

Affordable Resale Frequently Asked Questions (FAQs)

Q: I found an affordable unit for sale. Who do I contact and how do I complete an application?

A: In order to begin the process of potentially purchasing an affordable homeownership unit, please contact the owner or owner’s realtor prior to contacting the NSC. In order to complete and submit an application for an affordable homeownership unit, **your offer must first be accepted by the owner**. The fully executed accepted offer, affordable homeownership unit application and supporting documentation must be submitted to NSC by you, your realtor and/or owner’s realtor - by mail or hand delivery (no emails accepted). Upon receipt of accepted offer, completed application and ALL supporting documentation, and if no further documentation is required, NSC will review and income certification verification should be completed within 10-14 days. Upon completion, NSC will notify the parties if the buyer is income eligible.

Q: What income levels qualify?

A: Please refer to most recent income limits at <http://www.huduser.org/portal/datasets/il.html>
Maximum Allowable Household Gross Income (effective July 1, 2020)

| Household Size (persons in household) | Income limits ≤80% HUD Area Median Income (7-1-2020) |
|--|---|
| 1 | \$67,400 |
| 2 | \$77,000 |
| 3 | \$86,650 |
| 4 | \$96,250 |
| 5 | \$103,950 |
| 6 | \$111,650 |
| 7 | \$119,350 |
| 8 or more | \$127,050 |

Q: What are other eligibility requirements?

A: In addition to meeting the income limits, a buyer must meet the following requirements:

- Total assets* cannot exceed \$75,000
- Must be approved for a mortgage with a lender (**no cash buyers**)
- Must be a first time homebuyer (or one who has had no homeownership interest in a principal residence during the past 3 years OR a displaced homemaker or single parent who has only owned a home with a former spouse while married)

***Assets include:**

- CDs, savings and checking accounts
- stocks and bonds
- gifted money, including gifts of equity
- other forms of capital investments
- retirement accounts such as 401K, 403B, 457 and IRA accounts
- Roth IRAs
- real property (whole or partial interest).

Excluded assets:

- government approved college savings plan
- municipally funded buy-downs
- community, municipal or employer-funded down payment or closing cost assistance that meets Fannie Mae’s definition of a Community Seconds Program.

Please contact NSC for specific scenario questions.

Q: Can I receive a monetary gift for the purchase of an affordable unit?

A: Yes, affordable housing applicants may receive monetary gifts, however, all gifts are subject to the asset limit policy. Gift letter and proof of gift are required.

Q: Can my family or friends co-sign a mortgage or loan me money for the purchase of an affordable unit?

A: Co-signors and guarantors of mortgages or any lending instrument are not permitted unless they are co-buyers of the unit (co-buyers are considered co-applicants and as such must be included in the application and they must provide income documentation as their income counts towards the household gross income limits). In addition, a buyer must obtain arms-length financing. This means the buyer may not borrow from a friend, family member or private source, a bank or mortgage company must be used. However, gifted funds are acceptable.

Q: I received a pay raise after submitting my application and now I am over the income limit. What do I do?

A: Income is calculated at the time the applicant submits an application to the NSC. Eligibility must be maintained from the time of application submission until after income certification verification by the NSC. Unfortunately, if an applicant's income is over the income limit, the applicant will not be eligible to purchase the particular affordable unit for which they applied.

Q: What type of income is included in the Gross Income calculation?

A: Gross income must be disclosed for all individuals living in the unit. Gross income from employment includes base wages, overtime and bonuses. Income includes any money received from any source, such as wages, interest, dividends, distributions, annuities, pensions, retirement accounts such as 401K, 403B, 457 and IRA accounts, child support, alimony, etc.

Q: Do I need to hire an attorney?

A: You do not have to hire an attorney, however, it is recommended that prospective buyers hire an attorney to review documents and represent their interests at closing. The bank or lending institution will have an attorney at the closing and oftentimes that attorney can act on behalf of the buyer as well. You should contact the closing attorney to discuss.

Q: Should I sign a Purchase and Sale Agreement before my income eligibility is verified?

A: While signing a Purchase and Sale Agreement prior to verification of income eligibility does not disqualify prospective buyers from purchasing the home, it is strongly recommended buyers wait and hire an attorney to represent their interests and protect them from entering into a legally binding agreement in the event they are deemed ineligible to purchase an affordable unit because of they do not meet the eligibility guidelines.

Q: Are there a certain number of years I must own the affordable unit?

A: No, you may sell your affordable unit at any time. However, there are a few things to keep in mind:

- An owner must sell the unit to another income eligible household that qualifies under the NSC's affordable program.
- Placing a unit into a trust or living trust is strictly prohibited.

Q: Are the Affordable Homeownership units monitored?

A: Yes, the NSC is very serious about ensuring that owners remain in compliance with the provisions of their restrictive covenant. As an owner of a unit with a restrictive covenant in one of the eight NSC Communities, you have responsibilities relative to preserving the affordability of your unit. Each year owners are required to complete and submit an affidavit certifying compliance and occupancy along with proof of insurance. NSC reserves the right to conduct arbitrary site visits to your unit. Any violations of the restrictive covenant must be brought into compliance within 6 months of being notified by NSC.

Q: Can the unit be rented out after purchase?

A: Owner must occupy the unit as his/her principal place of residence and must live in the unit a minimum of 10 months out of a 12 month period. **Owners may not rent or sublet the unit.**

Q: What if I think someone is not following the Affordable Homeownership housing rules?

A: Please contact the NSC HOME Director by calling 781-324-5720. Please provide the address of the unit, the owner's name, the issue and the date of occurrence when calling.