



# Nantucket Affordable Housing Trust Fund

2 Fairgrounds Road, Nantucket, MA 02554

## Closing Cost Assistance Program

**Purpose:** The Town of Nantucket, through its Affordable Housing Trust, offers up to \$15,000 for each eligible buyer to put towards closing costs for the purchase of deed-restricted affordable units. It is intended to assist year-round residents qualifying at the 80%-175% AMI level who can afford monthly mortgage payments, yet do not have enough money to pay the initial home purchase closing costs. The goal of the program is to increase homeownership among the low and moderate income households in the Town of Nantucket.  
This is a zero-percent (0%) loan program subject to repayment as described below.

### Eligibility:

- Available to qualified applicants earning up to 175% AMI
- Applicant must provide written confirmation they have been deemed eligible to purchase a home through a DHCD-approved lottery process or have a fully executed P&S for a permanently deed-restricted 175% or below AMI unit and Qualified Purchaser Certificate from a recognized Monitoring Agent
- Applicant must have a mortgage pre-qualification letter from a recognized financial institution on bank letterhead clearly indicating their qualification to purchase the unit
- The property must be located in Nantucket County
- There must be a permanent deed restriction on property guaranteeing ongoing affordability at 175% AMI or less

### Other requirements / details:

- Available on a first-come, first-serve basis until the annual Trust Fund allocation for this program is depleted
- Loans are up to \$15,000 solely for closing costs based on a bona fide Loan Estimate from a recognized financial institution
- Funds to be released to closing attorney following receipt of bona fide mortgage loan commitment letter, original promissory note, and post-closing agreement, and once the purchase is approved to close
- Closing cost funds loaned based on approved legitimate closing costs and limited to \$15,000
- This is a zero-percent (0%) loan secured by a second mortgage on the property from the purchaser to the Trust Fund which will be recorded as a subordinate lien by the closing attorney
- The loan must be repaid when property is sold or transferred
- The loan will be subordinated if refinanced by original owner(s)
- A waiver of loan repayment may be requested by the owner/seller if the property has been held for five years or more and the gross sales amount is not \$30,000 more than the original purchase price



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## Closing Cost Assistance Program Guidelines

The Closing Cost Assistance Program (“CCAP”) is offered through the Town of Nantucket’s Affordable Housing Trust and offers up to \$15,000 for eligible buyers to be put toward bona fide closing costs for the purchase of permanently deed-restricted affordable units restricted to buyers at an 175% AMI or less income level. The program is intended for lower to moderate income home buyers who can afford monthly mortgage payments but do not have enough to pay the initial home purchase closing costs. The goal is to increase homeownership among 175% and below AMI households in the Town of Nantucket. Applications and a checklist to guide you through the process are available at the Planning Office or <http://nantucket-ma.gov/184/Affordable-Housing-Trust-Fund>.

*You are encouraged to begin your house-hunting process by applying for CCAP early. **To avoid unnecessary delays, submit your application and all required documentation a minimum of eight (8) weeks prior to your loan closing.** Once qualified, your conditional letter of approval is valid for 6 months.*

### What Type of Assistance is Available?

The CCAP is considered a “deferred payment loan.” The loan is interest free and you will not have to pay anything back unless you sell or transfer the property. If the property is sold prior to the fifth anniversary of the sale, you will be required to pay back the full amount upon sale. After five years, the loan may be forgiven if the gross sales price is not greater than \$30,000 more than the original purchase price. You must request the waiver and conditions must be sufficient for the AHTF to consider the request. A granted waiver may result in tax consequences to you. Please consult your tax adviser.

### What is the Maximum Amount of Assistance?

The CCAP program will loan eligible buyers bona fide closing costs up to \$15,000.

### Who is Eligible?

Applicants must meet the following eligibility requirements:

- You must purchase a permanently deed-restricted affordable unit in the County of Nantucket and agree to future resale restrictions
- The home must be intended for and maintained as your principal residence
- You must complete an approved homebuyer training course and provide certification of completion
- A household cannot have more liquid assets than allotted for their corresponding AMI
- You must be approved for a mortgage with a recognized commercial lender
- You must provide the loan required down payment from your own funds
- You must not exceed 175% of the current HUD annual median household income. In Nantucket, 80%, 100%, and 175% AMI as of June 18, 2018:

Household Size	1	2	3	4	5	6
<b>80 % AMI Income Limits</b>	\$65,950	\$75,350	\$84,750	\$94,150	\$101,700	\$109,250
<b>100 % AMI Income Limits</b>	\$95,300	\$108,900	\$122,500	\$136,100	\$147,000	\$157,900
<b>150 % AMI Income Limits</b>	\$142,950	\$163,350	\$183,750	\$204,150	\$220,500	\$236,850
<b>175 % AMI Income Limits</b>	\$166,775	\$190, 575	\$214, 375	\$238, 175	\$257, 250	\$276, 325

\*\*\*Chart is subject to change based on current HUD calculations. Please refer to <https://www.huduser.gov/portal/datasets/il.html> for most current figures.\*\*\*



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## Closing Cost Assistance Payment Application

FULL NAME: \_\_\_\_\_

FULL NAME: \_\_\_\_\_

**Note:** Please provide the full name and Social Security number for all individuals that will be on the mortgage on a separate piece of paper in typed form.

**For Planning Office Only**

Date Received:

### CURRENT ADDRESS

STREET: \_\_\_\_\_

CITY/TOWN: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

BEST PHONE: \_\_\_\_\_ EMAIL ADDRESS: \_\_\_\_\_

YEARS AT THIS ADDRESS: \_\_\_\_\_ If less than two years, please provide previous address:

### HOUSEHOLD INFORMATION

HOUSEHOLD AMI (please circle one): 175% 150% 100% 80%

TOTAL NUMBER OF PERSONS IN HOUSEHOLD (INCLUDING SELF): \_\_\_\_\_

PLEASE LIST ALL HOUSEHOLD MEMBERS WHO WILL OCCUPY THE HOME, REGARDLESS OF AGE

NAME	AGE	RELATIONSHIP

1. Do you own or have financial interest in any other real estate and/or business? YES \_\_\_\_\_ NO \_\_\_\_\_

If yes, please describe: \_\_\_\_\_  
\_\_\_\_\_

2. Do you have an executed Purchase and Sale Agreement? YES \_\_\_\_\_ NO \_\_\_\_\_

If YES-Please attached an executed copy as part of the application

If NO-When is the anticipated date a Purchase and Sale Agreement will be executed? \_\_\_\_\_

If NO-Do you have an accepted offer? YES \_\_\_\_\_ NO \_\_\_\_\_

*\*Please not that CCAP loans authorized without an executed Purchase and Sale Agreement will expire six (6) months from approval date.*

SUBJECT PROPERTY:

Address: \_\_\_\_\_

Purchase Price: \$ \_\_\_\_\_ Scheduled Closing Date: \_\_\_\_\_

Property Type: Single-Family Home Condominium Land

4. Is there a permanent deed restriction on the subject property guaranteeing ongoing affordability at 175% AMI or less? YES \_\_\_\_\_ NO \_\_\_\_\_

If NO, Would you be willing to place a deed restriction on the subject property to guarantee ongoing affordability YES \_\_\_\_\_ NO \_\_\_\_\_

*\*Permanent deed restriction on the subject property guaranteeing ongoing affordability at 175% AMI or less is a requirement of funding.*

5. Have you attended an approved First Time Home Buyer Education class\*? YES \_\_\_\_\_ NO \_\_\_\_\_

If YES, please provide a copy of your completion certification.

*\* Attendance is a requirement of funding.*

6. Have you been awarded a right to purchase an 80-175% AMI restricted property through an authorized monitoring agent? YES \_\_\_\_\_ NO \_\_\_\_\_

If YES, please provide a copy of your certificate.

*\* Right to purchase an 80-175% AMI restricted property through an approved lottery program is a requirement of funding.*

**HOUSEHOLD ASSETS**

Assets are items of value, such as IRAs, CDs, and checking and savings accounts. Interest received from assets are included as part of your income. Assets do not include necessary personal property such as clothing, furniture, automobiles, jewelry, etc. Please describe your assets and income or dividends from these assets in the chart below. Continue on a separate sheet if necessary.

Household Member	Asset Description	Cash Value
		\$
		\$
		\$
		\$
		\$

Total cash value of all assets = \$ \_\_\_\_\_

In signing this application I/we hereby certify that:

- I/we have correctly indicated the number of persons in the household;
- My/our total liquid assets do not exceed the allotted amount for my/our AMI bracket;
- We have been qualified to purchase a permanently deed-restricted home in the County of Nantucket, MA, for buyers at 175% or below Area Median Income;
- The information contained in this application is true and accurate to the best of my/our knowledge and belief under the full pains and penalties of perjury and understand that perjury will result in disqualification from further consideration; and
- I/we understand that it is my/our obligation to secure the necessary mortgage for the purchase of the home and all expenses, including closing costs, down payments, etc.
- I/we will furnish to the Town of Nantucket upon request at any time any and all income and/or asset and other financial information, any and all household, resident location, and workplace information and I further direct any employer, landlord, or financial institution to release any information to the Town for the purpose of income and/or asset determination eligibility.
- I/we understand that I/we are purchasing an affordable home at a substantially discounted price and that the home will remain affordable for any future buyers. I/we understand that I/we will be required to sign a Deed Rider that describes my/our responsibilities under the affordable housing program. The restrictions will apply to me and all future buyers of my/our home.
- I/we understand that to avoid unnecessary delays, I/we should submit the application and all required documentation a minimum of eight (8) weeks prior to my/our loan closing.

_____ Signature	_____ Date	_____ Signature	_____ Date
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Submit to Town of Nantucket, Affordable Housing Trust Fund, Planning Office, 2 Fairgrounds Road, Nantucket, MA 02554



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## Closing Cost Assistance Program Application Checklist

Applying for closing cost payment assistance is a multi-step process. The first step is to submit an application and copies of all required documentation in order for us to determine if you qualify for the program. Second, once you have found a home, submit all of the property eligibility information for review. After the property's eligibility is confirmed, at your loan closing with your primary lender, you will sign loan agreements provided by the closing attorney.

**To avoid unnecessary delays, submit your application and all required documentation a minimum of eight (8) weeks prior to your loan closing.**

### **Step 1: Submit Applicant Eligibility Information**

- Completed Closing Cost Assistance Program Application
- Completed and signed W-9
- Written verification from an authorized monitoring agent that you are income and asset qualified to be purchasing the permanently deed-restricted 175% or below AMI restricted unit on the application
- Bona fide Loan Estimate including estimated closing costs from a recognized financial institution (N/A for Habitat for Humanity homes)
- Provide us with your closing attorney's contact information and wiring instructions
- An executed Purchase and Sale Agreement, as soon as it is available (N/A for Habitat for Humanity)
- Notify the AHTF of your closing date as soon as it's available to you (please keep in mind note at bottom of page when scheduling the closing date)

### ***Additional information (not required, but helpful to submit if you have it):***

- Mortgage Pre Qualification letter on bank letterhead from a recognized financial institution (For Habitat for Humanity Homes you must provide the Terms and Conditions Letter in place of the Mortgage Pre Qualification)
- Executed Final Loan Commitment Letter on bank letterhead from a recognized financial institution (Habitat for Humanity Homes are to provide a final Settlement Statement)

### **Step 2: Post-Closing**

- Copy of the final affordability deed rider to be executed at closing
- Prompt return to the AHTF by the closing attorney of excess funds beyond closing costs disclosed on the Closing Disclosure
- Copy of the Closing Disclosure statement (This is the Settlement Statement for Habitat homes)
- Copy of the recorded mortgages, promissory note, and post-closing agreement note.

**\*\*\*Please Note-Funds are not immediately released after application is approved. Once applications are approved and all documentation has been received, the CCAP Funds will be processed and sent for approval to be paid through Town Warrant. Town Warrants are held every couple of weeks. On the Friday after Town Warrant, the CCAP Funds will be sent to your closing attorney's IOLTA account via wire transfer to be held until the closing date. Please keep this process in mind when scheduling your closing date as to not cause any delays.\*\*\***