



FIRST-TIME HOMEBUYER APPLICATION QUALIFYING GUIDELINES

WEBSTER FIVE HOMEOWNERSHIP UNITS

PLEASE READ THIS BEFORE COMPLETING APPLICATION

Households interested in purchasing the affordable units must complete the attached application and return it **no later than Monday, September 24th by 7:00 p.m.** along with all of the required documentation listed in the application package. Applications should be submitted to the City of Cambridge, Community Development Department 344 Broadway, 3rd floor, Cambridge, MA 02139. Incomplete applications will not be considered.

Step 1: Minimum Eligibility Criteria:

All households must meet the following minimum eligible criteria:

1. Applicant household size must be appropriate for the unit (view Occupancy Standards attached).
2. Household income must be at or below the 80% Area Median Income adjusted for household size (Please see attached income limits).
3. Applicant must not have owned a home for the past three years.
4. Applicant must have sufficient income to buy the unit given the income and credit requirements of mortgage lenders. A household's monthly housing expense (principal, interest, taxes, and condo fee) shall, in general, not exceed 30% of its gross monthly income. The estimated income needed to purchase these units with 97% financing:

Studios - Estimated income needed \$40,920

One bedrooms - Estimated income needed \$44,720

Two bedrooms - Estimated income needed \$52,920

5. Applicant must demonstrate access to sufficient cash as may be required for the down payment and closing costs.

Step 2: Required Income & Household Documentation:

A. Employment Income:

All employed household members must provide recent income documentation either:

- Four (4) most recent paystubs for weekly payrolls,
- Two (2) paystubs for bi-weekly payrolls or
- Verification from your employer through the payroll department on company letterhead verifying your annual gross salary.

B. Self-Employed:

If you are a self-employed household, you must provide the following information to be considered:

- Self-employed applicants must provide the Community Development Department with a copy of their 2006 Federal Income tax forms, all schedules (including Schedule C), and a statement of income expenses and all related tax documents to verify income information. The Community Development Department reserves the right to request additional income verification.

C. Income from other sources:

Complete this section on the CDD application if applicable to your household

D. Federal Tax Return Documentation:

All household members must submit a copy of the most recent **federal tax return, including all W-2's and 1040s, 1099s and all associated forms** for each household member over the age of 18. If a household member is not listed on the federal tax return and has not submitted an individual tax return, provide an explanation and appropriate documentation.

E. Savings & Checking accounts:

Submit three months worth of the most recent statements for all bank accounts for all members of the household. Including all Retirement Accounts, 401K and Money Market.

F. Household Assets:

A household with assets of \$50,000 or more at the time of application is not eligible for city of Cambridge rental or homeownership units. Households where all members are 62 or over, and households where all members are disabled, may be eligible for special consideration.

G. No Income Documentation:

Any household member over 18 years of age who has no source of income (No employment or financial benefits) you must contact CDD for a "Statement of No Income" form and explanation of circumstances (additional documentation may be requested).

H. Full time students:

Any household member over 18 years of age who is a full-time student must provide documentation from the school describing enrollment status.

I. Social Security Card: Social Security Card must be provided for all household members.

J. Birth Certificate: Certificate must be provided for all household members under 18 years of age.

K. IF THERE ARE ANY UNUSUAL CIRCUMSTANCES IN YOUR HOUSEHOLD, PLEASE DOCUMENT THEM IN WRITING AND SUBMIT WITH YOUR APPLICATION.

Examples include, but are not limited to:

- part-year employment,
- adult household members without income or who are full-time students,
- dependents not on your tax forms.

Step 3: Priority Point System:

All applications will be reviewed for household size and income eligibility and then ranked in order by the priority point system.

- 1. (6) units available at Webster Five Condominiums, (2) 2 bedroom units priced at \$177,000, (2) 1 bedrooms priced at \$149,000 and (2) studio units priced at \$217,000, will use the following priority point system:**

First Priority

- A. Current Cambridge Resident
- B. Household with children under 18
- C. Household with at least one child under 6

A. Cambridge Resident Definition:

If you are currently living in Cambridge, please provide evidence of residency from **two** of the following options (additional documentation may be requested):

- the City's voting records
- a rental lease signed and dated within the last year in your name
- a utility bill in the applicant's name: original gas, electric, phone, cable. We will need to see the entire bill before payment and it must be dated within thirty days.
- a car registration or driver's license with your current address that is listed on application.
- a current school registration record with current address

If you are a former Cambridge resident who has been involuntarily displaced since January 1, 1995 as a result of the end of rent control, you must show proof of prior Cambridge residency & displacement due to rent control (contact CDD to verify documentation required).

B. Households with children under 18

C. Households with children under 6

***Please note:** Second priority will be given to applicants who are not presently living in Cambridge but are employed in Cambridge. These applicants will follow the same priority point system as Cambridge residents and are required to provide documentation of one full year of full-time employment in the City of Cambridge at the time of application. Contact CDD for further information.

- 2. (3) units available at Webster Five Condominiums, (2) studios priced at \$136,000 and (1) 1 bedroom unit priced at \$149,000 will use the same priority point system listed above except that the Current Cambridge Resident priority will not apply to these units.**

Step 4: Complete Application Submitted to the Community Development Department:

Upon receipt of the completed application and all associated documentation, CDD staff will review and notify all applicants of their eligibility status by mail. The application review process will take a minimum of **6-8 weeks** from the application due date.

Step 5: Ranking/Open House:

All income and household eligible applicants will be ranked based on the priority point system, and those with the highest number of points will be invited to attend an Open House to view the unit.

Step 6: Lottery:

In the case of a tie in ranking, the top ranked applicants will be entered into a lottery system designed to randomly select a first place applicant. In the event that the applicant chosen to purchase the unit does not purchase the unit, the second applicant will be provided the opportunity to purchase the property. Should the second ranked applicant not proceed, the third applicant will be provided the opportunity, etc.

Step 7: Letter of Intent:

Within 72 hours of the lottery and viewing the unit, buyers interested in being considered will be required to submit a completed Letter of Intent provided by Community Development Department. The Letter of Intent indicates the purchaser's interest in moving forward with the process. The buyer will also be required to obtain a mortgage commitment at this time. Buyers who have not already taken a first-time homebuyer workshop will be required to attend a workshop to be scheduled by the Community Development Department prior to closing.

Step 8: Purchase & Sale Agreement:

The Purchase and Sale Agreement will be drafted and needs to be reviewed by buyer, and buyer's attorney, signed and returned within ten days of receipt. Failure to sign and return the Purchase and Sale Agreement within the ten-day period will result in forfeit of the opportunity to purchase the unit. Selected buyers are expected to engage the services of a qualified Home Inspector and Attorney to assist in the transaction. The chosen applicant will be expected to purchase the unit within forty-five days of the execution of the Purchase and Sale Agreement.

If you have any questions about this process, please call Robert Vining 617-349-4642 or Antonia Ray 617-349-4643 before the application due date. Please leave your name and daytime phone number.

Occupancy Standards for Homeownership Units

(Based on Federal Section 8 regulations)

To Determine Unit Size

1. To determine appropriate unit size for an applicant, the following criteria shall be used:
 - a) No more than two persons shall occupy the same bedroom.
 - b) Persons of the opposite sex (other than a couple) shall not be required to share a bedroom.
 - c) Two children of the same sex shall share a bedroom unless the difference in their ages is 10 years or more.
2. Families may choose to under-house themselves based on the following:
 - a) Children of opposite sexes may share a bedroom if the sum of their ages is 15 or less.
 - b) Children of the same sex may occupy the same bedroom regardless of age.
1. Eligible household size is based on all current, full-time and permanent household members at the time of application.
 - a) All household members must have had the same address as the applicant for at least 3 months from the time the application is submitted.
 - b) Only children that are born before the application deadline or are expected within two months of the application deadline (as documented by a medical professional) will be counted as household members.
 - c) Children of applicants, who are full-time students age 18 years and over and living in a college dormitory, will be considered part of the household if they are listed as dependents on their parent's tax return.
2. Applicants must be able to document, to the satisfaction of the City of Cambridge, that any recent additional members to their household are permanent, full-time members.
3. Those household members not listed on the most recent year's federal tax return as dependents of the applicant will be required to document that they have resided with the applicant for at least 3 months from the date of application.
 - a) Household members not listed, as dependents will be required to sign a notarized affidavit stating their intention to remain as a permanent full-time member of the applicants' household for the foreseeable future.

How to Determine Income Eligibility

Your total household income can not exceed the following:

Income Guideline for Families with Incomes at or below 80% Area Median Income

Household Size	1 persons	2 persons	3 persons	4 persons
Maximum Income:	\$46,300	\$52,950	\$59,550	\$66,150

The income chart is based on federal, state, and Cambridge income limits for housing programs. These limits are determined by the US Dept. of Housing and Urban Development and are subject to change.



HOUSEHOLD MEMBERS

Beginning with Head of household, list the legal names, Social Security numbers, birth dates, and relationship to head of household of each person who will reside in the unit:

Name	SS #	DOB	Relationship to Applicant
			Head of Household

EMPLOYMENT INFORMATION FOR ALL HOUSEHOLD MEMBERS

List the current Sources of all household income: This includes but not limited to, full and/or part-time employment.

Household Member	Employer/Address/Telephone #	Length of employment	Gross income	Hrs./ Wk	Weekly	Bi-weekly	Semi-monthly

You MUST provide documentation for all income you have declared. Copies only.

Have you or any members of your household ever filed bankruptcy? _____ If yes, when? _____

DOCUMENTATION REQUIRED:

1. EMPLOYMENT INCOME VERIFICATION:

All full-time and part-time employed household members must provide income documentation from all employers:

- Four (4) most recent paystubs for weekly payrolls,
- Two (2) paystubs for bi-weekly payrolls or verification from your employer through the payroll department on company stationary verifying your annual gross salary.
- Any other income received since the beginning of the current year. (FOR EXAMPLE: BONUS, INHERITANCE ETC.)

2. SELF-EMPLOYED INDIVIDUAL:

If you are a self-employed household, you must provide the following information to be considered:

- Self-employed applicants must provide us with copies of 2004 Federal Income tax forms and all related tax documents and all associated schedules (includes Schedule C) and a statement of income expenses, such as, Profit and Loss Statement (Schedule C) and all related tax documents to verify income information.

The Community Development Department reserves the right to request additional information.

3. **INCOME SOURCES OTHER THAN EMPLOYMENT:**

a) **RETIREMENT INCOME OR DISABILITY AWARD:**

Name of Recipient: _____

Name of Company: _____ Amount of Monthly Income: \$ _____

Required Documentation: A letter from the source of retirement or disability income stating your benefits and how long you have been receiving them or a copy of your most recent check.

b) **SOCIAL SECURITY INCOME:**

Name of Recipient: _____

Gross Monthly Amount: \$ _____

Required Documentation: A letter from Social Security stating your benefits or a copy of your most recent check or a bank statement.

c) **VETERAN'S ASSISTANCE:**

Name of Recipient: _____

Gross Monthly Amount: \$ _____

Required Documentation: A letter from Veteran's Administration stating your benefits or a copy of your most recent check or a bank statement.

d) **PUBLIC ASSISTANCE:**

Name of Recipient: _____

Gross Monthly Amount: \$ _____

Required Documentation: A letter from the Public Assistance Office stating your benefits and how long you have been receiving them.

e) **UNEMPLOYMENT:**

Name of Recipient: _____

Weekly Amount: \$ _____ When did benefits start?: _____ When do they expire?: _____

Required Documentation: Your most recent unemployment check stubs or a letter from unemployment stating amount of benefits and the date benefits began.

f) **INTEREST/DIVIDEND: (*In excess of \$100.00*)**

Name of Recipient: _____

Source of Interest: _____ Annual Interest: \$ _____

Required Documentation: A letter from the source of the income stating the amount of interest earned in the last twelve months.

g) CHILD SUPPORT/ALIMONY:

Amount Received: \$ _____ Payment(s): Monthly: _____ Weekly: _____ Bi-weekly _____

Required Documentation: A copy of most recent check(s) for one month's alimony/child support or a copy of the court order or a letter from your lawyer stating the amount received, frequency you receive payment, and the date you started receiving that amount.

4. FEDERAL TAX RETURN DOCUMENTATION:

All household members must submit a copy of their **2006 Federal tax return, and include copies of all 2005 W-2's and 1040s, 1099s and all associated forms** for each household member over the age of 18. If a household member is not listed on the federal tax return and has not submitted an individual tax return, provide an explanation and appropriate documentation.

5. FULL TIME STUDENTS:

If you have any household member over 18 years of age and is a full-time student, you must provide documentation from the school describing enrollment status.

6. NO INCOME DOCUMENTATION:

If you have any household member over 18 years of age who has no source of income (No employment or financial benefits) contact CDD for a "Statement of no Income" form and explanation of circumstances and your last Federal Tax Forms (additional documentation may be requested).

7. Social Security card for all household members

8. Birth Certificate for all household members under 18

9. ASSETS:

List all Savings Accounts of Applicants: *(includes financial institutions, 401K, Money Market)*

Attach three months worth of your most recent financial statements for all account.

Institution: _____ Current Balance: \$ _____

Institution: _____ Current Balance: \$ _____

List all Checking Accounts of Applicants:

Institution: _____ Current Balance: \$ _____

Institution: _____ Current Balance: \$ _____

10. Debtors:

List all loans with outstanding balances including car loans, personal loans and student loans:

Name of Lender: _____ Balance Due: _____ Monthly Payment: _____

Name of Lender: _____ Balance Due: _____ Monthly Payment: _____

11. Credit Cards:

Card Name: _____ Balance: _____ Minimum Monthly Payment: _____

Card Name: _____ Balance: _____ Minimum Monthly Payment: _____

Card Name: _____ Balance: _____ Minimum Monthly Payment: _____

How did you hear about this property? Newspaper Web Site Flyer Direct Mailing

CERTIFICATIONS

I/We certify, under penalty of perjury, all information on this application to the best of my/our knowledge is true. I/We understand that false information given is sufficient grounds for rejection of this application. Furthermore, verification may be obtained from any source herein.

Penalty for False or Fraudulent Statement, U.S.C.

“Title 18, Section 1001, provides: “Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies.... Or makes any false fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statements or entry, shall be fined not more than \$10,000 or imprisoned not more than five (5) years or both.”

◆ All persons whose names will appear on the deed when property purchased must sign here:

Signature: _____ Date: _____

Signature: _____ Date: _____

◆ All persons whose names will appear on the deed when property purchased must sign here:

I _____, authorize the City of Cambridge and all designees to obtain information regarding my household’s eligibility for housing or housing subsidy, income, present or former tenancies, and credit history, including court judgments and bankruptcies, from any parties having information, including any agency or housing authority managing any housing subsidy for which I am eligible. I authorize and release any parties from whom that information is requested to release it to the City of Cambridge and their employees.

Signature: _____ Date: _____

Signature: _____ Date: _____

**Please submit completed application to:
City of Cambridge
Community Development Department, Housing Division
344 Broadway
Cambridge, MA 02139**





IMPORTANT

APPLICATION CHECKLIST

Please make sure that you have attached all of the required documentation along with your application. Incomplete applications will not be considered.

All Households members must submit the following documentation:

- _____ Fully completed and signed application
- _____ Please review Occupancy Standards to determine appropriate bedroom size.
- _____ SIGNED COPY OF 2006 FEDERAL INCOME TAX RETURN WITH ALL ASSOCIATED SCHEDULES AND W-2 FORMS.
- _____ 4 weekly pay stubs, ***if you are paid weekly*** or
2 bi-weekly pay stubs, ***if you are paid every 2 weeks or twice a month*** or
1 monthly pay stub, **if you are paid monthly**
- _____ Three months of current Bank Statements for Savings/Checking
- _____ Copies of statements for any other assets such as retirement accounts, stocks, etc.
- _____ Proof of Residency, provide two forms of proof (rental lease, utility bills, voter registration, etc.)
- _____ Birth Certificate for all children under 18
- _____ Social Security Cards for all household members
- _____ Statement of no income form for unemployed adults. Please call (617) 349-4622 to request form.



The City of Cambridge Community Development Department does not discriminate on the basis of disability. The Department will provide auxiliary aids and services, written materials in alternative formats, and reasonable modifications in policies and procedures to persons with disabilities upon request.

