

# *Information Packet*

## Prattown Meadows

Bridgewater, MA

### *An Affordable Housing Lottery*

Facilitated on behalf of Bridgewater Homes LLC.

This packet contains specific information on the affordable housing program as well as background, eligibility requirements, selection priority categories, and application process for the affordable homes being offered through this lottery for Prattown Meadows in the Town of Bridgewater.

Prattown Meadows and the Town of Bridgewater invite you to read this information and submit an application if you think that you meet the eligibility requirements. This lottery is the first step in the application process and does not assure you a unit.

**The first affordable home should be ready for occupancy in late 2016.**

**APPLICATIONS MUST BE DELIVERED BY 2 PM ON JUNE 16<sup>TH</sup>, 2016**

Please see the cover page of the application for the location where the application can be mailed, emailed or faxed. This information is also on the signature page of the application.

Phone: (617) 782-6900 (voicemail)

*Information Packet created by SEB*

## Table of Contents

General Overview and Sales Prices.....	pg. 3
General Eligibility Requirements.....	pg. 4
Maximum Income and Asset Limits.....	pg. 6
Mortgage Pre-Approval Standards.....	pg. 9
Household Size and Composition.....	pg. 10
Step-By-Step Process and Timeline.....	pg. 12
<i>Step 1: Applying for the Program.....</i>	<i>pg. 13</i>
<i>Step 2: The Lottery.....</i>	<i>pg. 14</i>
<i>Step 3: The Waiting List.....</i>	<i>pg. 15</i>
<i>Step 4: DHCD Approval.....</i>	<i>pg. 15</i>
<i>Step 5: Unit Selection and Offer To Purchase.....</i>	<i>pg. 16</i>
<i>Step 6: Sign Purchase &amp; Sale Agreement.....</i>	<i>pg. 17</i>
<i>Step 7: Obtain Mortgage Commitment.....</i>	<i>pg. 17</i>
<i>Step 8: Final Review of Eligibility.....</i>	<i>pg. 18</i>
<i>Step 9: Closing and Move-In.....</i>	<i>pg. 18</i>
Local Preference.....	pg. 19
Deed Rider Summary/Property Restrictions.....	pg. 20

# GENERAL OVERVIEW AND SALES PRICES

---

This is a lottery for the 14 affordable Townhomes being built at Prattown Meadows. These 14 units will be sold at affordable prices to households with incomes at or below 80% of the area median income. Affordable homes will be available starting in late 2016 and will continue to be built and delivered over the next 12 months.

Prattown Meadows is named for the nearby historic village of Prattown in Bridgewater. The development site was previously undeveloped meadow land. All brand new homes have three bedrooms, two bathrooms, over 1,532 sqft of living space, a 1 car garage plus two additional surface spots, and a rear deck.

# of Affordable Units	Affordable Sales Price	Monthly HOA Fees	Bedrooms	Bathrooms	Square Footage	Parking
14	\$187,400	\$100	3	2	1,534 to 1,537 sqft <i>(does not include unfinished basement)</i>	1 garage parking spot, 2 surface spots

All affordable units will have a “Deed Rider” that will be filed with the deed at the time of purchase. This Deed Rider limits the amount that the unit can be resold for and requires the resale to another affordable buyer. The Deed Rider insures that the unit stays affordable in perpetuity. We recommend that potential buyers review the Deed Rider with an attorney so as to fully understand its provisions. For more information on the Deed Rider and resale restrictions please see the Deed Rider Summary in the last section of this Information Packet.

Since it is anticipated that there will be more interested and eligible applicants than available units, the Developer will be sponsoring an application process and lottery to rank the eligible applicants for the program. The application and lottery process, dates, and eligibility requirements can all be found within this Information Packet.

Prattown Meadows do not discriminate in the selection of applicants on the basis of race, color, national origin, disability, age, ancestry, children, familial status, genetic information, marital status, public assistance reciprocity, religion, sex, sexual orientation, gender identity, veteran/military status, or any other basis prohibited by law. Persons with disabilities are entitled to request a reasonable accommodation in rules, policies, practices, or services, or to request a reasonable modification in the housing, when such accommodations or modifications may be necessary to afford persons with disabilities an equal opportunity to use and enjoy the housing.

# GENERAL ELIGIBILITY REQUIREMENTS

---

**Q: Who is eligible to apply for the affordable units?**

A: In order to qualify for an affordable unit, households must meet each of the following criteria:

- 1.) Everyone in the household must qualify as a “first time homebuyer”.
- 2.) The entire household’s income and assets must be below the maximum allowable income and asset limits (see pg. 6)
- 3.) The household must be pre-approved for a mortgage (see pg. 9)

Priority will be given to households of appropriate size (see pg. 10) but all household sizes and compositions can apply.

**Q: Who is a “first-time home buyer”?**

A: A person is a “first-time homebuyer” if no person in his or her household has, within the preceding three years, either owned the house they lived in or owned an interest in one or more other houses, such as through joint ownership. Exceptions may be made in the following instances:

1. A displaced homemaker: A displaced homemaker is an individual who is an adult who meets ALL the following criteria:

- 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
- Owned a home with his or her partner or resided in a home owned by the partner
- Does not own the home previously owned with a partner
- Is unmarried to or legally separated from the spouse

2. A single parent, 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 they have custody or joint custody, or is pregnant).

3. An age-qualified household (in which at least one member is age 55 or Over) which is selling a home in order to purchase an affordable unit.

4. A household that owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

5. A household that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.

**Q: What are the income and asset eligibility requirements?**

A: Please see the following pages for the details on allowable household income and assets.

**Q: If someone in my household is age 55 or over can I currently own a home?**

A: Yes. However, you will not be given the opportunity to purchase an affordable home here until your current home is under a Purchase and Sale Agreement. For more information on how much time you will be given to sell your home see the Step-By-Step Process. For how much equity you are allowed to have in your current home, please see the Asset Limits in the following pages.

**Q: Can I apply for this lottery as a displaced homemaker or single parent if I currently own a home?**

A: Yes. However, you will not be given the opportunity to purchase an affordable home here until your current home is under a Purchase and Sale Agreement. For more information on how much time you will be given to sell your home see the Step-By-Step Process. For how much equity you are allowed to have in your current home, please see the Asset Limits in the following pages.

**Q: Does my separation or divorce have to be finalized when I apply?**

A: Your separation or divorce does not need to be finalized when you *apply for the lottery* but it must be finalized *before you reserve a home*. You will not be allowed to purchase an affordable home until your separation or divorce is complete because the terms specifying the allocation of assets and custody of children must be finalized so that your income and asset eligibility can be accurately reviewed. If you have only filed for separation when it comes time to purchase an affordable home and you haven't finalized your divorce, you will not be allowed to purchase a home at that time. Therefore, you should try to expedite all divorce/separation hearings as your divorce/separation will need to be finalized in the next few months.

**Q: If I reserve a unit and then a unit that was not available when I was selecting my unit becomes available, can I "switch" my unit for this newly available unit?**

A: No. If you are given the opportunity to reserve a unit, you are allowed to pick from all the available units at that time. It does not entitle you to pick any unit that may become available at any point in the future (specifically because another household was unable to close). Once you have reserved your unit, you may not swap that unit for another unit.

# MAXIMUM INCOME AND ASSET LIMITS

---

**Q: How is a household's income determined?**

**A: A household's income is the total anticipated amount of money received by ALL members of the household over the next 12 months** (starting from the date of application and projecting forward 12 months) based on their current income and assets. In an effort to provide as accurate an income estimation as possible, the Lottery Agent will also review historical income data to provide a basis for future income estimates. Any monies you anticipate receiving in the next 12 months will be counted as income and monies received over the previous 6 months will be analyzed to help estimate future income. This includes, but is not limited to, Social Security, alimony, child support, overtime pay, bonuses, unemployment, severance pay, part-time employment, matured bonds, monies to be received in court settlements, and actual or imputed interest and dividends on bank accounts and other assets. **ALL SOURCES OF INCOME ARE COUNTED** with the exception of income from employment for household members under the age of 18 and any income over \$480/year for full time students who are dependents (but note that all such income must still be documented even if it is exempt from the household income calculation).

It will be assumed that all applicants will continue to receive any monies they have received over the past 12 months unless supporting documentation proves otherwise. It is also not up to the household to determine what monies received over the past year should and should not be counted as their calculated income. Therefore, all monies should be listed on the application and the inclusion of these monies in determining a household's eligibility will be based on affordable housing guidelines.

Households must submit their 3 most recent tax returns for proof that they have not owned a house within the past three years.

## Maximum Allowable Income

To be eligible to apply for purchasing an affordable unit, the combined annual income for all income sources of all income-earning members in the household must be at or below eighty percent of median income for the local area (Brockton MSA). The maximum incomes allowed for this program are:

<u>Household Size</u>	<u>Income Limit</u>
1	\$46,000
2	\$52,600
3	\$59,150
4	\$65,700
5	\$71,000
6	\$76,250

## Approximate Minimum Income

While there is no specific minimum income, all households must qualify for a mortgage loan to purchase an affordable unit. The minimum income limits to qualify for a mortgage will be determined by a lender/bank. All applicants must receive mortgage pre-approval and submit it with their application to be considered eligible for this lottery. The mortgage requirements are listed on page 9 of this information packet.

*For more information on mortgages, see pg. 9.*

## Asset Limits

**All households shall not have total gross assets exceeding \$75,000 in value.**

Household Assets are calculated at the time of application. Any monies you would use as a future down payment on the home will still be counted as assets. Assets may include cash, cash in savings and checking accounts, net cash value of stocks, net cash value of retirement accounts (such as 401k), real property, bonds, and capital investments.

**Q: I cannot withdraw money from my 401k or retirement fund, do I have to include it when I list my assets?**

A: Yes. You need to include the *net cash value* of all your current retirement funds. We realize that most retirement funds assess large penalties for early withdrawal but this does not technically mean that you cannot withdraw your funds or don't have access to them. The post-penalty amount is what you need to provide along with supporting documentation.

**Q: Are there eligibility exceptions for households that are barely over the income limit but considerably under the asset limit (or vice versa)?**

A: No. All households must be under BOTH the income limit and the asset limit. Eligibility isn't based on only one or the other.

---

---

***Age Qualified Households, Displaced Homemaker and Single Parent Exception:***

Only households qualifying under the exceptions listed on page 4 may own a home when applying. This home must be sold before they purchase an affordable unit (see the "Unit Selection" step in the Step-by-Step process). The amount that the household will retain in equity from the sale of the house will be added to their asset total. Their asset total must still be below \$75,000.

**Q: If I qualify for the lottery as an age-qualified household or Displaced Homemaker or Single Parent, how much time will I be given to sell the home?**

A: Before you are allowed to reserve a new affordable home, your current home must already be under a P&S Agreement. After the lottery, households will be able to estimate how much time they will have before they need to sell their home based on the lottery results and their positions on the Waiting Lists (i.e. Households near the top of the lists will need to find a buyer immediately, households lower on the lists will have a few more weeks.) Please see the Step-By-Step Process for more details.

---

---



# MORTGAGE PRE-APPROVAL STANDARDS

---

Immediately after reading this entire Information Packet, all households should apply for mortgage pre-approval. *Mortgage pre-approval is required with the application.* Households can apply with any lender but the pre-approval must meet the following standards:

## Mortgage 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\*)
- The loan can have no more than two points.
- The loan cannot be an FHA loan (as FHA will not accept the terms of the Deed Restriction)
- The buyer must provide a down payment of at least 3% - half of which must come from the buyer's own funds.
- If Heads of Household are not married, the names of all Heads of Household must be on the Mortgage

\*MassHousing: (617) 854-1000 or [www.masshousing.com](http://www.masshousing.com)

We strongly encourage households to apply through banks who are aware of the resale restrictions and guidelines for affordable housing programs. These banks will likely be aware of additional first-time homebuyer programs that may be of great assistance such as the Massachusetts Housing Partnership's ONE Mortgage Program. The following lenders are familiar with the process and the mortgage requirements and should be happy to help you with questions or pre-approvals.

**Any lenders found here:** [www.mhp.net/one-mortgage/why-one#find-lender](http://www.mhp.net/one-mortgage/why-one#find-lender)

- John Doyle at Santander (508.370.0687, [jdoyle@santander.us](mailto:jdoyle@santander.us))

Households will need to bring the copy of the EXAMPLE Deed Rider to their lender. A copy can be downloaded directly off our website at [www.s-e-b.com](http://www.s-e-b.com). *All lenders will be made aware of the resale restrictions regardless of whether you tell them up-front or not.* The Deed Rider is a document that will be signed at the closing. Therefore, it is in all household's best interest to show all lenders a copy of the Deed Rider when applying for a mortgage. Otherwise, they may find a lender who grants pre-approval but backs out at the time of purchase once they are made aware of the resale restrictions, thus eliminating the opportunity to obtain an affordable unit.

The lender will ask you for association fees and taxes. The HOA fees are \$100/mo. The real estate taxes are assessed to the **affordable** price (not the market-rate equivalent).

**Q: Can a non-household member co-sign on the mortgage?**

**A:** No. Only members of the applying household can sign on the mortgage. All monies gifted to household members to assist in down-payment or other costs will be counted as household assets.

# HOUSEHOLD SIZE AND COMPOSITION

---

**Q: How is appropriate household size determined?**

**A:** According to the Massachusetts Department of Housing and Community Development guidelines:

Within an applicant pool first (priority) shall be given to households requiring the total number of bedrooms in the unit based on the following **criteria**:

- a. There is at least one occupant and no more than two occupants per bedroom.
- b. A married couple, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.
- c. A person described in the first sentence of (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and the lottery agent receives reliable medical documentation as to such impact of sharing.

Household size shall not exceed state sanitary code requirements for occupancy of a unit.

In **Step 2: The Lottery**, you will find a detailed explanation on how priority is given to certain household sizes and compositions. For the purposes of this lottery, Type A household sizes and compositions will be considered “appropriate” (or given priority) for the 3BR units, while Type B and C are defined as follows:

**Type A** (*Priority for a 3-Bedroom Unit*)

- All 6 person households
- All 5 person households
- All 4 person households
- 3 person household: 1 head-of-household plus 2 members/dependents
- 3 person household: 2 heads-of-household under criteria c (described above) plus 1 member/dependent

**Type B** (*Can still apply for a 3-Bedroom Unit but all above households are given priority*)

- 3 person household: 2 heads-of-household plus one member/dependent
- 2 person household: 2 heads-of-household under criteria c (described above)
- 2 person household: 1 head-of-household plus one member/dependent

**Type C** (*Can still apply for a 3-Bedroom Unit but all above households are given priority*)

- 2 person household: 2 heads-of-household
- 1 person household: all types

**Q: Does the unborn child of a currently pregnant household member count towards our household size?**

A: Yes. A household may count an unborn child as a household member. You will have to submit proof of pregnancy with all the income and asset documentation that needs to be submitted with your application.

**Q: Can a Type B Household apply for a three-bedroom unit?**

A: Yes. However, *every applying Type A Household within the same pool will be given the opportunity to buy an affordable three-bedroom unit first.* A Type B Household will be given the opportunity to buy an affordable three-bedroom unit if there are not enough eligible households from Type A in their same lottery pool

**Q: Can a Type C Household apply for a three-bedroom unit?**

A: Yes. However, *every applying Type A and Type B Household within the same pool will be given the opportunity to buy an affordable unit first.* A Type C Household will be given the opportunity to buy an affordable unit if there are not enough eligible households from Type A and Type C in their same lottery pool.

**Q: If I am currently going through a divorce/separation or planning on being divorced / separated soon, can I still apply?**

A: Your separation or divorce does not need to be finalized when you *apply for the lottery* but it must be finalized *before you sign a Purchase and Sale Agreement* (see the Step-by-Step details). You will not be allowed to purchase an affordable home until your separation or divorce is complete because the terms specifying the allocation of assets and custody of children must be finalized so that your income and asset eligibility can be accurately reviewed. If you have only filed for separation when it comes time to purchase an affordable home and you haven't finalized your divorce, you will not be allowed to purchase a home at that time.

# STEP-BY-STEP PROCESS AND TIMELINE

---

**Q: What is the application, selection, and move-in process for the affordable units being offered in Prattown Meadows?**

**A:** The following steps outline the entire process. The following pages explain each step in greater detail.

**Step 1: Applying for the Housing Program**

*thru June 16<sup>th</sup>, 2016*

**Step 2: The Lottery**

*June 29<sup>th</sup>, 2016*

**Step 3: Waiting List**

*Within 3 days of the Lottery*

**Step 4: DHCD Approval**

*Approximately 10 days*

**Step 5: Unit Selection and Offer To Purchase**

*Households given approx. 3 days after DHCD Approval*

**Step 6: Sign Purchase & Sale Agreement**

*Takes approximately 10 days after the Offer To Purchase has been signed*

**Step 7: Obtain Mortgage Commitment**

*Most banks take approx. 30 days to provide a mortgage commitment*

**Step 8: Final Review for Program Eligibility**

*This is done 3 weeks prior to the closing date*

**Step 9: Closing and Move-in**

*First units ready in late 2016*

Please note that there will be an Informational Session held for all interested applicants on May 16th at 6 pm at the Bridgewater Public Library. Attendance at the Info Session is not required for participation in the lottery.

---

## Step 1: Applying for the Lottery

---

Once a household reads this Information Packet in its entirety, they will need to fill out a Program Application. The applying household must include all income, asset, tax documentation as directed by the Program Application for every person that will be living in the home. The Program Application must be signed and dated by all heads of household. A mortgage pre-approval **MUST** be submitted with the application. The Program Application and Required Documentation must be received (not postmarked) by the Lottery Agent by 2 pm on June 16<sup>th</sup>, 2016. All applications should be sent to:

SEB  
Re: Prattown Meadows  
165 Chestnut Hill Ave #2  
Brighton, MA 02135

To ensure applications arrive in time, we recommend sending them in at least a week prior to the application deadline. **Late applications will not be accepted- NO EXCEPTIONS!** If you want to ensure your application is received, we recommend sending it by certified mail. The Lottery Agent, Management Agent, Owner and other affiliated entities are not responsible for lost or late applications.

Once a completed Program Application is received with ALL Required Documentation, SEB will determine initial eligibility and compliance. If the applicant is determined to be eligible for the Lottery, they will receive an **Application Number** in the order in which their application was completed. The purpose of the Application Number is simply to keep all households names unknown at the lottery. **The Application Number has no bearing on a household's final Waiting List position.**

Households that are deemed ineligible by the Lottery Agent will be notified by mail (or by email if an email address is provided).

Entrance into the Lottery does not guarantee that a household is eligible to buy a home. Please read all of the following steps for further details on the review process.

**Q: What happens if I don't submit all necessary documentation or fail to correctly complete my Affordable Housing Program Application?**

**A:** Households that submit incomplete documentation will be mailed a notice detailing the additional documentation that is needed to make their application complete. Their application will remain in an "Incomplete Application Pool" until all requested materials have been received. Households with applications in the Incomplete Application Pool will not be entered into the Lottery.

---

*Age-Qualified Households, Displaced Homemakers and Single Parents* that have yet to sell their homes and/or finalize their divorce/separations will be given conditional approval and will be given an Application Number to be entered into the lottery like all other eligible households. They will be required to submit all additional documentation verifying their claims later in the process if they wish to purchase a unit.

---

## Step 2: The Lottery

---

The Lottery will be held on June 29<sup>th</sup>, 2016 at 6 pm in Bridgewater Public Library. Households do not have to attend the lottery to remain eligible. All results will be mailed to every applying household after the Lottery.

There will be two drawings:

- Local Preference Lottery for 9 homes
- General Lottery for 5 homes

For Local Preference households, Application Numbers are placed in both Lotteries. For Non-Local Preference households, Application Numbers are placed only in the General Lottery.

For each Lottery, a representative from the Town will pull Application Numbers from a box. The Application Numbers are randomly drawn for both of the lotteries and placed in the order drawn on two **Lottery Result Lists**.

**The order drawn does not necessarily reflect the order that households will get to select units as Application Numbers of smaller households are mixed in with Application Numbers of appropriately sized households (see: Household Size and Composition). It is only how a household is drawn relative to other eligible households that matters.**

Regardless of the order drawn, all households of appropriate size for each unit size will be given the opportunity to buy a unit before any smaller household within the same lottery pool.

*For example: A one-person household (Type C) is the first household drawn in the Local Preference Lottery. They will not be given an opportunity to buy a 3BR unit until every Local Preference Household who is Type A or Type B is given an opportunity.*

To help clarify the actual order that applicants will be given the opportunity to buy units, Waiting Lists will be created from the Lottery Results Lists (*see next step*).

---

## Step 3: The Waiting List

---

The Waiting Lists will be compiled immediately after the lottery. There will be 2 separate Waiting Lists created from the two Lottery Results Lists to illustrate the order households will choose units based on household size and local preference. **The purpose of the Waiting Lists is merely to illustrate the actual order that opportunity will be given. The position each household has on the Waiting Lists is determined by the order in which their Application Number is drawn in the Lottery *relative to households of similar qualifications*. Please see “Household Size and Compositions” for details on Household Types.**

### **LOCAL PREFERENCE WAITING LIST for nine homes**

Top Tier: Type A Local Preference Households  
Middle Tier: Type B Local Preference Households  
Bottom Tier: Type C Local Preference Households

### **GENERAL WAITING LIST for five homes**

Top Tier: All Type A Households  
Middle Tier: All Type B Households  
Bottom Tier: All Type C Households

Only the households in the top 9 positions on the local preference list and the top 5 positions on the General List are guaranteed the opportunity to purchase a unit as long as they continue to meet all program guidelines. Households with positions lower on the Waiting List will have to wait for the removal of households with a higher position than them before being given an opportunity to purchase a unit. Households with lower positions on the Waiting Lists should still maintain readiness as about a third of the households given an opportunity to move forward to purchase an affordable unit do not finish the process for a variety of reasons (ex: the DHCD deems them ineligible, the household cannot get a final mortgage commitment etc.). Households in the Incomplete Application Pool will not have an Application Number and therefore will not have a position on Waiting Lists.

---

## Step 4: DHCD Review

---

Immediately after the Lottery, SEB will send the files of the top households to the DHCD (the Department of Housing and Community Development) for program certification. It is ultimately DHCD who will determine if a household is eligible and can move forward to the next step of the process.

SEB goes through great lengths to ensure that files are complete when sent to DHCD but if DHCD needs any additional documentation to complete their eligibility review, they will notify SEB and SEB will notify the applicant. The applicant must submit any documentation requested by DHCD within 5 business days. Applicants who do not provide additional documentation and applicants that DHCD disqualifies will be removed from the Waiting List and lose their opportunity to move forward in this process. Once DHCD has certified a household as eligible, they will contact SEB and SEB will direct the household to the next step.

---

## Step 5: Unit Selection and Offer To Purchase

---

The top household on each **Waiting List** will be notified by the Lottery Agent when they can move forward with the purchase of any of the available affordable units. When a household is notified, they will be put “on the clock”. When they are “on the clock”, they will be given the contact information for Sales Office and they will have 3 business days to contact the Sales Office and complete an Offer To Purchase.

**When a household is at the top or near the top of a Waiting List (and is therefore about to be put “on the clock”), it is recommended that they obtain an attorney** who can assist with the review and execution of the Purchase and Sale Agreement.

The Offer To Purchase is a contract between the applicant and the developer which details what unit has been selected and the time and date when a Purchase and Sale Agreement must be executed (*see next step*). **When an Offer To Purchase is signed, a refundable deposit of \$500 is required.** The deposit is refundable if the buyer is unable to secure a mortgage for the unit.

A household that is “on the clock” can choose from ANY of the available affordable units. If one or more units have been reserved, then the next household “on the clock” will be given the opportunity to reserve one of the remaining affordable homes. The date that a Purchase and Sale Agreement will be executed will be approximately 10 business days from the day the Offer To Purchase fully executed.

The next applicant on the list will then be notified that they are “on the clock” when the applicant ahead of them either signs a Offer To Purchase or 3 business days elapse and no reservation has been signed.

If an applicant fails to sign an Offer To Purchase, their Application Number will be removed from the top of the Waiting List and will be dropped to the bottom. This applicant will not get a chance to sign an Offer To Purchase again until all other applicants on the Waiting List are given a chance. Once the applicant who was dropped to the bottom is given a second chance, they must sign a Purchase and Sale Agreement or they will permanently lose their opportunity to purchase an affordable unit at Prattown Meadows through this lottery.

---

### ***Age Qualified Households, Displaced Homemaker and Single Parent Exception:***

Based on the lottery results and their positions on the Waiting List, households will be able to estimate when they are about to reach the top of the Waiting List and will therefore know how much time they will have to sell their home or finalize their divorce/separation. **Households who currently own a home when they applied for the lottery** will need to provide a copy of a signed Purchase and Agreement for their current home to SEB (the Lottery Agent) **before** reaching the top of a Waiting List. **Applicants who were in the process of being separated/divorced when they applied for the lottery** will need to provide a copy of their Divorce Decree or Separation Agreement **before** reaching the top of a Waiting List.

If the above households fail to provide the required documentation before reaching the top of a Waiting List, they will not be put “on the clock” (meaning they will not be able to purchase a unit) and they will be dropped from all Waiting Lists.



---

## Step 6: Sign Purchase and Sale Agreement

---

Once a household signs an Offer To Purchase, they will have approximately 10 business days to sign a Purchase & Sale Agreement (P&S) and put down the required deposit. This deposit will be 1.5% of the sales price minus the \$500 deposited with the Offer To Purchase. The Purchase and Sale Agreement will have the actual closing date on it.

After the Offer To Purchase is signed, the Prattown Meadows Sales Team will give the applicant the Purchase and Sale Agreement, the Deed Rider (which should be attached to the P&S), and the Master Deed. You may also have the bank that is offering your mortgage commitment review these documents.

If the applicant fails to sign the Purchase and Sale Agreement by the agreed upon date (or chooses not to sign it), they will be dropped from the Waiting Lists and the next applicant in line will then be notified that they are “on the clock” to sign an Offer To Purchase.

**Q: If I reserve a unit (through the Offer To Purchase and/or P&S) and then a unit that was not available when I was selecting my unit becomes available (ex: a household who had reserved a unit with a Offer To Purchase never signs their P&S or a household fails to close on a unit), can I “switch” my unit for this newly available unit?**

**A:** No. If you are given the opportunity to reserve a unit, you are allowed to pick from all the available units at that time. It does not entitle you to pick any unit that may become available at any point in the future (specifically because another household was unable to close). Once you have reserved your unit, you may not swap that unit for another unit.

---

## Step 7: Obtain Mortgage Commitment

---

Mortgage pre-approval does not ensure a mortgage commitment. Once a household has a signed Purchase and Sale Agreement, they will need to go back to their lender that issued them their pre-approval letter and obtain a Mortgage Commitment. This process will begin immediately after signing the P&S. Households do not need to go back to the same lender that gave them their pre-approval letter but it is recommended.

If a household fails to obtain a Mortgage Commitment by the mortgage contingency date in their Purchase and Sale Agreement, their deposit will be refunded and they will be dropped from all Waiting Lists.

Please note that each lender will handle the Mortgage Commitment differently and this packet only serves at a guide through this process. Generally, the lender will want to see the Purchase and Sale Agreement, the Master Deed, the Condominium Documents and the Deed Rider. They will also do an appraisal of the property once the property is ready to move into. Once the appraisal is complete, the household will be able to close on the home.

---

## Step 8: Final Review for Program Eligibility

---

Before a household can close on their affordable unit, SEB must do a final review of the household's eligibility income and asset eligibility and DHCD must do a review of the household's mortgage eligibility in order to prepare the Resale Price Certificate and Deed Rider that must be recorded at the closing.

It is therefore essential that all households continue to maintain records of all income and assets until they close on their affordable unit **and maintain program eligibility!**

One month prior to the closing date, households will need to complete a Final Review Application and submit all recent income and asset documentation to SEB. SEB will review the Final Review Application and determine if the household is still eligible according to affordable housing program guidelines. If a household is no longer eligible (over the allowable income and asset limits), the household will not be able to purchase an affordable unit.

Additionally, approximately 1 month prior to closing, households must submit a copy of the MORTGAGE COMMITMENT LETTER from the buyer's lender including interest rate, points, length of loan, and annual percentage rate.

SEB will forward the final package of documentation to DHCD who requires the documents no less than 2 weeks before the loan closing date. They will review the P&S, Master Deed and mortgage. They will then mail and fax the Resale Price Certificate to the developer's closing attorney who will then complete the Deed Rider to record at the closing.

Age Qualified Households, Displaced Homemakers and Exempt Single Parents that are current homeowners will not be able to receive a Resale Price Certificate until they have sold their home. Once their home is sold, they will need to send their HUD-1 Settlement Statement Certificate (received at closing) to the DHCD along with all of the above documentation. The DHCD will then perform a final review of their eligibility to ensure that the household did not exceed the established limit of \$75,000 in net proceeds from the sale of their home. If the household remains asset eligible, and all the above documentation is in order and meets program guidelines, the DHCD will issue a Resale Price Certificate.

---

## Step 9: Closing and Move-in

---

The Purchase and Sale Agreement will set the Closing Date. If all the steps above are followed, the closing should go smoothly. Your lender and lawyer will be able to guide you with all the steps starting with the Offer To Purchase.

Once you have closed on the unit, you may move in.

Additionally, once you have closed on the unit, there is NO future income or asset eligibility reviews.

# LOCAL PREFERENCE INFORMATION

---

**Q: What is Local Preference?**

A: The Town of Bridgewater has established a local preference requirement for 70% of the affordable homes at Prattown Meadows. Through the lottery process, nine of the homes will be first offered to households that qualify for **Local Preference**. An applicant qualifies for local preference if the applicant or a member of their household fit into one of the following categories:

- Current resident of Bridgewater
- An employee of the Town of Bridgewater (including employees of the Bridgewater/Raynham School district working at schools located in Bridgewater).

**Q: Do households which meet all Local Preference criteria get priority over households which meet only one?**

A: NO. As long as a household meets any one of the Local Preference criteria, they will qualify for Local Preference. A household that meets all Local Preference criteria will have the exact same chance of being drawn first as a similar household type that meets only one of the Local Preference criteria.

**Q: What if a household does not qualify for Local Preference?**

A: There are four homes that all appropriately sized households (Local Preference and Non-Local Preference) will be given an equal opportunity to purchase.

**Q: Does Local Preference take priority over household size/composition?**

A: Yes. On Waiting List #1 (local preference pool), if there are not enough eligible Type A or B Local Preference Applicants, the homes will be made available to a Type C Local Preference household before being made available to an “appropriately” sized non-Local Preference Household.

**Adjustments in the Local Preference Pool**

As stated by the Massachusetts Department of Housing and Community Development, “If the percentage of minorities in the local preference pool is less than the percentage of minorities in the surrounding HUD (U.S. Department of Housing and Urban Development) defined area, the following adjustments will be made to the local preference pool. The Developer will hold a preliminary lottery comprised of all minority applicants who did not qualify for the local preference pool and rank the applicants in order of the drawing. Minority applicants should then be added to the local preference pool in order of their rankings until the percentage of minority applicants in the local preference pool is equal to the percentage of minorities in the surrounding HUD-defined area.” The Percent Minority for the Metropolitan Statistical Area of Boston/Brockston MSA is 27.0%. This is the minimum percentage of minority applicants that must be in the local preference pool. Minority applicants are defined as a person who is a member of the following groups: Black or African American; Asian; Native American or Alaska Native; Native Hawaiian or Pacific Islander; or other (not White); and the ethnic classification Hispanic or Latino.

# DEED RIDER SUMMARY/ PROPERTY RESTRICTIONS

---

**This is not the Deed Rider. The actual Deed Rider will be prepared by DHCD and the Closing Attorney and provided on the day of each unit closing. A copy of an Example Deed Rider will be on the SEB website.**

The purpose of this *summary* is intended to be informational only and it is not a substitute for independent legal advice. It is intended to highlight some of the obligations a purchaser will have upon resale. The Deed Rider is an especially important legal document; in part it ensures that the home remains affordable for future buyers of your property. Purchasers are encouraged to read carefully and to seek legal counsel to have a full understanding of their obligations of the Deed Rider in its entirety.

All of the deeds for the homes designated as affordable will have a deed rider, which you will be required to sign. The rider in part will ensure that the home will stay affordable in perpetuity.

Assuming you qualify, you will be given an opportunity to purchase a home at a substantial discount ("the affordable price") of the property's fair market value.

However, significant deed restriction provisions must be observed:

## **PRINCIPAL RESIDENCE**

To occupy the home as a principal residence, where you regularly live, eat, sleep, are registered to vote, etc.

## **LEASING AND REFINANCING**

You may not rent, lease or refinance your home without the prior written consent from DHCD and the Town. In addition, you must notify the Town if you are going to refinance your mortgage.

## **CAPITAL IMPROVEMENTS**

Capital improvements must be approved by DHCD and the local community in order to be considered and added to the resale price. Capital improvement's are defined as a necessary maintenance improvement, not covered by a condominium or homeowner association fee, that if not done would compromise the structural integrity of the property. Examples of necessary capital improvements include new roof, heating or plumbing replacement, repair due to termite or water damage, etc. Improvements such as the installation of outdoor decks, flooring (except in cases of replacement due to damage or long-term wear), additions, garages, landscaping, and other items identified by the owner that are upgraded or luxury improvements will not be considered capital improvements and cannot be added to the resale price when the property is sold.

## NOTICES WHEN SELLING YOUR HOME

When you wish to sell your home, you must notify the Town and DHCD. This notice is referred to as the "Conveyance Notice" in the Deed Rider. The notice must include the Resale Price Multiplier (see below) and the maximum resale price, which DHCD must approve.

### MAXIMUM RESALE PRICE

The Maximum Resale Price is limited by the percentage change in the area median income, with credit for certain capital improvements that must be pre-approved by DHCD.

**As an example only**, the maximum resale price is calculated assuming a base number (most recent published Area Median Income as determined by HUD). At the time of initial sale the AMI is \$ 95,500 (A) and the initial sales price is \$ 200,000 (B) the Resale Price Multiplier would equal  $B/A = (C) = 2.094$ . Upon resale, assuming the base number has increased to \$ 99,300 (D).

**The Maximum Resale price (E) would then be:**

**Base number (D) x Resale Price Multiplier (C) = \$99,300 x 2.094= \$207,934 (E)**

If there have been capital improvements pre-approved by DHCD (ex. new roof, \$5,000), the Maximum Resale Price would be:

$(E) + \text{Approved Capital Improvements} = \$207,934 + \$5,000 = \$212,934$

Please note that the Deed Rider requires that the Maximum Resale Price must still be affordable!

## RESALE PROCESS

**Under no conditions can the home be sold for more than the Maximum Resale Price.**

Once the Town of Bridgewater and DHCD receive the notice to sell, the Town has 90 days to find an eligible buyer (a homebuyer whose income is at 80% of the base area median income and who meets the asset limit). The Town/DHCD can also decide within those 90 days to purchase the home.

If the Town/DHCD finds an eligible buyer within the 90-day period, an Eligible Purchaser Certificate will be issued to the new buyer. The certificate states that the sale complies with the Deed Rider. If the Town/DHCD purchases your home, a Municipal Purchaser Certificate is issued.

If the Town/DHCD finds an eligible buyer within 90 days, but that buyer cannot obtain financing or is otherwise unable to purchase the home, the Town/DHCD can receive an extension of an additional 60 days.

If 120 days pass from the date of the Conveyance Notice, and the Town/DHCD cannot find an eligible buyer and the Town/DHCD does not want to purchase the home, you may sell your home for the Maximum Resale Price to an Ineligible Buyer who will also have to sign a Deed Rider, ensuring the home will still be subject to all the same rights and conditions.