

**The Plymouth Affordable Housing Trust Guidelines
For
First-Time Homebuyer Buy – Down Program**

The purpose of the Plymouth Affordable Housing Trust (PAHT) Buy-Down Loan Program is to make funds available to assist low-and moderate-income households purchase existing housing units in the Town of Plymouth at an affordable price. The Plymouth Office of Community Development will promote the availability of funding to all eligible Applicants without regard to race, color, religion, national origin, sex, marital status and age. Federal regulations issued under the Equal Credit Opportunity Act prohibits creditor practices that discriminate based on any of these factors.

This Program enables the PAHT to increase the purchasing power of first-time homebuyers. In essence, this money is the gap funding the Applicant needs to meet the rising cost of housing in Plymouth. This loan becomes a 2% simple interest 15 year deferred second mortgage with a 15 year deed restriction on the property. Once the loan has been paid in full, the deed restriction is lifted. The maximum mortgage buy-down loan is \$30,000 per Applicant.

Program Eligibility:

DEFINITIONS:

1. Eligibility – Households may be eligible based on the number of persons in the household and the total household income. All income earned by all members of the household (except for dependent children) is calculated for purposes of determining if the household is eligible to receive funding assistance. Total household income must not exceed the HUD federal low-moderate income limits (80% of Boston AMI = \$66,150.00) as updated annually.
2. First-Time Homebuyer – Any Applicant who has not owned real estate for their primary residence or any other real property in the last three years. This restriction may be waived by the PAHT for Applicants recently divorced, widowed, or victims of domestic violence.
3. Market Rate – Unless otherwise indicated, the average mortgage rate for a 30-year fixed rate mortgage from one of the lending institutions doing business with a First-Time Homebuyer Program.
4. OCD – Office of Community Development acts on behalf of the PAHT to run and administer the Buy-Down Program.
5. Preference – Existing residents and their immediate family members currently residing in Plymouth and persons living or working in the Town of Plymouth.
6. Buyer Ready – the Applicant possesses a “Letter of Pre-approval” from a bank or mortgage institution stating that mortgage can be obtained by the buyer.

ELIGIBILITY:

1. The Applicant is a first-time homebuyer.
2. The Applicant must attend and receive a certificate of completion of a first-time homebuyer workshop.
3. The property must be the primary residence of the Applicant(s) for the duration of the loan.
4. Applicants do not have to live in Plymouth when they apply for the program.
5. The property to be purchased must be a single-family house or condominium and must be located in Plymouth.
6. The household meets the HUD low-moderate income limits for the Boston MSA.
7. The buyer may not pay more than 30% of their gross monthly income for the principle, interest, tax and insurance or less than 28% as a result of the down payment assistance. An exception will be made if it can be determined that the buyer would not otherwise be able to afford a suitable unit of housing.
8. Applicants who withdraw from the process after submitting their application will forfeit their \$100.00 application fee. If after review of a completed application, the applicant is found to be ineligible, their application fee will be returned.
9. Before occupancy, the housing unit must comply with lead paint regulations under title Ten of the Housing and Community Development act of 1972.
10. Before occupancy, the home must be inspected by a licensed Home Inspector, and a inspection report must be submitted to the PAHT for their approval prior to the closing.

AMERICAN DREAM BUY-DOWN PROGRAM APPLICATION PROCESS

I. APPLICATION PROCESS

- Applications may be obtained at the Town of Plymouth, Office of Community Development, 11 Lincoln Street, Plymouth, MA 02360. They are also available on line at www.plymouthaffordablehousingtrust.org
- Applicants must submit all “required materials” including a pre-approval letter from the lending institution with whom they choose to obtain a first mortgage and a signed American Dream Buy-Down (ABDP) application with a check for \$100.00 payable to the Town of Plymouth Affordable Housing Trust. The application simply states that the Applicant has read and understands the ABDP guidelines and agrees to abide by all terms and conditions of the Program.

- All applications will be stamped to show the date received by the Affordable Housing Trust.
- Applications will be reviewed for initial eligibility in order of submission.
- If an Applicant does not adequately complete the application in its entirety, the OCD will return the application, noting the omitted information. The Applicant may choose to complete and resubmit his/her application.

II. PRELIMINARY ELIGIBILITY DETERMINATION

Once an Applicant is determined to be eligible, she/he will receive a letter from PAHT confirming their eligibility status within the program. IF APPROVED, funds will be reserved for a period of 90 days, or by the set closing date on the offer, to eligible Applicants that have a fully executed offer to purchase a property in Plymouth. A PRELIMINARY ELIGIBILITY DETERMINATION BY THE PAHT IS NOT A FINANCIAL OR LEGAL COMMITMENT ON THE PART OF THE PAHT TO A LOAN.

III. FINAL DETERMINATION

When an Applicant is notified that she/he is eligible, S/He is then encouraged to begin looking for a house to buy, unless S/He has an offer to provide PAHT. Applicants should keep the PAHT informed of their progress. The OCD will obtain the following documents from the Bank with whom the Applicant is working for their conventional loan as well as documentation from the Applicant.

The Applicant must authorize the Bank or Lending Institution to release the following required information to the OCD:

1. Executed Purchase and Sale Agreement.
2. Letter of First Mortgage commitment or pre-approval letter from the bank or lending institution.
3. Certified property appraisal (Fair Market Value).
4. Credit report of Applicant.
5. Home Inspection Report by a licensed Home Inspector.

The OCD may require additional information and documentation if necessary. Once a fully executed P&S agreement has been provided to the OCD, funds will be committed to the Applicant and thus provided to the lending institutions in which the first mortgage is held at closing.

IV. COMMITMENT

After receiving a copy of the fully executed Purchase and Sale agreement, the OCD will issue a commitment letter to the Applicant. The letter will also inform the Applicant of other information, conditions, and/or materials that may be required to establish a loan closing date. The applicant will be asked to sign the Loan Commitment Letter, a Truth in Lending Disclosure Statement, and a Lead Paint Notification Form.

V. CLOSING

The following is a partial list of typical documents required at closing:

1. Certificate of Municipal Lien
2. Insurance Binder for both Hazard (liability) and property insurance if applicable. The OCD must appear as a loss payee as follows:

Town of Plymouth
Office of Community Development
11 Lincoln Street
Plymouth, MA 02360

VI. TIME FRAME

The Applicant can expect the following timeline to be followed to the best of the OCD's ability:

- A preliminary eligibility letter will be sent within 14 days from the time of receipt of the completed application.
- A final determination letter will be sent within 14 days from the time all necessary documentation has been provided by the bank.
- Closing with the OCD will take place within 30 to 60 days after the Applicant has satisfied all closing requirements or at a later date set by the applicant and their lending institution.

VII. LENDING INSTITUTIONS

Applicants are encouraged to work with local Lending Institutions who are familiar with the Plymouth housing market; although they are not limited to local Lending Institutions. However, the PAHT reserves the right to investigate the lending practices of institutions for this program, and will refuse any application that attempts to obtain a loan from an institution that engages in predatory or unscrupulous lending activities.

All funding for the closing, other than PAHT funding is the responsibility of the Applicant.

VIII. PROGRAM CONTACT

Plymouth Office of Community Development
11 Lincoln Street
Plymouth, MA 02360
508-747-1620 ext 148
www.plymouthaffordablehousingtrust.org.