

First-Time Homebuyer Information Packet

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Información en español disponible



- ✓ 2 newly constructed 3-bedroom duplex homes for sale
- ✓ Priced at only \$199,800 for eligible homebuyers; condo fee only \$70 per month
- ✓ Located in a gorgeous new neighborhood in Newburyport
- ✓ Information available electronically at www.coastalhb.org or by phone at 978 785-6536

SPRINGWELL INVESTMENT, LLC



EQUAL HOUSING
OPPORTUNITY

Introduction to 5 & 7 Richardson Path Condominium

All homes include:

- ✓ 1460 Net Square Feet approx.
- ✓ 1.5 Baths
- ✓ Two Levels of Living Space
- ✓ Garage plus Exterior Parking Space
- ✓ Ample Above-Garage and Basement Storage Space (250 square feet)

5 & 7 Richardson Path Condominium is part of a new residential development in Newburyport which was created through an Open Space Residential District permitting process. The 25 unit development is an enclave of exclusive homes surrounded by natural fields and fens. Two of the 25 homes are duplex-style condominiums offered for sale at reduced prices to first-time

Household Size	Household Income Limit*
1 person	\$47,150
2 person	\$53,900
3 person	\$60,650
4 person	\$67,350
5 person	\$72,750
6 person	\$78,150

*Based on 80% Area Median Income HUD 2013 Boston PMSA.

homebuyers with incomes at or below 80 per cent of area median income (see income limits below). See the section entitled **Affordable Homes Selection and Purchase FAQ** for a definition of first-time homebuyer.

As a condition of the financing, homes must remain affordable to moderate-income households in perpetuity. As a result of this legal requirement, income and asset restrictions will apply to the buyers of the affordable homes, and homebuyers may anticipate reselling their homes for the original purchase price plus inflation and the cost of certain improvements to their unit. Any appreciation in the value of the home will be limited by this factor.

The Deed Rider, which legally binds the buyer to this requirement, is available upon request and will be forwarded to all successful applicants prior to purchase.

There is one unit remaining in this development and it will be offered on a first-come first-serve basis to an eligible homebuyer household. The application as well as a description of eligibility requirements forms the remainder of this package.

Application Submission Summary

APPLICATIONS MUST BE RETURNED BY MAIL TO:

**Coastal Homebuyer Programs, LLC P.O. Box 661
Newburyport, Massachusetts 01950**

**OR IN PERSON AT NEWBURYPORT CITY HALL PLANNING
DEPARTMENT**

**PLEASE RETURN COMPLETED AND SIGNED APPLICATION & VERIFICATION
FORMS ONLY**

**The one remaining unit will be sold on a first-come first-serve basis to an
eligible homebuyer household.**

SPRINGWELL INVESTMENT, LLC



Affordable Homes Selection Summary

Households must meet **minimum threshold requirements**, which are as follows:

- Household may not have owned a home within 3 years preceding the application, with certain exceptions as described below under “Who is a first-time homebuyer? FAQ.
- Strict income and asset limitations must be met, as defined in the FAQ.
- Completed application with all signed attachments. Each section requesting information must contain the information requested or the words “Not Applicable”. Incomplete, illegible, partial or mutilated applications will be returned.
- Mortgage pre-approval letter from a Fannie Mae-approved lender. Mortgage loan must be a 30-year level-payment, amortizing mortgage with a fixed interest rate that is not more than 2 percentage points above the current MassHousing interest rate (www.masshousing.com or at 617/ 854-1000).
- Evidence of availability of funds as required for down payment and closing costs to cover remaining purchase requirements must be provided.

Note: there may be some financial assistance available for certain applicants, based on income eligibility. Applicants with excellent credit are encouraged to apply. Funding programs include Massachusetts Housing Partnership Fund Soft Second Program (“Soft Second”), and the City of Newburyport Down Payment Assistance Program. Information on these programs is available from lenders and on-line.

- Non-household members are not permitted as co-signers of the mortgage.
- Individuals or families of individuals who have a financial interest in the development are not eligible to participate in the homebuyer selection process.

Return completed application in person to Newburyport City Hall Planning Department or by mail to:

Coastal Homebuyer Programs, LLC
P.O. Box 661
Newburyport, Massachusetts 01950

Upon receipt of a completed and signed application including signed attachments, the application will be reviewed to determine whether the household meets the eligibility criteria. All applicants will be notified in writing as to whether they are eligible. Further documentation may be required.

SPRINGWELL INVESTMENT, LLC



Affordable Homes Selection and Purchase Process FAQ

Q: Who is eligible to apply for the 5 & 7 Richardson Path Condominium homebuyer selection process?

A: An eligible purchaser is a first-time homebuyer household whose annual income does not exceed 80% of the area median income adjusted for family size as determined by the U.S. Department of Housing and Urban Development (HUD). A “Family” shall mean two or more persons who will live regularly in the unit as their primary residence and who are related by blood, marriage, or operation of law or who have otherwise evidenced a stable inter-dependent relationship; or an individual.

Disabled persons are entitled to request a reasonable accommodation of rules, policies, practices, or services, or to request a reasonable modification of the housing, when such accommodations or modifications are necessary to afford the disabled person equal opportunity to use and enjoy the housing.

Q: Who is a “first-time home buyer”?

A: A first-time home buyer is defined as an individual and partner who have not owned a home during the prior 3-year period. There are five exceptions:

- a. 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);
- b. 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 1 or more children of whom the individual has custody or joint custody, or is pregnant);
- c. elderly households (where at least one household member is 55 or over);
- d. households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
- e. households that owned a property that was not in compliance with State, local or model building codes and that cannot be brought into compliance for less than the cost of constructing a permanent structure.

Applicants who owned a home under the above exceptions must sell their current property in order to purchase a unit in the development. The sale of the previous property may be planned as part of the purchase of the current unit.

Q: What are the maximum income eligibility requirements?

A: To be eligible to apply for one of the two 5 & 7 Richardson Path Condominium homes, household annual income must be at or below 80% of area median income as published by the federal department of Housing and Urban Development (HUD).

Household Income Limits by size are:

<u>1 Person</u>	<u>2 People</u>	<u>3 People</u>	<u>4 People</u>	<u>5 People</u>	<u>6 People</u>
\$47,150	\$53,900	\$60,650	\$67,350	\$72,750	\$78,150

*Based on 80% Area Median Income HUD 2013 Boston PMSA.

Households must meet certain maximum income limits in order to be eligible to purchase a home at 5 & 7 Richardson Path Condominium. Gross Annual Household Income will be determined in a manner set forth in 24 CFR 5.609 and the HUD Occupancy Handbook, Chapter 5, Determining Income and Calculating Rent or any successor regulations.

Annual income is income anticipated to be received in the coming 12-month period from all sources, including all wages and salaries prior to deductions, overtime pay, commissions, tips, fees and bonuses, and other compensation for personal services, net business income, interest/dividend income, social security, supplemental security income, pension payments, disability income, unemployment compensation, alimony/child support, and veterans' benefits, for all adult household members over the age of 18, unless the member is a full-time student. For such students, the first \$480 of the student's income must be counted in the household's income. The entire income for full-time students who are the head of household or partner must be counted in annual income.

Annual income includes the actual income generated by liquid assets, that is, cash or assets that can be converted easily to cash, including checking, saving, money market, individual retirement and pension fund accounts.

The marketing agent will review bonus pay, overtime pay or other periodic compensation on a case-by-case basis. If the compensation is not a regular occurrence or is not expected to continue, it may be excluded from the determination of income.

Q: What are the asset limitations to be eligible to participate in the lottery?

A: The total gross household asset limitation is \$75,000. Gross Household Assets will be determined in accordance with the Massachusetts Department of Housing and Communities Development (DHCD) Definition of Assets, provided below as part of the Information Packet and summarized as follows: Assets include cash in savings and checking accounts, certificates of deposit, bonds, stocks, mutual funds, and money market accounts. Also counted as assets are:

- 1) The value of real estate holdings as outlined above, including other forms of capital investment;
- 2) Restricted accounts, such as IRA's, 401K's, or SEP's, if the holder has access to the fund even through a penalty may be assessed;
- 3) Funds in a retirement pension that can be withdrawn prior to retirement or termination of employment;
- 4) Cash value of life insurance policy available to the applicant before death;
- 5) Cash value of a revocable trust;
- 6) Personal property held as an investment such as gems or coin collection; and
- 7) Lump sum receipts such as inheritance, lottery winnings, settlements on insurance claim, and any other amounts that are not intended as periodic payments.

When an asset produces little or no income, imputed income is calculated by multiplying the total amount of those assets over \$5,000 by 1%. This amount is included in gross income.

The applicant must remain under the asset limitation throughout the entire lottery selection process including the mortgage commitment and conveyance and will be required to provide evidence of such at various stages.

Q: What are the financing requirements for eligibility for the homebuyer selection process?

A: Applicants are required to submit a valid (within the previous 90 days) pre-approval letter with the application for an amount sufficient to purchase the unit. Mortgage loans must meet the following standards:

- The loan must have a fixed interest rate through the full term of the mortgage.
- The loan must have a current fair market interest rate (No more than 2 percentage points above the current MassHousing rate: www.masshousing.com or (617) 854-1000)
- The loan may have no more than 2 points.
- The buyer must provide a down payment of at least 3% - half of which must come from the buyer's own funds.
- The buyer may not pay more than 38% of their monthly income for the mortgage.

DHCD as the monitoring agent reserves the right to approve end loan financing. Lender review of the Deed Rider, which limits the resale value of the home (see below), for acceptability is suggested.

Q: Are there any restrictions on resale price of the homes?

A: Yes. There is a Deed Rider that is used to keep the homes affordable to low and moderate income homebuyers with incomes at or below 80% of area median income in perpetuity. As a result of this legal requirement, homebuyers may anticipate reselling their homes for the original purchase price adjusted by the area inflation index and the cost of qualified additions and alterations to the premises. Therefore, any equity appreciation to be gained from the sale of the homes will be limited by this factor.

Staff at the Newburyport Planning Office and DHCD will be available to help future sellers comply with these requirements when they sell their units. Other conditions regarding unit pricing, resale, transfer, leasing and junior encumbrances are covered in the provisions of the Deed Rider.

Copies of the Deed Rider describing the deed restrictions are available from the marketing agent and will also be provided to all successful applicants. A summary of these restrictions are contained in the attached Homebuyer Disclosure Statement.

Q: How will applicants for 5 & 7 Richardson Path Condominium be selected?

A: Since there is one unit remaining to be sold in this development, it will be offered on a first-come first-served basis. All applicant households will be notified in writing as to their eligibility.

Following eligibility assessment by the marketing agent, financial and other programmatic requirements will be verified by Massachusetts Department of Housing and Community Development (DHCD) to determine whether the households qualify. This agency reserves the right to request additional information at any point in the qualification process.

Q: If selected in the process, what is the next step?

A: After receiving notification that they have been selected to purchase a home, applicants will sign the purchase and sales agreement and must then obtain a final mortgage commitment from a lender.

The selected applicants will have six (6) weeks from the date of notification to obtain a financing commitment. The lender will conduct its own due diligence regarding the selected applicant's financial and credit worthiness. The oversight agencies described above reserve the right to approve the financing package chosen by the homebuyer.

Prior to purchasing the home, the selected applicant must submit a homebuyer education course certificate that has been obtained within the previous two years. Homebuyer education courses are typically offered in a 10-hour curriculum by a number of non-profit agencies located throughout the state. The course helps to familiarize first-time homebuyers with the home purchase process.

See [<http://www.chapa.org/looking-for-housing/homebuyer-workshops>] or call 617-742-0820 for a list of certified homebuyer education providers and course dates.

Q: How much money is needed to buy the home?

A: In most cases, down payment and closing costs will be needed to purchase the home. Pre-approval by a lender will include approval of the applicant's ability to pay the down payment and closing costs. Upon signing the Purchase and Sales Agreement, the selected applicant will be required to pay a portion of the down payment. At the closing, the applicant will be required to pay the balance of the down payment as well as closing costs.

Q: Can non-household members be permitted as co-signers of the mortgage, and must information on all household members be submitted?

A: No, non-household members may not be permitted as co-signers of the mortgage. Information on all household members must be submitted, whether or not the individual expects to be listed on the mortgage. The procedures used during this process for income determination require assessment of the entire household.

For additional information, contact:

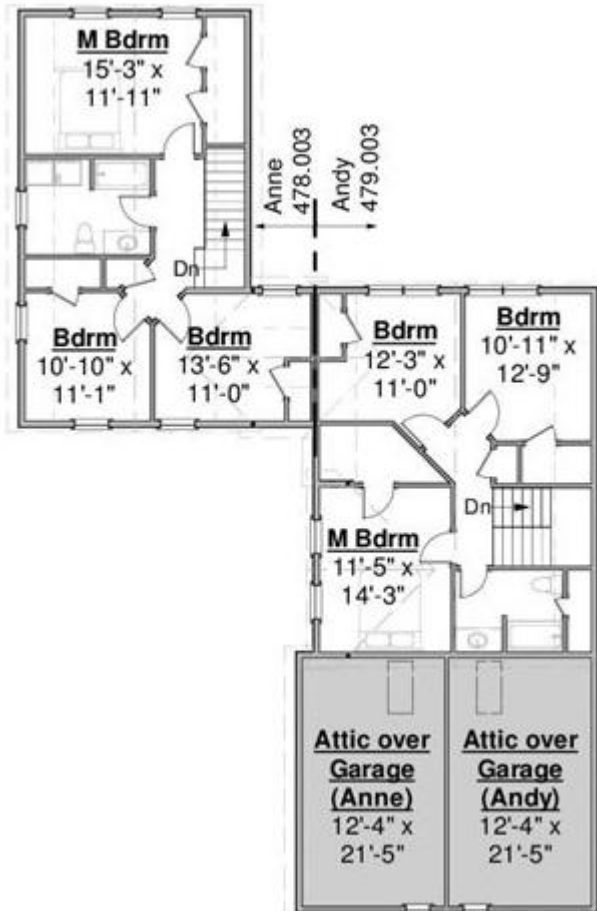
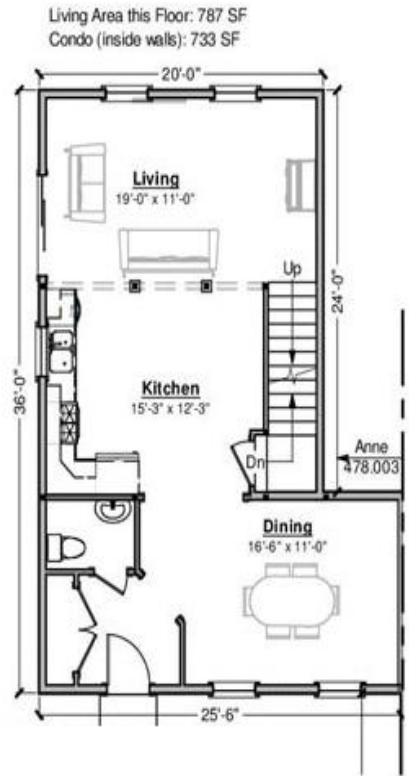
Coastal Homebuyer Programs, LLC
P.O. Box 661
Newburyport, Massachusetts 01950
(978) 785-6536; Email: msolish@coastalhb.org

Información en español disponible

SPRINGWELL INVESTMENT, LLC

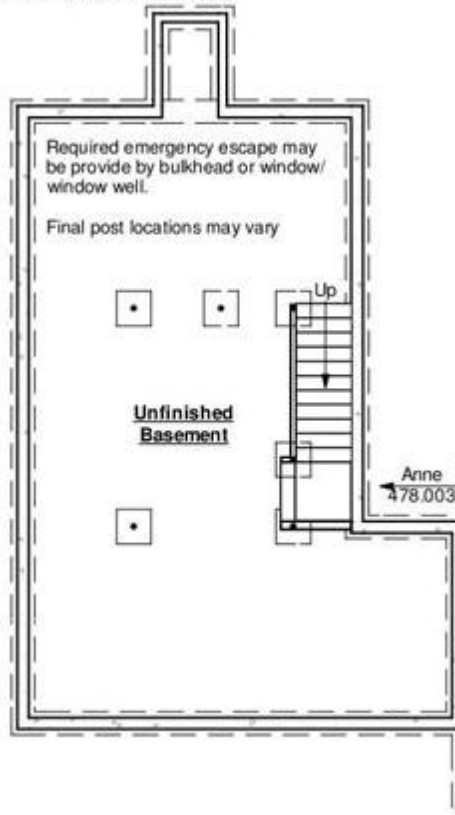


FLOOR PLANS #5 RICHARDSON PATH - FIRST FLOOR, SECOND FLOOR, ATTIC OVER GARAGE

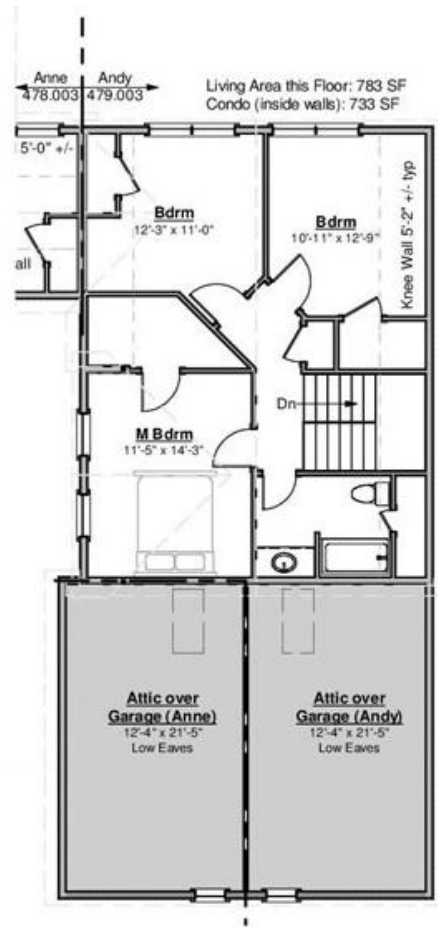
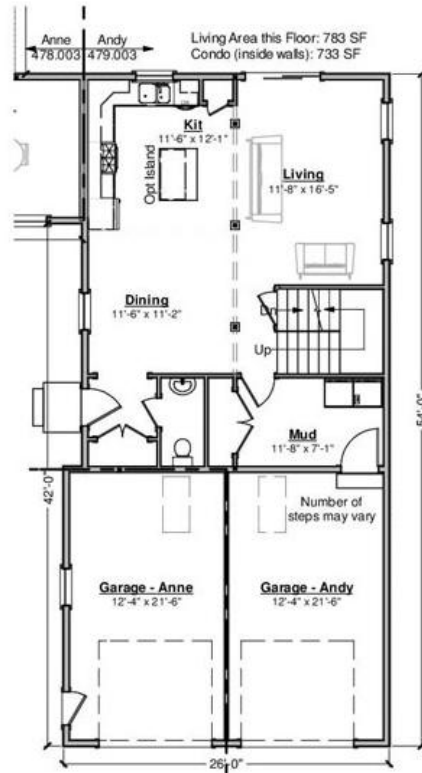


FLOOR PLANS #5 RICHARDSON PATH BASEMENT

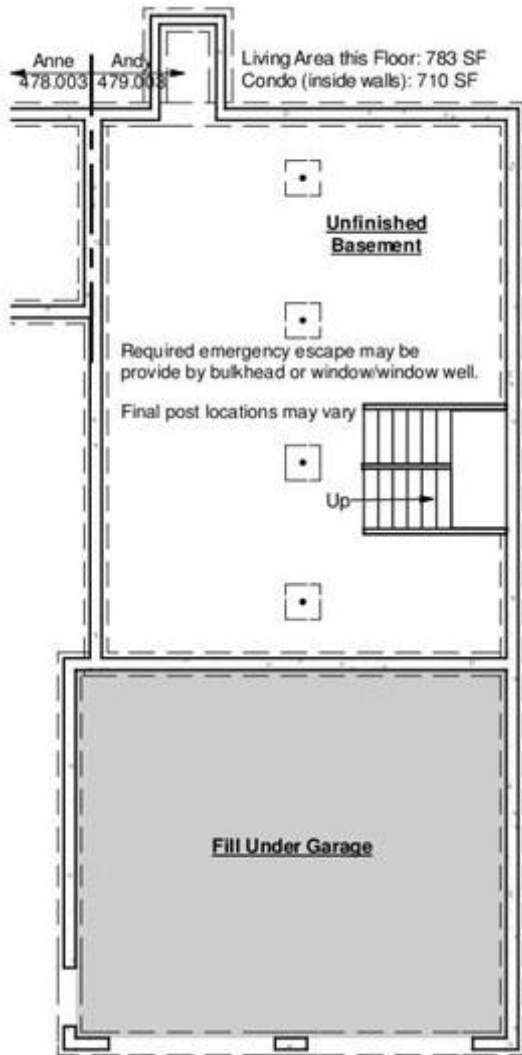
Unfinished Area this Floor: 787 SF
Condo (inside walls): 709 SF



FLOOR PLANS #7 RICHARDSON PATH - FIRST FLOOR, SECOND FLOOR, ATTIC OVER GARAGE



FLOOR PLANS #7 RICHARDSON PATH BASEMENT



Definition of Assets

The value of necessary items of personal property, such as furniture or automobiles shall be excluded. Determination of assets shall be based upon a full and fair present cash value of the asset at the time of application to the program. If a potential purchaser divests himself or herself of an asset for less than full and fair present cash value of the asset within one year prior to application, the full and fair cash value of the asset at the time of its disposition must be declared and shall be included for purposes of calculating eligibility.

Household Assets include the following:

1. Cash held in savings and checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average balance for the last six months. Assets held in foreign countries are considered assets.
2. Revocable trusts: The cash value of any revocable trust available to the applicant.
3. Equity in rental property or other capital investments: The current fair market value less (a) any unpaid balance on any loans secured by the property and (b) reasonable costs that would be incurred in selling the asset (e.g., penalties, broker fees, etc.).
4. Stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts: The value of stocks and other assets vary from one day to another and should be determined within a reasonable time in advance of the applicant's submission of an application to participate in the subject housing program.
5. Individual retirement, 401K, and Keogh accounts: When the holder has access to the funds, even though a penalty may be assessed. If the applicant is making occasional withdrawals from the account, determine the amount of the asset by using the average balance for the previous six months. (Do not count withdrawals as income.)
6. Retirement and pension funds.
 - a. While the person is employed: Amounts the applicant can withdraw without retiring or terminating employment. Count the whole amount less any penalties or transaction costs.
 - b. At retirement, termination of employment, or withdrawal: Periodic receipts from pension and retirement funds are counted as income. Lump-sum receipts from pension and retirement funds are counted as assets. Count the amount as an asset or as income, as provided below. If benefits will be received in a lump sum, include the lump-sum receipt in net household assets. If benefits will be received through periodic payments, include the benefits in annual income. Do not count any remaining amounts in the account as an asset.

If the applicant initially receives a lump-sum benefit followed by periodic payments, count the lump-sum benefit as an asset as provided in the example

below and treat the periodic payment as income. In subsequent years, count only the periodic payment as income. Do not count the remaining amount as an asset.

NOTE: This paragraph assumes that the lump-sum receipt is a one-time receipt and that it does not represent delayed periodic payments. However, in situations in which a lump-sum payment does represent delayed periodic payments, then the amount would be considered as income and not an asset.

7. Cash value of life insurance policies available to the applicant before death (e.g., the surrender value of a whole life policy or a universal life policy): It would not include a value for term insurance, which has no cash value to the applicant before death.
8. Personal property held as an investment: Gems, jewelry, coin collections, or antique cars held as an investment. Personal jewelry is NOT considered an asset.
9. Lump-sum receipts or one-time receipts: Inheritances, capital gains, one-time lottery winnings, victim's restitution, settlements on insurance claims (including health and accident insurance, worker's compensation, and personal or property losses), and any other amounts that are not intended as periodic payments.
10. A mortgage or deed of trust held by an applicant: Payments on this type of asset are often received as one combined payment of principal and interest with the interest portion counted as income from the asset. This combined figure needs to be separated into the principal and interest portions of the payment. (This can be done by referring to an amortization schedule that relates to the specific term and interest rate of the mortgage.)

To count the actual income for this asset, use the interest portion due, based on the amortization schedule, for the 12-month period following the certification. To count the imputed income for this asset, determine the asset value at the end of the 12-month period following the certification.

11. A life estate: A life estate is an interest in real property which entitles the life tenant to benefit from the property until his or her death. Usually, the life tenant is entitled to the use of a house for life and may be entitled to sell his or her interest. This right is of value to the life tenant, but it is rarely sold on an open market. (Purchasers of real property would typically not be tempted by such an uncertain term of ownership.)

The value of an applicant's life estate is included when calculating his or her assets based upon the Internal Revenue Service's latest guidance to determine the value of life estates (see Internal Revenue Service Publication 1457, "Actuarial Values, Book Aleph," (7-1999).

Household Assets DO NOT include the following:

1. Personal property (clothing, furniture, cars, wedding ring, other jewelry that is not held as an investment, vehicles specially equipped for persons with disabilities).
2. Interests in Indian trust land.

3. Term life insurance policies (i.e., where there is no cash value).
4. Equity in the cooperative unit in which the applicant lives.
5. Assets that are part of an active business: "Business" does NOT include rental of properties that are held as investments unless such properties are the applicant's main occupation.
6. Assets that are NOT effectively owned by the applicant: Assets are not effectively owned when they are held in an individual's name, but (a) the assets and any income they earn accrue to the benefit of someone else who is not the applicant, and (b) that other person is responsible for income taxes incurred on income generated by the assets.

KEEP THIS DOCUMENT ACCESSIBLE
IT CONTAINS VALUABLE CONTACT INFORMATION

LOCAL INITIATIVE PROGRAM (LIP)
HOMEBUYER DISCLOSURE STATEMENT

This Homebuyer Disclosure Statement summarizes your rights and obligations in purchasing this home. You are about to purchase a home located at _____, in _____, Massachusetts (the "Municipality") at less than the home's fair market value, under the Local Initiative Program (LIP). When you sell the home, that same opportunity will be given to the new buyer. In exchange for the opportunity to purchase the home at less than its fair market value, you must agree to certain use and transfer restrictions. These restrictions are described in detail in a LIP Deed Rider that will be attached to the deed to your home and recorded at the Registry of Deeds. .

PLEASE REMEMBER:

- You must occupy this home as your primary residence;
- You must obtain consent from the Department of Housing and Community Development (DHCD) and the Municipality [and _____ (if another monitoring agent is listed)] (together they are referred to as the "Monitoring Agents" in this Homebuyer Disclosure Statement) before renting, refinancing or granting any other mortgage, or making any capital improvements to your LIP home;
- You must give written notice to the Monitoring Agents when you decide to sell your property.

The contact information for the Monitoring Agents is listed in the LIP Deed Rider.

Please read the LIP Deed Rider restriction in its entirety because it describes and imposes certain important legal requirements. It is strongly recommended that you consult an attorney to explain your legal obligations and responsibilities.

Primary Residence

You must occupy your LIP property as your primary residence.

Renting, Refinancing and Capital Improvements

You must obtain the prior written consent of the Monitoring Agents before you do any of the following:

- Rent your LIP home;
- Refinance an existing mortgage or add any other mortgage including a home equity loan; or

Make any Capital Improvements (for example, a new roof or a new septic system – see attached Capital Improvements Policy) if you wish to get credit for those costs (at a discounted rate) when you sell your home.

Before taking any action, please contact DHCD for instructions on renting, mortgaging, or making capital improvements to your home. If you do not obtain the required consent from the Monitoring Agents, you can be required to pay all of the rents or proceeds from the transaction to the Municipality.

Resale Requirements

When you sell your home, you are required to give written notice to the Monitoring Agents of your desire to sell so that they may proceed to locate an Eligible Purchaser for your LIP home. Your sale price will be computed by DHCD based on the formula set forth in the LIP Deed Rider to reflect your original purchase price plus certain limited adjustments.

The allowed sale price is defined as the “Maximum Resale Price” in the LIP Deed Rider. It is calculated by adjusting the purchase price you paid for the home to reflect any change in the area median income from the time you purchased the LIP home to the time of the resale plus:

- (a) The Resale Fee as stated in the LIP Deed Rider;
- (b) Approved marketing fees, if any; and
- (c) Approved Capital Improvements, if any.

The Maximum Resale Price can never be more than the amount which is affordable to an Eligible Purchaser earning 70% of the area median income, as determined by a formula set forth in the LIP Deed Rider. The sales price will also never be less than the purchase price you paid, unless you agree to accept a lower price.

The Monitoring Agents have up to 90 days after you give notice of your intention to sell the home to close on a sale to an Eligible Purchaser, or to close on a sale to a Monitoring Agent, or to a buyer that one of them may designate. This time period can be extended, as provided in the LIP Deed Rider, to arrange for details of closing, to locate a subsequent purchaser if the first selected purchaser is unable to obtain financing or *for lack of cooperation* on your part.

It is your obligation to cooperate fully with the Monitoring Agents during this resale period.

If an Eligible Purchaser fails to purchase the home, and none of the Monitoring Agents (or their designee) purchases the home, you may sell the home to a purchaser who does not qualify as an Eligible Purchaser (in this event, this purchaser is referred to as an ineligible purchaser), subject to the following:

- (i) the sale must be for no more than the Maximum Resale Price;
- (ii) the closing must be at least 30 days after the closing deadline described above;
- (iii) the home must be sold subject to a LIP Deed Rider; and
- (iv) if there are more than one interested ineligible purchasers, preference will be given to any purchaser identified by DHCD as an appropriately-sized household whose income is more than 80% but less than 120% of the area median income.

Any sale by you to an Eligible Purchaser, or to an ineligible purchaser (as described in the LIP Deed Rider), is subject to the normal and customary terms for the sale of property, which are set forth in the LIP Deed Rider and which will be included in your Purchase and Sale Agreement. .

There is no commitment or guarantee that an Eligible Purchaser will purchase the LIP home, or that you will receive the Maximum Resale Price (or any other price) for your sale of the LIP home.

A sale or transfer of the home will not be valid unless (1) the total value of all consideration and payments of every kind given or paid by the selected purchaser do not exceed the Maximum Resale Price, and (2) the LIP Compliance Certificate that confirms that the sale or transfer was made in compliance with the requirements of the LIP Deed Rider is executed by the Monitoring Agents and recorded at the Registry of Deeds by the closing attorney.

If you attempt to sell or transfer the home without complying with the LIP Deed Rider requirements, the Monitoring Agents may, among their other rights, void any contract for such sale or the sale itself.

Foreclosure

In the event that the holder of a mortgage delivers notice that it intends to commence foreclosure proceedings, the LIP Deed Rider gives the Municipality an option to purchase the home (or to designate another party to purchase the home) for a period of 120 days after notice of the Lender's intent to foreclose.

If this foreclosure purchase option is exercised, the purchase price will be the greater of (i) the amount of the outstanding balance of the loan secured by the mortgage, plus the outstanding balance of the loans secured by any mortgages senior in priority, up to the Maximum Resale Price as of the date the mortgage was granted, plus any future advances, accrued interest and/or reasonable costs and expenses that the mortgage holder is entitled to recover, or (ii) the Maximum Resale Price at the time of the foreclosure purchase option, except that in this case the Maximum Resale Price may be less than the purchase price you paid. By signing the LIP Deed Rider, you are agreeing that you will cooperate in executing the deed to the Municipality (or its designee) and any other required closing documents.

If the foreclosure purchase option has not been exercised within 120 days of delivery of the foreclosure notice to the Monitoring Agents, the mortgage holder may conduct a foreclosure sale. The mortgage holder or an ineligible purchaser may purchase the home at the foreclosure sale, subject to the LIP Deed Rider.

If the sale price at the foreclosure sale is greater than the purchase price that would have applied for the Municipality's foreclosure purchase option as described above, the excess will be paid to the Municipality. By signing the LIP Deed Rider, you are agreeing to assign any rights and interest you may otherwise have in the balance of any foreclosure proceeds available after satisfaction of all obligations to the holder of the foreclosing mortgagee, for delivery to the Municipality.

There is no commitment or guarantee that the Municipality will exercise the foreclosure purchase option, or that your Lender will receive the Maximum Resale Price (or any other price) in any foreclosure sale of the LIP home. In addition, the foreclosing lender retains the right to pursue a deficiency against you.

Violation of Restriction Requirements

If you violate any of the Restriction terms, you will be in default and the Monitoring Agents may exercise the remedies set forth in the LIP Deed Rider.

If one or more of the Monitoring Agents brings an enforcement action against you and prevails, you will be responsible for all fees and expenses (including legal fees) for the Monitoring Agent(s). The Monitoring Agent(s) can assert a lien against the home to secure your obligation to pay those fees and expenses.

Acknowledgements

By signing below, I certify that I have read this Homebuyer Disclosure Statement and understand the benefits and restrictions described. I further certify that I have read the LIP Deed Rider and understand the legal obligations that I undertake by signing that document.

I also certify that I have been advised to have an attorney review this document and the LIP Deed Rider with me.

Dated _____, 2010

Homebuyer

Witness

Homebuyer

Witness

Local Initiative Program (LIP)
Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114
617-573-1100