



TOWN OF EASTON, MARYLAND

Easton Affordable Housing Purchase Program

First Time Homebuyers

Easton Town Hall
14 South Harrison Street
Easton, Maryland 21601
410-822-2525 www.town-eastonmd.com

Please Read All of These Important Instructions Carefully!

Applications are accepted any time during the year. All required documentation must be submitted before the affordable housing board will be able to consider your application.

Application Processing Time From the date that all required documents are received:

Please allow **4-6 Weeks** before calling to inquire about the status of your application.
Also, processing times may be longer due to the volume of applications received.

ELIGIBILITY

First Time Home Buyers Only:

Persons who have not owned a residential property in the previous five (5) years are eligible to participate in the program.

ASSETS/INCOME LEVEL:

There is an asset cap of \$50,000. There are maximum income limits, based on family size. For example, with a family of (4), the maximum annual household income to qualify would be \$58,268. Your total household income will include the annualized income for all members of your household over (18) years of age at time of application. You may contact Stacey Rice @ 410-822-2525 if you require additional information.

Last updated 5/30/16

APPLICATION

In order for the Affordable Housing Board to determine if you are eligible to participate in the First Time Homebuyer Program, please complete an application to provide information about your family & your income. Applicants who apply to purchase a home must meet appropriate income & credit history guidelines.

The Easton Affordable Housing Board does not provide any form of financing. You must be able to qualify for a mortgage, make a down payment, and pay settlement and other closing costs necessary to purchase the house. To obtain mortgage financing, you need to have good credit; a steady income and the house must be affordable for your family's income. The sale price of affordable housing units is set by the Housing Board.

The Easton Affordable Housing Board is not involved in the contracting process for affordable housing units. All purchase agreements are negotiated between you and the private seller.

DOCUMENTATION

Required Documentation: You must submit an original signed application and photocopies of all of the required documents. Applications without the required documentation will be returned.

- * Tax Information: Your two most recent years' Federal income tax returns, with all schedules and W-2 forms, must be included with the application. (Electronic summary, e-File, or Tele Tax is not acceptable.)
- * Pay stubs: The four most recent pay stubs for all wage earners.
- * Employment Verification Form: To be completed by employer and returned to Board. A separate employment verification form must be completed for all wage earners in each household
- * Special Note for Renewal Applications: Please indicate if this is a renewal application by checking the appropriate space on the application and send in your most recent IRS tax form as well as the other information listed on the application (your four most recent pay stubs, W-2 forms, a new credit report, etc.).
- * Pre-Qualification Letter: Applicants must submit a pre-qualification letter from a mortgage lender to apply.

Special Conditions Regarding Documentation:

- If divorced or separated, you must provide legal documentation stating this.
- If married and filed separate returns, you must provide both years for you and your spouse. If divorced or separated, you must provide both years of returns.
- If you did not file in either tax year, you must include a letter from the IRS at 1-800-829-1040.
- If you did not file because you were a full-time student, provide a copy of your school transcript or a class schedule showing that you were a full time student during the applicable tax year.
- If you are newly arrived in the United States and did not file taxes during the previous two years, you must:
 - Include a letter for the IRS certifying that they have on record of you filing a tax return (you may contact the IRS at 1-800-829-1040);
 - Verify your entry date (a copy of the first page of your passport and a copy of the page with the date of entry stamp).

- If you have a newborn child who was not listed on your Federal income tax return, you must provide a copy of the child's birth certificate.
- If a dependent is 18 or older, you must verify whether a student or working. If working, you must provide copies of their four most recent pay stubs from their employer.
- If you are a student, or if your dependent is over 18 and is a student, you must provide a current school transcript or a class schedule. Student identification will not be accepted.
- If you are self-employed, you must provide a year-to-date summary statement of income and expenses.
- If you are a single parent and do not receive child support or alimony, check the appropriate box and mark "0" in the space indicated on the application. If you receive either of the above, put the amount received in the space indicated. If you do not provide this information, processing will be delayed until the information is supplied.

SELECTION

As affordable residential units are made available in each income category, the Housing Board will notify qualified applicants approved through the program. If more qualified applicants exist than available units, a lottery selection will take place. Otherwise, qualified applicants will work with the program coordinators to select from available units. Priority is given to persons who live or work in Talbot County, are active military or are a veteran with an honorable or medical discharge and to those who have been in the program for the longest period of time. The priority is enforced through a point system.

OCCUPANCY AND RESALE RESTRICTIONS

To ensure affordable housing units serve eligible households and are affordable to future owners, the following restrictions are placed on the program. You must agree to these restrictions to participate in the program.

Occupancy:

The affordable housing unit must be owner occupied. You must occupy the unit as your primary residence.

Control of Resale:

The resale price of the affordable housing unit is controlled for a set period ranging from 7 to 15 years that depends on the development in which the affordable housing unit is located. You may sell your unit during the control period. However, you must sell it at a price determined by the Housing Board. The sale price is limited to the sum of the original price plus the increase in inflation from the date of the original purchase to the date of the resale plus the fair market value of capital improvements made to the unit.

Share of Excess Profit:

To provide funds for producing affordable housing in the future, the Town has established the Easton Affordable Housing Fund. When an affordable housing unit is sold the first time after the control period expires, the seller must pay one-half of the excess profit to the Easton Affordable Housing Fund. The Housing Board must adjust the amount paid into the Fund to ensure that the seller retains at least \$10,000 of excess profit. Money contributed to the Easton Affordable Housing Fund is used to finance construction or rehabilitation of other affordable homes in Easton.

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