



LONG ISLAND HOUSING PARTNERSHIP, INC.

**COUNTRY POINTE WOODS AT SMITHTOWN
AFFORDABLE HOUSING PROGRAM
Lottery Intake Application Guidelines
Please Read Carefully**

I. Program Description/Lottery

347 Building Company LLC, in cooperation with the Town of Smithtown and the Long Island Housing Partnership (LIHP) is constructing new affordable homes in Smithtown, N.Y. LIHP will be responsible for implementing and administering the Program as described below.

Lottery

A household interested in participating in the Affordable Housing Program must complete a **Lottery Intake Application** form. Only one Lottery Intake Application Form is allowed per household. LIHP will conduct a lottery to establish a ranking of eligible applicants. Following the lottery, LIHP will notify applicants in writing of their ranking.

Lottery Intake Application forms can be completed and submitted online at: www.lihp.org/developments.html or may be mailed to or submitted in person to the LIHP office in Hauppauge, N.Y.

- Online applications must be received by 5:00 p.m. on **February 15, 2019** to be included in the lottery.
- Applications submitted by mail must be postmarked by **February 15, 2019** to be included in the lottery.
- Applications submitted in person to the LIHP office in Hauppauge must be received by 5:00 p.m. on **February 15, 2019** to be included in the lottery.

As an applicant's name is reached on the lottery ranking list, the applicant will be contacted by LIHP to submit a **Formal Program Application** and supporting documents. LIHP will then conduct an eligibility review to determine if the applicant meets all program guidelines. A letter from LIHP detailing eligibility will be sent to the applicant after a full review of the formal program application has been completed.

An applicant who is determined to be eligible will be offered a home to purchase. The applicant must, subsequently, begin the home buying process. Should the applicant not move forward in purchasing the home, LIHP will move on to the next name on the lottery ranking list.



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II. Program Eligibility

In order to be eligible to participate in the Program, an applicant must be a first-time homebuyer, must meet all program requirements as described in these Guidelines including income limits and homebuyer contribution requirements and must have an acceptable credit history as defined by the standards contained in these Guidelines. These Guidelines reflect the objective that the housing being developed is affordable to and sustainable by the homebuyer.

a) Income Guidelines

The affordable homes will be available to income eligible households with incomes that do not exceed 130% of the area median income for Nassau / Suffolk Counties (AMI) as determined by the U.S. Department of Housing and Urban Development (HUD).

The maximum permitted total annual **household** income for purchasers in the Program shall not exceed 130% of the AMI as follows:

<u>Household Size</u>	<u>Maximum Total Annual Household Income</u> ¹
1	\$106,200
2	\$121,350
3	\$136,550
4	\$151,700
5	\$163,850

Income limits may be adjusted annually based on the HUD established Nassau/Suffolk median household income.

¹ Includes all income – overtime, bonuses, pensions, social security, 401K distributions, tips, etc. Total household income minus allowable exclusions cannot exceed the maximum annual income listed above for your household size. The Long Island Housing Partnership (LIHP) must project the income that will be received for the upcoming 12-month period. Tax returns will be required for all household members whose earnings will be used as part of the income qualification. Any person whose earnings will be used to qualify for the program will be required to sign a ‘4506’ tax release form to verify their tax returns with the Internal Revenue Service.

b) Credit History Standards

The following credit history standards will be analyzed in conjunction with income limits to determine program eligibility:

- Applicants must have an overall good pattern of credit behavior including a history of timely payments for rent, automobile and installment loans, credit cards and revolving loans as described below. If a good payment pattern has been maintained, isolated cases of slow/late payments may not disqualify an applicant for program eligibility.
 - Applicant must not have been late on rental payments in the last 12 months.
 - Payments on automobiles and installment loans should reflect no late payments in recent 24 months.



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- Payments on revolving loans or credit cards should not have any late payments in recent 24 months.
- Applicants must have a satisfactory income, credit and employment history.
- At a minimum, a bankruptcy must have been discharged at least three years from date of application for assistance and credit re-established.
- At a minimum, a foreclosure sale or a transfer of title in a deed in lieu of foreclosure must be at least three to five years old from date of application for assistance.
- No outstanding collection accounts or judgments.
- As part of the credit history and mortgage ability review, LIHP will utilize the middle credit score of all borrowers from three national credit repositories. At a minimum this credit score must be at least 580. (Higher credit scores may be required by lenders).
- The credit standards listed above are to determine program eligibility and do not represent a mortgage approval. The applicant is responsible for securing a mortgage approval through a responsible lending institution.

c) **Home Buyer Contribution**

Applicants, at time that the application is submitted to LIHP, must have a minimum of 3% of the (subsidized) sales price in savings and/or checking accounts (not a gift) or verifiable liquid assets from their own funds to apply towards the down payment. At a minimum, the applicant should have 5-10% of the sales price available for down payment and closing costs.

d) **Citizenship**

Each person who will be residing in the home must be a U.S. Citizen or a Qualified Resident Alien. For the purposes of this program, a qualified resident alien is an alien who is lawfully admitted to the United States for **permanent residence** under the Immigration and Nationality Act.

III. **Gift Letter**

LIHP will allow a gift letter from an immediate family member stating that money provided is in the form of a gift and will not have to be repaid. This letter must be signed, notarized and submitted with the application. This gift contribution **cannot** be used towards meeting the required minimum 3% home buyer down payment contribution.

IV. **First-Time Homebuyer Requirement**

This program is limited to first-time homebuyers only as described below:

- A **household** that has not owned a home during the **three-year** period immediately prior to the date of application is considered a first-time homebuyer.
- Applicants may own vacant land or a vacation timeshare provided that they have not received the benefits of the mortgage interest deduction and/or property tax deduction during the prior three years from date of application.
- Applicants who do not hold title to a home but did receive the benefits of the mortgage



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interest deduction and/or property tax deduction during the prior three years from date of application are not considered first-time homebuyers.

- Please contact LIHP with any questions regarding this requirement.

V. Housing Type

The homes available through the Program are newly constructed condominiums. The homes are located at 1 Country Pointe Drive in Smithtown, N.Y., near the intersection of Route 347 and Route 111.

VI. Purchase Price

The projected purchase price of the home is estimated to be \$350,100.

VII. Residency Requirement

Applicants must occupy the property as their Principal Residence.

VIII. Re-Sale Restrictions

There will be restrictions placed on the home to maintain affordability upon future home re-sale.

IX. Pre-Purchase Mortgage Counseling

All income eligible applicants are required to attend homebuyer pre-purchase mortgage counseling. Certified counselors through the Long Island Housing Partnership will conduct the counseling. There is no charge for the counseling.

X. Affordability

To purchase the home, applicants must have:

- a) Sufficient income to pay the monthly mortgage payment, including loan principal, interest, property taxes, and insurance premiums. Applicants must also have sufficient funds for a down payment and closing costs estimated at 5-10% of the sales price; and
- b) The ratio of total monthly housing cost i.e. mortgage payments, property taxes, insurance premiums plus other debt (e.g. credit cards, car payments, school loans, etc.) to monthly household income may not exceed 45%.

Affordability will vary depending on income, sales price, insurance requirements, interest rates, property taxes, and buyer down payment.



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XI. Asset Limitation Policy

After deducting down payment and estimated closing costs, any household with net liquid assets more than 25% of the unsubsidized sales price, will be referred to the specific program's committee. The committee will examine the applicant's full economic situation and other possible extenuating circumstances to determine if they would be able to purchase a home without the assistance. If it is determined that because of their assets, a household would be able to purchase a home without the assistance and if no relevant extenuating circumstances exist, the household will be deemed ineligible for the Long Island Housing Partnership program to which it applied.

XII. Restrictions

Mortgages must be with a recognized lending institution. The following types of mortgages are **not** permitted:

1. Private mortgages;
2. "No Doc" Loans, 100% financing, and 80/20 loans;
3. 203K loans;
4. Adjustable rate or interest only loans; and
5. Non-occupying Co-Borrowers are not permitted.

XIII. Applicant Intake and Eligibility

Lottery Intake Application forms can be completed and submitted online at: www.lihp.org/developments.html or may be mailed to or submitted in person to the LIHP office in Hauppauge. **LIHP will conduct a lottery to establish a ranking of eligible applicants. Following the lottery, a letter will be sent to each applicant notifying them of their rank.**

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A non-refundable application fee of \$50.00 made payable to the Long Island Housing Partnership, Inc., is required with the application. Therefore, before you submit an application for entrance into this program, read these Guidelines thoroughly to ensure that you qualify.

For those applicants applying online, the application fee of \$50.00 can be paid through the secure payment service. Upon completing the online application you will be directed to the payment section. Follow the payment instructions to make payment by debit or credit card. Upon payment



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you will be sent an email confirming payment and an application receipt. **Your application cannot be accepted as complete until payment is received.**

DO NOT FAX OR EMAIL THE LOTTERY INTAKE APPLICATION FORM

For those applicants submitting an application by mail or in person, please send the completed Lottery Intake Application form along with a check or money order made payable to Long Island Housing Partnership Inc. for the \$50.00 application fee (do not send cash) to:

**Long Island Housing Partnership
180 Oser Avenue, Suite 800
Hauppauge, New York 11788
Attention: Country Pointe Woods at Smithtown Affordable Housing Program**

APPLICATION DEADLINE DATE: FEBRUARY 15, 2019

Fair Housing Laws will be followed. The LIHP staff is available to assist with the application, and answer questions about eligibility requirements. If you have any questions regarding the guidelines, or need language assistance including translation and/or oral interpretation services, please call the Long Island Housing Partnership at (631) 435-4710 before applying.

Disclaimer: It is understood that this is not an offer and that the terms and conditions may be changed at any time by the Long Island Housing Partnership, Inc., and Affiliates. It is further understood that notices by the Long Island Housing Partnership, Inc., and Affiliates may be made in such manner as Long Island Housing Partnership, Inc., and Affiliates may determine, including solely by advertisement.

PLEASE RETAIN A COPY OF THESE GUIDELINES AS THEY CONTAIN IMPORTANT PROGRAM INFORMATION.