



LYNN HOUSING AUTHORITY & NEIGHBORHOOD DEVELOPMENT

LynnSoft Second Affordable 1st Time Home Buyer Program

The objective of this program is to provide down payment assistance and closing cost assistance for those who are participating in the state approved Soft Second program. The Soft Second loans are available to low and moderate income first time homebuyers to reduce their first mortgage amounts and eliminate the need for Private Mortgage Insurance and make homeownership more affordable. The LHAND will provide a 1.5% forgivable loan for down-payment and closing cost assistance to eligible first-time buyers whose savings and income are inadequate to meet the cost associated with the purchase of a 1-4 family and condominium residential properties. The resources of this program will be in the form of a forgivable loan. Program is subject to the availability of funds.

Eligibility Criteria:

- Household income (all sources) must not exceed the following gross annual limits:

Household Size (Number of Persons)							
1	2	3	4	5	6	7	8
\$46,300	\$52,950	\$59,550	\$66,150	\$71,450	\$76,750	\$82,050	\$87,350
Gross Annual Income Limits							

- The applicant(s) must enroll and participate in an MassHousing approved Homebuyer Workshop and receive a completion certificate prior to applying for the SoftSecond Program. (LHAND provides Homebuyer Workshop)
- For homebuyers purchasing within LHAND's Neighborhood Strategy Area a limited number of forgivable loan will be available to assist homebuyers with a household income that does not exceed \$99,100.
- The applicant (s) must occupy the property as the primary residence.
- The applicant (s) must have a 3% down-payment, 1.5 percent of the purchase price and may be eligible for a 1.5 match from LHAND. Single families homes are eligible for a maximum of \$5000 and multi families are eligible for a maximum of \$7000.00
- The after-rehabilitation appraised value of the purchase property cannot exceed \$362,790.00 for a single-family home / condominium; \$461,113.00 for a 2-family home; \$560,231 for a 3-family home; or \$646,421.00 for a 4-family home. (Waivers may be granted)
- Applicant (s) must not have owned a home in the past three (3) years.

st be a 1-4 family or condominium residential
be in fee simple title or 99-year leasehold interest.

9. The program is available City-wide.
10. Applicant(s) must be credit worthy. Serious negative credit experiences will have to be fully explained and documented in writing if further eligibility is to be considered.
11. Participants in the Section 8 Homeownership Program are eligible to apply.

Application Process: PLEASE READ THE FOLLOWING CAREFULLY. INCOMPLETE APPLICATIONS WILL RESULT IN A DELAY IN PROCESSING WHICH MAY MAKE YOU INELIGIBLE FOR LOAN ASSISTANCE.

STEP 1: *Immediately after signing the Contract to Purchase submit the following documents with application:*

- 1 **Application Form**
- 2 **Guidelines** . Two (2) copies are provided. Sign and date both. **Return one (1)** with your application,
keep one (1) for your records.
- 3 **Income Documentation** . See Income Documentation Checklist attached to Application.
- 4 **Bank Statements** . Three months of the applicants most recent bank statements showing at least 1.5 percent of the purchase price of the applicants own savings for down-payment and closing cost
. *photocopy*
- 5 **Contract to Purchase** . *Signed photocopy*
- 6 **Mass Housing approved SEMINAR COMPLETION CERTIFICATE**

After the above documentation is submitted to the LHAND office, a Rehabilitation Specialist from LHAND will contact you to schedule an inspection of the interior and exterior of the house and the premises for "Public Health and Safety" violations. It is necessary that you are present during the inspection.

STEP 2: Upon completion of the inspection, you will receive a copy of the inspection report. The inspection report will indicate any Housing Quality violations that must be corrected before the time of initial occupancy and violations that must be corrected within four months of property transfer to you. You may make arrangements with the seller to correct all or some of the items listed on the inspection report. All items the seller will correct must be included in the P&S agreement. If there are items you will be responsible for, you must submit copies of written *itemized* cost estimates from licensed contractors to the Rehabilitation Specialist. If you want to do a portion or all of the work

ized cost estimate (quote) of the materials to be
or your labor. Necessary permits must be submitted

You are free to choose your own **licensed** contractors, or to undertake work yourself, provided that we agree you are capable.

STEP 3: Submit the following documentation prior to closing:

1. **Purchase and Sale (P & S) - Signed** photocopy.
2. **Mortgage Application from Lender** . Photocopy.
3. **Commitment Letter from Lender** . Photocopy. A Conditional Commitment letter will be accepted for initial review of the application.
4. **Estimate of Closing Costs from Lender** - Photocopy.
5. **Appraisal from Lender** – Photocopy.
6. **Proposed Deed from Lenders Atty.** - Photocopy.
7. **Buyer/Seller Disclosure Statement** - Signed by Buyer and Seller.
8. **Tenant Survey** - Completed and signed by tenant(s).
9. **Vacancy Notice** - Completed and signed by owner, if any vacancies.
10. **Itemized Cost Estimates** . Photocopy of estimates for correction of code violations and/ or de-leading estimates from licensed de-leader.
11. **De-lead “Full Certificate of Compliance” or Lead Paint Inspection** – Photocopy. For all units in which children under seven (7) are expected to reside.

Step 4: After all the necessary paperwork is returned, the cost and method of rehabilitation have been reviewed, all financial information is in order, a written commitment for %SoftSecond Program+funds will be made by LHAND to you. At this point you should notify your lender and the lender's closing attorney so that they can schedule the closing two weeks or later from receipt of the LHAND commitment letter. You should notify LHAND immediately of the closing date and time.

Funds from the %SoftSecond+program that are allocated for rehabilitation will be held in escrow by the lender and will be disbursed when work is completed.

If the cost of all required work (i.e. downpayment, rehabilitation, de-leading) exceeds the maximum loan amount available under this program LHAND staff will advise the buyer if other resources are available, which in combination with the loan may help you complete the purchase of your home.



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- 1) The property must be 1) occupied by the seller and become vacant immediately after closing, 2) tenant purchaser occupied, 3) vacant. No involuntary displacement of tenant as a direct result of the acquisition is allowed. A Disclosure Statement relating to this matter will be provided to the Seller(s) and will be required to be signed by both the Buyer(s) and Seller(s).
- 2. At time of initial occupancy, the property must be free from any defects that pose a danger to the health and safety of occupants (including lead paint) and within four months of property transfer to the first-time homebuyer, the property must meet LHAND's Housing Quality Standards (HQS).
- 3. The principal on this forgivable loan will be reduced by an amount equal to Twenty (20%) percent of the total loan amount for each full calendar year payable to the LHAND at the time of sale, transfer of the property, conversion of the property to a rental unit or to another non-residential use, default, or destruction of the property due to fire or unknown reasons. **The property must be owner-occupied for the duration of the loan indebtedness. LHAND will periodically request that the borrower provide documentation of proof of owner-occupancy.**

Please sign below to confirm that you have received a copy of the "SoftSecond " 1st Time Home Buyer Program Guidelines, and that you have read and understand these Guidelines.

DATE

APPLICANT'S SIGNATURE

DATE

CO-APPLICANT'S SIGNATURE

