (if applicable) and insurance. So if your household has a gross annual income of \$50,000, you should be paying no more than \$16,500 annually, or \$1375 monthly, towards your principal, interest, taxes, condo fees (if applicable) and insurance.

### Mortgage Pre-Approval

In order to be eligible for the program, you have to provide evidence of a *preapproval* for a conventional mortgage (30-year, level payment, amortizing mortgage, with a downpayment of at least 3%, at least half of which must come from the buyer's own funds) that is within the affordability limit based on a 33% ratio of housing costs to gross household income (*front end ratio*), when combined with Newton Homebuyer assistance.

We strongly recommend that you consider working with a bank that participates in the Massachusetts Housing Partnership's Soft Second Program (see the list of participating banks at [www.mhp.org](http://www.mhp.org)). Not only does this program reduce your monthly payments (and therefore increases the amount you can pay for a property), it provides extremely competitive low interest rates.

### How to Apply

Applications are available at the City of Newton Housing Office, the City Planning Department, <http://www.newtonma.gov/planning/hcd/homebuyer.asp>, by mail, or may be picked up in person. Completed applications are reviewed on a first come, first served basis. **Incomplete applications will not be processed nor returned.** Applicants are required to be in regular contact with the office during the submission of materials, the search for the property, and the closing process.

Applicants must complete a homebuyer education class ("Homeowner 101") within six months of closing, applicants are required to attend a post purchase counseling class ("Homeowner 201"). Go to [www.chapa.org](http://www.chapa.org) for a list of approved classes. Applicants with less than perfect credit may be required to take credit and/or financial management classes as a prerequisite to the receipt of funding assistance. These classes may also be found at [www.chapa.org](http://www.chapa.org).

### Completed Application

A completed Application consists of personal and household composition information, extensive income, financial liability and employment, residency verification documents and a mortgage pre-approval letter from a bank.

Applicants shall submit all documents required and shall provide a signed Offer and the Purchase and Sale Agreement as soon as practicable.

Applicants are required to authorize and permit the free exchange of financial information between the Newton Housing Office and the primary lending institution. Applicants shall authorize and permit the lender to provide: (1) the funding commitment that details terms of the mortgage; (2) the certified appraisal of the property; and (3) any other materials deemed relevant in accordance with the policy of the Newton Housing Office.

### Eligibility based on Income plus a Percentage of Assets

Households eligible to receive buydown assistance are required to have a gross income below 80% of the Boston area median income, as determined by the U.S. Department of Housing and Urban Development. Historically, income limits have increased between 3%-8% annually, but have not increased at all since 2004.

Household means all persons (one or more) occupying a housing unit.

Income eligibility is calculated based on the number of persons in the household and the total gross household income. All income, earned by every adult member of the household, is counted, including a percentage of the household assets. Total income (gross income plus the percentage of assets) is then compared to the federal limits for purposes of income eligibility.

Income will be projected forward one year based on the prevailing rate of income at the time assistance is provided for the household. Projected income will include income from all household members.

***A determination of eligibility based on income limits shall not constitute a financial commitment or legal obligation to provide funding assistance. A commitment will be provided once the applicant has submitted all required documents, has been determined eligible and has provided a signed Purchase and Sale Agreement. Eligibility determinations are good for six months.***

#### **Inspection and Lead Paint**

The Newton Housing Office is required to visually inspect the property to ensure that the property is in compliance with Housing Quality Standards as defined by the U.S. Department of Housing and Urban Development.

Such inspection is not a substitute for a home inspection. The Applicant is strongly encouraged to hire a licensed home inspector to inspect the property. The inspection should take place at the property in the presence of the Applicant(s), the agents for both the seller and the Applicant, and the inspector. The seller should not be present, as this is a professional, private appointment between the homebuyer and the inspector.

*Prior to occupancy*, the property must comply with inspection procedures promulgated by the HOME program and the lead paint regulations issued under Title X of the Housing and Community Development Act of 1972 as amended and the laws of the Commonwealth of Massachusetts. The federal lead paint regulation appears within title 24 of the Code of Federal Regulations as part 35 (24 CFR 35).

#### **Funding Assistance**

Qualified Applicants may receive funding assistance as: (1) a cost buydown grant; and (2) a forgivable loan that may be used toward (i) the good faith offer made on a Purchase and Sale Agreement or (ii) closing costs, but not both (i) and (ii).

#### **Buydown Assistance Grant**

A qualified Applicant may receive UP TO one hundred and ten thousand dollars (\$110,000.00) in the form of a grant as buydown assistance toward the purchase of an eligible property. The funds are not required to be paid back, provided that the homebuyer has complied with the terms of the deed restriction and program guidelines. A restrictive covenant will be placed on the deed that limits the resale price appreciation to the same percent that incomes go up during the time you own the home.

The amount of buydown assistance is limited to a 33% front-end ratio (all housing debt to income ratio). The grant is calculated based on a formula that considers the applicant's income, applicant's funds, the price of the property, and other mortgage/subsidy programs the applicant will use towards the purchase. We will calculate this amount after we have received your income information and your mortgage pre-approval.

#### **Downpayment or Closing Cost Loan**

In addition to the buydown assistance grant, qualified applicants may be eligible to receive downpayment assistance for use toward the deposit tendered with a Purchase and Sale Agreement or for closing cost assistance. Such assistance is in the form of a forgivable, contingent loan. The loan is available up to a maximum of five thousand dollars (\$5,000) and in no event will exceed the actual amount of closing costs. Applicants may be reimbursed for closing costs up to the maximum. The loan is secured as a lien against the property.

*Closing Costs* generally total from two to five (2%-5%) percent of the home's purchase price and are in addition to the down payment. Closing costs include such things as points (lender's administrative costs), an appraisal fee, a credit report fee, mortgage interest for the period between the closing date and the first mortgage payment, homeowner's insurance premium, title insurance, prorated property taxes, and recording and transferring charges.

The loan is forgiven one-fifth per year over the course of five years, so that after five years the loan is totally forgiven. In the event that the Applicant sells, conveys, or otherwise disposes of the property during the five (5) years subsequent to the date of the closing, the Applicant(s) shall repay the loan on a pro rata basis.

The receipt of closing costs assistance is determined based on receipt of a HUD-1 RESPA or Settlement Statement. Upon buyer's request, the HUD-1 may be provided by the primary lending institution prior to closing of the primary loan and is a good faith estimate of the amount of closing costs. Applicant is required to provide the HUD-1 as soon as it is available.

#### **Occupancy Requirement**

The Applicant must agree to use the property as his/her principal residence from the date of closing until the property is sold in compliance with the terms and conditions of the declaration of restrictive covenants.

Principal residence means the dwelling where the Applicant maintains (or will maintain) his or her permanent place of abode, and typically spends (or will spend) the majority of the calendar year. A person may have only one principal residence at any one time.

#### **Declaration of Restrictive Covenants Resale**

At closing, the applicant is required to execute a declaration of restrictive covenants ("deed restriction"). The deed restriction encompasses specific terms and conditions and is the contractual agreement between the homebuyer and the City. The deed restriction details: (1) the formula that calculates the amount of appreciation the homeowner is permitted to earn; (2) the notice requirements of intent to sell the property; and (3) the requirement that the property shall be sold to a homebuyer who meets the then current income eligibility requirements. The City will use reasonable efforts to provide the subsequent eligible buyer.

The formula that determines the amount of appreciation is tied to the annual (cumulative over years of ownership) increase in income guidelines. Historically, the increase has been between 0% - 8% annually.

The resale provisions are triggered upon sale, rental, gift or any conveyance or transfer of the property or any interest in the property or upon the death of the Applicant. An attempt to refinance absent consent from the City shall trigger resale provisions.

#### **Notice Requirements**

**The Director of Planning and Development shall be given reasonable, advance notice in writing of any intent to sell, transfer title, or otherwise dispose of the property.**

**Send Notice via Priority Mail To:**  
**Attention: Candace Havens, Director of Planning**  
**Newton City Hall**  
**1000 Commonwealth Avenue**  
**Newton, MA 02459**

The Applicant must at all times:

- (1) Live in the property as their principal residence; and
- (2) Perform all obligations set forth in the Guidelines, Funding Agreement and the Declaration of Affordable Housing Covenants (the "deed restriction"). A copy of each of these documents is available to the Applicant upon request.

#### **Commitment and Closing**

After receiving preapproval for a grant and/or a loan, and after receiving a copy of the fully executed Purchase and Sale agreement, the Newton Housing Office may issue a commitment letter that details the funding assistance, any contingencies to the assistance, and a request for additional materials that may be required to establish a loan closing date.

The Applicant is required to respond to all requests for additional information and to meet all contingencies in a timely manner.

*Closing or Settlement* is the date when the property is formally transferred from the seller to the buyer and when the buyer assumes the loan obligations and pays all closing costs.

The City of Newton will provide the funding assistance at the closing. The Applicant will be asked to sign a Grant Agreement, a Uniform Commercial Code Form 1, a Declaration of Affordable Housing Covenants, a Truth in Lending Disclosure Statement, and a Lead Notification document. The Applicant may be required to provide evidence of smoke detectors, insurance and other documents similar to those requested by the primary lender.

#### **Special Case: Where the Property has a Resale Restriction from Another Program**

In cases where the property to be purchased has a permanent affordability resale restriction placed by other regulatory or funding programs, such as property developed under a Comprehensive Permit or Inclusionary Zoning, or through a federal, state or local housing development subsidy, the Newton Homebuyer Assistance Program would not put a further deed restriction on the property. In these cases, the price is already restricted to a level that should be affordable to a family at 70% of area median income and only a small of assistance, if any, should be needed from this program. Instead, the assistance would be in the form of a down payment assistance loan that would require repayment of the homebuyer assistance when the property is sold, but only to the extent that there are net proceeds after senior loans have been paid off.

#### **After the Closing**

Attend the required post purchase counseling class, stay on top of your finances, pay your primary mortgage on time, maintain your insurance coverage, and enjoy your new home!

#### **Fair Housing & Reasonable Accommodation**

The City of Newton does not discriminate in the selection of applicants based on race, color, disability, religion, sex, familial status, sexual orientation, national origin, genetic information, ancestry, children, marital status, or public assistance recipient.



People with disabilities are entitled to request a reasonable accommodation of rules, policies, practices, or services. Requests may be made by calling (617) 796-1146 or TDD/TTY (617) 796-1089 or emailing [housing@newtonma.gov](mailto:housing@newtonma.gov).

**SAMPLE INSTRUCTIONS  
for CPC REFERENCE ONLY  
as of 13 March 2015**

**City of Newton  
Housing and Community Development Program**

**City of Newton  
Homebuyer Program Application**



*ALL DOCUMENTS IN THE APPLICATION CHECKLIST MUST BE SUBMITTED  
FOR THIS APPLICATION TO BE CONSIDERED COMPLETE*

**2012-13  
Community Development Block Grant  
Service Eligibility Income Limits**

**Effective December 11, 2012**

Projects funded by the City of Newton CDBG Program can assist people in Newton whose household income is within the following limits effective December 11, 2012 and until new limits are issued in 2013.

In addition, *adults with disabilities, survivors of domestic violence, homeless people, abused children, people with AIDS, people who are illiterate, and elders* are presumed to be eligible for services.

Number in Family	30% of Area Median Income	50% of Area Median Income	80% of Median Income*
1	\$19,850	\$33,050	\$47,150
2	\$22,650	\$37,800	\$53,900
3	\$25,500	\$42,500	\$60,650
4	\$28,300	\$47,200	\$67,350
5	\$30,600	\$51,000	\$72,750
6	\$32,850	\$54,800	\$78,150
7	\$35,100	\$58,550	\$83,550
8 or more	\$37,400	\$62,350	\$88,950

\*Newton's median income for a family of 4 is \$94,400. However, the 80% of Median Income is capped by the U.S. Family Median income level. Data was taken from the 2010 American Community Survey.

**I. HOUSEHOLD COMPOSITION INFORMATION**

<b>A. Applicant</b>	<b>Co-Applicant</b>
Name _____ M/F	Name _____ M/F
Address _____	Address _____
City _____ State _____ Zip _____	City _____ State _____ Zip _____
Date of Birth _____	Date of Birth _____
Social Security # _____ - _____ - _____	Social Security # _____ - _____ - _____
Tel _____ (h) _____ (w) _____ mobile _____	Tel _____ (h) _____ (w) _____ mobile _____
Email _____	Email _____
Ethnicity: <input type="checkbox"/> Hispanic or Latino or <input type="checkbox"/> Not Hispanic or Latino	
Race: <input type="checkbox"/> White <input type="checkbox"/> Black or African American <input type="checkbox"/> Asian	
<input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> American Indian or Alaskan Native	

**B. Occupancy Information**

- Number of Persons who reside in Applicant(s) current home \_\_\_\_\_
- Number of Persons who will reside in your future unit if purchased within next year \_\_\_\_\_
- Number of Children who will live with Applicant(s) \_\_\_\_\_
- Number of Children under Age 6 who will reside in unit \_\_\_\_\_
- Number of People w/ a disability who will reside in unit \_\_\_\_\_

**II. ANNUAL INCOME INFORMATION**

List Gross Dollars	Applicant	Co-Applicant
A. Wages, Salary, Tips	\$	\$
B. Business Income	\$	\$
C. Social Security	\$	\$
D. Pension	\$	\$
E. Child Support	\$	\$
F. Alimony	\$	\$
G. Dividends and Interest	\$	\$
H. Unemployment Compensation	\$	\$
I. Other (describe)	\$	\$
<b>J. TOTAL</b>	\$	\$

**III. HOUSING EXPENSES**

Expense	Monthly Expense
A. Rent (Lease term ends m/d/y _____)	\$
B. Telephone	\$
C. Water/Sewer	\$
D. Heat	\$
E. Gas	\$

City of Newton  
Homebuyer Program Application



F. Electricity	\$
G. Other (describe)	\$
<b>Office Use Only: Total Monthly Expenses (A-G)</b>	<b>\$</b>

**IV. ASSETS** – list all checking and savings accounts (attach separate sheet if necessary)

**A. Checking Account**

Name of Bank \_\_\_\_\_ Balance: \$ \_\_\_\_\_  
Account No. \_\_\_\_\_

**B. Savings Account**

Name of Bank \_\_\_\_\_ Balance: \$ \_\_\_\_\_  
Account No. \_\_\_\_\_

**C. Certificates of Deposit, Mutual Funds/Stocks/Bonds/401(k), 403(b), and 529 Educational Accounts**

Provide name of institution, account numbers, and balances of all and attach on additional sheet if necessary.

Name of Holder \_\_\_\_\_ Balance: \$ \_\_\_\_\_  
Account No. \_\_\_\_\_

**D. List Real Estate Owned within Past Three (3) Years**

Location of Real Estate \_\_\_\_\_  
If Currently Owned, Market Value: \$ \_\_\_\_\_ Mortgage Balance: \$ \_\_\_\_\_ or  
Date of Transfer/Sale: \_\_\_\_\_ Price Sold: \$ \_\_\_\_\_

**V. LIABILITIES**

List all Credit Accounts, Loans (Credit Cards, Department Store, Auto, Personal loan, etc.)

Creditor	Balance Due	Monthly Payment
1.	\$	\$
2.	\$	\$
3.	\$	\$
4.	\$	\$
<b>Office Use Only: Total Monthly Liabilities \$</b>		

By signing below, Applicant(s) requests the Newton Housing Office to review this application for the purpose of determining eligibility to receive funding assistance through the First Time Homebuyer Program. Applicant acknowledges that such eligibility determination may include without limitation, the acquisition of credit reports and the verification of income and deposits. Applicant declares that they have read and understand the guidelines of the Program, and further, Applicant acknowledges and agrees that Applicant's statements are to the best of their knowledge, are true, correct, and complete.

Applicant \_\_\_\_\_ Date \_\_\_\_\_ Co-Applicant \_\_\_\_\_ Date \_\_\_\_\_

City of Newton  
Homebuyer Program Application Checklist



**ALL DOCUMENTS ARE REQUIRED FOR AN APPLICATION TO BE CONSIDERED COMPLETE. A pre-approval letter from a lending institution is required as part of a complete application package.**

**1. Income Tax Documentation**

- Copies of 3 most recent years signed tax documents including W-2 forms (1040,1040A,1040EZ,1098, 1099, All schedules)
- In the event a tax document is missing in part or in whole, or if the applicant did not file taxes, a transcript or verification of nonfiling may be requested from the IRS (Form 4506-T available upon request or IRS.gov).
- If self employed, include year-to-date Profit and Loss statement and last four (4) quarterly tax payment documents

**2. Financial Institution Account Information**

- Copies of checking account statements for the last six (6) months
- Most recent statement** of saving account(s), IRA, stock/bonds, annuities, CDs, mutual funds, money market accounts, etc.

**3. Evidence of Income**

Last 30 days of Applicant(s) and Persons within Household and Earn Income:

- Payroll stubs
- Alimony
- Child Support
- Social Security
- Pension
- Disability (may be required to submit evidence of disability)
- Unemployment
- Government Assistance, including Section 8 Homeownership vouchers if applicable
- Other \_\_\_\_\_
- Child 18 years or older and a full time student, please provide 30 days of income and a letter from the educational institution indicating student's full time status

**4. Verification**

- Verification of Income:** Letter from employer/supervisor indicating length of employment, current salary, any bonus or commissions Applicant has been or may be eligible for on an ongoing basis. Include direct telephone number of employer/supervisor to verify income.



5. Liabilities

Provide copies of two (2) most recent statements *even if account carries a zero balance:*

- Auto Loan/Lease(s)
- Credit Card(s)
- Personal Loan
- Department Store
- Other (describe) \_\_\_\_\_

6. Homebuyer Education

- Copy of Certification of Completion from certified homebuyer course
- Copy of Certification of Post Purchase homebuyer course
- Preapproval letter from lending institution**

7. Signed Documents

- Completed Application
- Housing Quality Inspection Disclosure (available upon request and required upon execution of Offer)
- Lead Paint Affidavit (available upon request and required upon execution of Offer)

Frequently Asked Questions

**How does the Program Work?**

If you meet the family income and other program guidelines, we will give you a Cost Buydown Grant of up to \$110,000 and a Closing Cost Forgivable Loan of up to \$5,000.

**Cost Buydown Grant**

The purpose of this grant is to get your housing costs (principal, interest, taxes, insurance & condo fees, if any) down to no more than 33% of your income. The way we do this is to give you a Cost Buydown grant. What this means is that the price of the unit will be reduced ("bought down") by the grant from the negotiated sale price to a level you can afford with a regular mortgage. For example, if you find a home where the asking price is \$250,000 and you could only afford \$200,000 with your mortgage pre-approval, this program may buy down the cost of the \$250,000 by \$50,000 to \$200,000. Your mortgage and downpayment would then only have to cover the \$200,000.

**Closing Cost Forgivable Loan**

In addition to the buydown assistance grant, qualified applicants may be eligible to receive downpayment assistance for use toward the deposit tendered with a Purchase and Sale Agreement or for closing cost assistance. Such assistance is in the form of a forgivable, contingent loan. The loan is available up to a maximum of five thousand dollars (\$5,000). The loan term is for five years and is forgiven at the rate of one-fifth of the loan amount per year, so that at the end of the five year period the total loan is forgiven.

**When is the assistance made available?**

The check for assistance (including closing costs) is provided at the closing.

**Do I need a Downpayment?**

Yes. You will need a cash downpayment of at least 3% (\$6,000 in the above example), of which at least half should be your own funds and the other portion may be gifts (say from your parents).

**Do I need to be a resident of Newton or a first time homebuyer?**

No. The funds are available for *first time homebuyers* (defined as someone who has not owned any interest in real estate for the past three years). Displaced homemakers may not be excluded on the basis that the individual, while a homemaker, owned a home with his or her former spouse or resided in a home owned by the former spouse. A displaced homemaker is an adult who has not worked full-time, full-year for a number of years but during such years worked primarily without remuneration to care for the home & family **and** is unemployed or underemployed and experiencing difficulty in obtaining or upgrading employment.

Newton residents, people who work in Newton and people with children in school in Newton are specifically encouraged to apply, but all are welcome to apply.

**What if I have less than perfect credit?**

Your primary lender may suggest ways to improve your credit, but good credit is not a requirement of the Program. However, you must be able to obtain a mortgage and afford the property. Completion of a financial counseling class in addition to homebuyer classes may be required.

SAMPLE INSTRUCTIONS  
for CPC REFERENCE ONLY  
as of 13 March 2015

City of Newton  
NEWTON HOMEBUYER PROGRAM

**Can I choose my own property?**

Yes. Applicants select their own property within City of Newton boundaries.

**Can I buy a property and use it to generate income?**

Yes, provided that you must occupy one unit in the property as your principal residence. For example, you may purchase up to a four-unit home and occupy one unit as your primary residence. You may not rent your principal residence if the principal residence was purchased with funds from the Program.

**When are applications due?**

There is no due date. Applications are accepted on a rolling basis, however funding is limited and will be provided on a first-come first-served basis. Funding will be provided to qualified applicants who have: (1) completed the application process; and (2) provide a fully executed Offer to Purchase Real Estate, as long as funding is available.

**What is a complete application?**

A complete application includes the application form filled out with all required information and documentation, including, but not limited to, income tax returns for the last three years, financial institution account information, evidence of income, a first-time homebuyer class certificate, and a preapproval from a lender of your choice. See the application for a checklist of required documents.

**Do I need to provide income and asset documentation for each member of the household?**

Yes. Income is calculated on a total gross household income basis. All household members' income is included in the calculation, plus a percentage of assets.

**When does the first-time homebuyer education class need to be taken?**

Applicants must complete a first-time homebuyer education class (Homebuyer 101) prior to closing. This course is also a requirement to qualify for the SoftSecond Loan Program and is offered by many area homebuyer education agencies. Within a year of closing, applicants are required to attend a post-purchase education class (Homebuyer 201). Links to a calendar of scheduled 101 and 201 homebuyer classes can be accessed online by following: Departments / Planning & Development / Programs & Services / Homebuyer Programs / General Information / Homebuyer Classes.

**Do I have to pay the assistance back? Do I have to make payments?**

No. Buyers receiving Program assistance do not make payments on the funding assistance, provided that the applicant complies with the terms and conditions that require that the property be subsequently sold to an income-qualified buyer. The City will provide the buyer through a City Homebuyer Program.

**If I pay the funding assistance back, can I void the deed restriction?**

No. The deed restriction maintains permanent affordability of the unit and cannot be voided.

**How much can I sell the property for?**

The City determines the selling price of the property. The price will be calculated to ensure it is affordable to the subsequent buyer. The applicant's return on equity will be limited.

City of Newton  
NEWTON HOMEBUYER PROGRAM

**How do improvements affect the Maximum Resale Price of my house?**

Improvements add to the value of your home, prolong its useful life, or adapt it to new uses. The cost of approved improvements will be considered in the calculation of the Maximum Resale Price (see the deed restriction section for the definition of MRP) and will affect the amount of funds that you recover, plus a limited amount of equity, when you sell the property. The amount of improvements that will be recoverable are limited, and are subject to proper documentation.

**Should I hire an attorney?**

Yes. You are encouraged to utilize whatever professionals you desire to ensure that you feel comfortable taking advantage of the Program.

**Where should I apply for a mortgage?**

You are free to select any lender and any mortgage product that works for your finances. See below for information on special programs that may be available to you.

• *Soft Second Program*

First Time Homebuyers may apply for a mortgage to banks that participate in the Massachusetts Housing Partnership Fund **Soft Second Program**. This program combines a conventional first mortgage with a subsidized second mortgage to help households to qualify for a mortgage and purchase a home for the first time. This program offers several benefits, including below market interest rates, no points and no private mortgage insurance. (See MHP.Net for a detailed explanation of eligibility and benefits.) Inform your primary lender as early as possible if you intend to participate. The Soft Second Program cannot be used in conjunction with the MassHousing Municipal Mortgage Program.

**Are there mortgage products specifically for municipal employees?**

• *MassHousing Municipal Mortgage Program*

There is a mortgage product offered to municipal employees by MassHousing, called the **Municipal Mortgage Program**, since the program requires no downpayment from the borrower it does require good credit. The program is for municipal employees whose household income does not exceed 135% of the HUD median household income for the community where they are trying to buy a home. For a list of income by city and town call the Municipal Mortgage Hotline toll free 1-877-309-HOME or See MassHousing.Com for more information.

**Where can I find more information about Newton Homebuyer Programs?**

Go to <http://www.newtonma.gov/gov/planning/hcd/homebuyer.asp> or call 617-796-1149.

Soft Second Program

First Time Homebuyers may apply for a mortgage to banks that participate in the Massachusetts Housing Partnership Fund **Soft Second Program**. This program combines a conventional first mortgage with a subsidized second mortgage to help households to qualify for a mortgage and purchase a home for the first time. This program offers several benefits, including below market interest rates, no points and no private mortgage insurance. (See **MHP.Net** for a detailed explanation of eligibility and benefits.) Inform your primary lender as early as possible if you intend to participate and make sure to shop around at different banks for favorable interest rates.

Participating Banks  
As of May 13, 2009

Bank of America - Kurt Johnson	(617) 346-0543
<b>Boston Private Bank - Carrie Carrizosa</b>	<b>(617) 912-4213</b>
Cambridge Savings Bank - Lynn Harvey	(617) 441-4220
<b>Cambridge Trust - Salvadore Sagares</b>	<b>(617) 441-1406</b>
Citizens Bank - Kate McGahan	(617) 354-6190
Dedham Institute for Savings - Pauline M. Anderson	(781) 320-4887
Eastern Bank - Madelline Vega	(858) 725-6070
Hyde Park Savings Bank - Renee Owens	(617) 603-2802
Needham Bank - Peter Collins	(781) 474-5444
<b>Sovereign Bank:</b>	
- Justin Eke	<b>(617) 541-5222</b>
- John Doyle	<b>(508) 370-0687</b>
Eastern Bank	(617) 478-4000
The Village Bank:*	
- Leah Vecchione	(617) 340-1258
- Jared McGuire	(617) 340-1253

**Highlighted bank(s)** have recently participated in the Newton Homebuyer Program.  
\* Not participating in the Soft Second Program at this time



City of Newton, Mass.

First Time Homebuyer Program

Notice of Visual Inspection

IMPORTANT INFORMATION FOR APPLICANTS TO FEDERAL PROGRAMS

Federal Law requires that all housing units acquired with federal funds comply with Housing Quality Standards ("HQS") and be lead safe as promulgated by the U.S. Department of Housing and Urban Development. Therefore, all units acquired through the First Time Homebuyer Program shall require some level of inspection and/or lead paint determination. A Homebuyer is required to do this within six (6) months after the date of closing.

In connection with the forgoing, the City of Newton shall conduct a "hands off" inspection of the accessible areas of the dwelling unit: (1) to visually assess the unit for evidence of lead paint; and (2) to determine compliance with the Housing Quality Standards. The HQS inspection will be limited to readily accessible areas of the building and to visual observations of apparent conditions existing at the time of the inspection only. Latent and concealed defects and deficiencies are excluded from the inspection. Equipment, items, and systems will not be dismantled.

If remedial lead abatement is needed, grant funds and low interest loans are available to qualified homeowners through the Newton Housing Rehabilitation Fund. It is important to understand that some lead removal/remedial work may require occupants to temporarily relocate from the work area or property. Funds are available to qualified applicants to assist with the relocation process.

- The HQS and lead paint visual inspection shall be performed prior to closing at no cost to the buyer or seller.
- The HQS inspection is not intended to be a replacement for any other property inspection required by the lender or requested by the buyer.
- The HQS inspection is not intended to be construed as a guarantee or warranty of the adequacy, performance or condition of any structure, item or system at the property address.
- The City of Newton is not responsible for the cost of repairing or replacing any reported or unreported defects, deficiency and for any consequential damage, property damage or personal injury of any nature.

Applicants to the First Time Homebuyer Program are not required to apply to the Newton Housing Rehabilitation Fund, however, applications are available upon request.

Acceptance and understanding of this disclosure are hereby acknowledged.

\_\_\_\_\_  
Applicant Date

\_\_\_\_\_  
Co-Applicant Date



**VERIFICATION OF: Assets on Deposit**

<p><b>City of Newton, MA</b>                  Newton Housing Rehabilitation Program                  Newton Homebuyer Assistance Program                  WestMetro HOME Consortium                  American Dream Downpayment Initiative</p>	<p><b>Checking Account No.</b></p> <p>_____</p>	<p>Average Monthly Balance for Last 6 Months</p> <p>_____</p>	<p>Current Interest rate</p> <p>_____</p>	
	<p><b>Savings Accounts</b></p> <p>_____</p>	<p>Current Balance</p> <p>_____</p>	<p>Current Interest Rate</p> <p>_____</p>	
	<p><b>Certificate of Deposit Account No.</b></p> <p>_____</p>	<p>Amount</p> <p>_____</p>	<p>Withdrawal Penalty</p> <p>_____</p>	<p>Current Interest Rate</p> <p>_____</p>
	<p><b>IRA, Keogh, Retirement Accounts</b></p>			
<p>Your prompt return of the requested information will be appreciated.</p> <p>A self-addressed return envelope is enclosed.</p> <p>Office Fax #: (617) 796 - 1142</p> <p>Mailing Address:</p> <p>City of Newton                  Planning and Development Department                  1000 Commonwealth Avenue                  Newton, MA 02450</p>				
<p><b>IRAs, Keoghs, Retirement Accounts</b></p> <p>Account No. _____ Amount _____ Withdrawal Penalty _____ Current Interest Rate _____</p>				
<p><b>Money Market Funds</b></p> <p>_____ Amount (Average 6-month Balance) _____ Interest Rate _____</p>				
<p><b>RELEASE:</b> I hereby authorize the release of the requested information _____                  (Signature of Applicant)                  Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," or Program Application which authorizes the release of the information requested, is attached.</p>		<p>Signature of _____ or Authorized Representative _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>		
<p><b>WARNING:</b> Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>				

**VERIFICATION OF: Employment**

<p><b>WestMetro HOME Consortium</b>   <b>City of Newton Homebuyer Assistance Program</b>   <b>WestMetro HOME Consortium American Dream Downpayment Initiative</b>   <b>Newton Housing Rehabilitation Program</b></p>	<p>Employed since: _____</p>
	<p>Occupation: _____</p>
	<p>Salary: _____</p>
	<p>Effective date of last increase: _____</p>
<p><b>AUTHORIZATION:</b> Federal Regulations require us to verify Employment Income of all members of the household applying for participation in the HOME Program and/or the Newton Homebuyer Assistance Program which we operate. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated.</p> <p>Office Fax #: (617) 796 - 1142</p>	<p>Base pay rate: \$ _____/Hour, or \$ _____/Week; or \$ _____/Month</p>
	<p>Average hours/week at base pay rate: _____ Hours</p>
	<p>No. Week's _____ or No. Weeks _____ worked per year</p>
	<p>Overtime pay rate: \$ _____/Hour</p>
<p>Expected weekly average number of hours overtime to be worked during next 12 months: _____</p>	
<p>Any other compensation not included above (specify for commissions, bonuses, tips, etc.): _____</p>	
<p>For: _____ \$ _____ per _____</p>	
<p>Total base pay earnings for past 12 mos. \$ _____</p>	
<p>Total overtime earnings for past 12 mos. \$ _____</p>	
<p>Does the employee have access to a retirement account?                  Yes _____ No _____</p>	
<p>If Yes, what amount can they get access to:                  \$ _____</p>	
<p><b>RELEASE:</b> I hereby authorize the release of the requested information. _____                  (Signature of Applicant)                  Date: _____</p>	
<p>Signature of _____ or Authorized Representative _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>	

**VERIFICATION OF: Full-Time Student Status**

<p style="text-align: center;"><b>WestMetro HOME Consortium</b></p> <p style="text-align: center;"><b>City of Newton Homebuyer Assistance Program</b></p> <p style="text-align: center;"><b>WestMetro HOME Consortium American Dream Downpayment Initiative</b></p> <p><b>AUTHORIZATION:</b> Federal Regulations require us to verify Full-Time Student Status of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household. Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Name of Full-Time Student: _____</p> <p>Name of institution: _____</p> <p>Address of institution: _____</p> <p>Check applicable box:                  Referenced individual _____ is or _____ is not a full-time student in good standing at this institution.</p> <p>Years remaining to complete Degree or Program: _____</p>
<p><b>RELEASE:</b> I hereby authorize the release of the requested information.</p> <p>_____                  (Signature of Applicant)                  Date: _____</p>	<p>Signature of Authorized Representative: _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>

**VERIFICATION OF INCOME FROM BUSINESS**

<p style="text-align: center;"><b>WestMetro HOME Consortium</b></p> <p style="text-align: center;"><b>City of Newton Homebuyer Assistance Program</b></p> <p style="text-align: center;"><b>WestMetro HOME Consortium American Dream Downpayment Initiative</b></p> <p><b>AUTHORIZATION:</b> Federal Regulations require us to verify Business Income of all members of the household applying for participation in the HOME Program which we operate and to reexamine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Based on business transacted from _____ to _____</p> <p>1. Gross Income \$ _____</p> <p>2. Expenses</p> <p>(a) Interest on loans \$ _____</p> <p>(b) Cost of goods and materials \$ _____</p> <p>(c) Rent \$ _____</p> <p>(d) Utilities \$ _____</p> <p>(e) Wages/salaries \$ _____</p> <p>(f) Employee contributions \$ _____</p> <p>(g) Federal Withholding Tax \$ _____</p> <p>(h) State Withholding Tax \$ _____</p> <p>(i) FICA \$ _____</p> <p>(j) Sales tax \$ _____</p> <p>(k) Other \$ _____</p> <p>_____                  Total Expenses \$ _____</p> <p>3. Net Income \$ _____</p>
<p><b>RELEASE:</b> I hereby authorize the release of the requested information.</p> <p>_____                  (Signature of Applicant)                  Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____                  or Authorized Representative</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p><b>WARNING:</b> Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	

SAMPLE INSTRUCTIONS  
 for CPC REFERENCE ONLY  
 as of 13 March 2015