

**57 Rustling Oaks, West Tisbury
A Community Home Ownership Opportunity**



This recently refurbished three-bedroom home at 57 Rustling Oaks in West Tisbury is offered for re-sale by the **Island Housing Trust** working in conjunction with the **Town of West Tisbury**

The **Sale Price** for 57 Rustling Oaks is **\$370,000.00**

For **Household Incomes** between **\$74,000 & \$122,650**
depending on household size

The **Dukes County Regional Housing Authority** is acting as lottery agent for this offer, with applications available at its office at 21 Mechanic St, Vineyard Haven, mailed upon request, or on-line at:

<http://www.ihtmv.org/affordable-homes/>
<https://housingauthoritymarthasvineyard.org/>

Information Meeting at 57 Rustling Oaks, Wednesday, October 20 at 5:30 pm

Completed Applications are due Friday, November 5th, 2021

The Dukes County Regional Housing Authority does not discriminate on the basis of race, color, religion, sex, national origin, ancestry, sexual orientation, gender identity, genetic information, age, familial status, children, marital status, veteran status, or membership in the armed services, the receiving of public assistance, or physical or mental disability in the access or admission to its programs or employment, or in its programs' activities, functions, or services.

DUKES COUNTY REGIONAL HOUSING AUTHORITY

PO BOX 4538, VINEYARD HAVEN MA 02568 PH. 508-693-4419 FAX 508-693-5710
DCRHA@HOUSINGAUTHORITYMV.ORG

Thank you for your interest in purchasing the **3-Bedroom Home** located at **57 Rustling Oaks, West Tisbury**. This property has undergone significant renovation by the **Island Housing Trust** whose groundlease includes certain restrictions on resale to keep the property affordable as a Community Ownership opportunity for income qualified homebuyers.

Sale Price: **\$370,000.00**

Eligibility criteria include:

- Household annual income maximums:
\$74,000, 1 person; **\$84,600**, 2 persons; **\$95,150**, 3 persons;
\$104,700, 4 persons; **\$114,200**, 5 persons; **\$122,650**, 6 persons
- **Household asset maximum is \$100,000.**
- **Applicants must be first-time homebuyers (have not owned a home in last 3 years).** Exceptions: single parents, displaced homemakers, and applicants over age 55.

Initial Preference in the lottery will be given to households sized a minimum of three.

Local Preference will be given to households who live or work in West Tisbury.

The **Mortgage** must be fixed-rate, full term, at fair market rate with no more than 2 points, and buyer down payment of at least 3% from buyer's funds. Only members of the applying household can sign on the mortgage. All monies gifted to household members to assist in down-payment or other costs will be counted as household assets. Further details included in the attached **Lender Criteria** form requiring lender review and signature.

Allow at least 7-days to secure the required **pre-qualification letter** from a mortgage lender. Applicants are free to work with lenders of their choosing but we encourage households to work with local lenders where the resale restrictions and guidelines for affordable and community home ownership are well understood.

- Ann Hunt, Martha's Vineyard Savings Bank (508-627-4266); ahunt@mvsavingsbank.com
- Victoria Cervone, Sovereign Bank (774-563-5563); victoria.cervone@santander.us
- Dee Lander, Rockland Trust (508-957-1255); Delos.Lander@RocklandTrust.com
- Tammy King, Cape Cod Five Cents Savings (508 693-9236); tking@capecodfive.com
- USDA Rural Development (508 295-5151 ext. 203)

Application & Lottery Selection Timeline:

Wednesday, October 20 at 5:30 pm: Information Meeting at 57 Rustling Oaks, West Tisbury.

5:00 PM Friday, November 5, 2021: A complete application with supporting documents must be submitted to Dukes County Regional Housing Authority

Friday, November 12: Applicant Certification completed with notification made.

Wednesday, November 17: Address and resolve with DCRHA staff any questions regarding their lottery status.

Thursday, November 18, 2021: The Lottery for 57 Rustling Oaks, West Tisbury

Please contact the **Dukes County Reginal Housing Authority at 508-693-4419** with any questions pertaining to the application. We strongly recommend that each applicant call or visit for a preliminary review of their completed application in advance of the close of the application period to assure completion and avoidance of last-minute effort.

Best of luck to each applicant!

57 Rustling Oaks - Application Form, Part I

Applicant Information

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ Email: _____

Co-Applicant Information (if applicable)

Name: _____

Telephone: _____ Email: _____

Household Information

Please list ALL household members, regardless of age, who will occupy the Community Home:

Name	Date of Birth	Relationship

First-Time Homebuyer

Have you owned a home or a joint interest in a home in the past three years from the date of this application? YES NO

If yes, please explain:

Demographics

Please check off all applicable categories for each household member.

	Applicant	Co-Applicant	Dependent(s)
Asian/Pacific Islander			
Black or African American			
Native American/Alaskan Native			
White/Non-Minority			
Hispanic/Latino			
Other Race/Ethnicity (please specify)			
Disabled			
Senior Citizen			
Veteran			

This information is not required and will be used only in accordance with federal and state guidelines to ensure affirmative marketing. Additionally, it may assist with any required addition of minority households to the Local Preference category.

How did you hear about this property? _____

Pre-Approval Information

Applicants may work with any lender they wish but it is recommended that work with a local bank or lending institution who is familiar with affordable and community ownership offers can make mortgage financing a more direct prospect. You should qualify for a fixed-rate loan of sufficient amount to purchase the property, with at least 3% down payment. The attached Lender Criteria form clarifies such terms further and must be reviewed, filled out and signed by your lender for inclusion in your completed application.

Please provide a copy of your preapproval letter.

- Lending Institution/Bank: _____
- Amount of Pre-Approval: _____
- Date of Pre-Approval: _____
- Amount of Down Payment: _____

Income Information

Please list sources of income for all household members. Income includes gross wages or salary, retirement account income withdrawals, self-employment income, veteran's benefits, alimony/child support, unemployment compensation, Social Security and supplemental income, pension/disability income, and dividend income. Please note any recent significant changes in amounts received.

Please provide documentation of all income, including:

- Five most recent pay stubs
- Federal Tax Returns for the last two years
- W2s for the most recent year
- Social Security/benefit award letter
- Pension/retirement documentation
- Child support/alimony award or proof of receipt

Source of Income	Household Member	Amount per Year

If there are additional sources of income, please attach a separate page.

Employment Information

Household Member: _____ Employer Name: _____

Position/Title: _____ Date of Hire: _____

Household Member: _____ Employer Name: _____

Position/Title: _____ Date of Hire: _____

Household Member: _____ Employer Name: _____

Position/Title: _____ Date of Hire: _____

If there are additional employers, please attach a separate page.

Asset Information

Please list the asset information for all household members. Assets include liquid assets, such as checking or savings accounts, stocks, bonds, the cash-value of retirement accounts (less any penalties and taxes), cash gifts, and other forms of capital investments, excluding personal property, automobiles, government sponsored down payment assistance programs, equity accounts in homeownership programs or state assisted public housing escrow accounts.

Please provide documentation of all assets, including the most recent monthly statement for all accounts.

Household Member: _____ Bank: _____

Account Type: _____ Last 4 of Acct. #: _____ Balance: _____

Household Member: _____ Bank: _____

Account Type: _____ Last 4 of Acct. #: _____ Balance: _____

Household Member: _____ Bank: _____

Account Type: _____ Last 4 of Acct. #: _____ Balance: _____

Household Member: _____ Bank: _____

Account Type: _____ Last 4 of Acct. #: _____ Balance: _____

Household Member: _____ Bank: _____

Account Type: _____ Last 4 of Acct. #: _____ Balance: _____

If there are additional assets to list, please attach a separate page.

Gifts

Will the household be receiving a cash gift from a friend or family member to help with the purchase of this property? YES NO

Name of Source: _____ Relationship to Applicant: _____

Amount of Gift: _____

If receiving a gift, please include a letter signed by the donor stating that the amount and that the contribution is a gift.

CERTIFICATION AND ACKNOWLEDGEMENTS – 57 Rustling Oaks Lottery

It is the policy of the Dukes County Regional Housing Authority to verify all information contained in this application. In acknowledgement of this policy, please sign your name(s) where indicated.

Anyone over the age of 18 or older who will be living in the home must sign below.

I/We certify the following:

- All the information contained and submitted in support of this application is true and complete to the best of my/our knowledge and belief. I/We are aware that any misrepresentation may result in cancellation of my application.
- Consent to Release Information: I/We authorize representatives of the Dukes County Regional Housing Authority to supply and receive information to/from my/our employer(s), my/our financial institution(s), other housing assistance programs, and/or other organizations (Criminal History Board, Credit Bureaus, etc.) to verify the information contained in this application and to confirm my eligibility for rental opportunities.
- I/We understand that completion of this application is for placement through lottery on a list for the opportunity to purchase the home at 57 Rustling Oaks, West Tisbury and does not guarantee either the final eligibility to purchase or the actual purchase of the home.

Signature _____ Print Name _____ Date _____

Signature _____ Print Name _____ Date _____

Signature _____ Print Name _____ Date _____

Signature _____ Print Name _____ Date _____

Signature _____ Print Name _____ Date _____



The Dukes County Regional Housing Authority does not discriminate on the basis of race, color, religion, sex, national origin, ancestry, sexual orientation, gender identity, genetic information, age, familial status, children, marital status, veteran status, or membership in the armed services, the receiving of public assistance, or physical or mental disability in the access or admission to its programs or employment, or in its programs' activities, functions or services.

Rustling Oaks, West Tisbury - APPLICATION Part II

REQUIRED DOCUMENTATION

Each of the following documents for **all household members** (when applicable) must be submitted for your 57 Rustling Oaks application to be complete.

Applicant Name(s): _____

- Complete** copies of your **2 most recent Federal income tax returns (2019, 2020)**. You must include **all corresponding W2's and attached schedules**;
- Copies of your **5 most recent pay stubs**;
- Copies of your **3 most recent bank statements and/or any investment account statements**;
- If you are **self-employed (full or part-time)**, submit a **year-to-date profit/ loss statement AND the previous two years of federal income tax returns including all attached schedules**;
- If you are divorced or legally separated and/or receiving alimony or child support, please attach a copy of the decree/agreement and any statement of payment accounts such as provided by the Department of Revenue;
- If you receive **Social Security Income**, submit a copy of your **most recent statement**;
- If receiving any other form of down payment assistance (a personal gift and/or aid from another program), submit a letter from 3rd party offering assistance describing the amount and type of assistance, the terms of any repayment or that repayment is not expected**;
- Adult members of applicant household not working must submit a signed **Certificate of Zero Income** form;
- Signed Verification Forms:**
 - Bank Account Verification
 - Verification of Income from Wages
 - Self-Employment Income Affidavit (if applicable)
 - Verification of Pension Income (if applicable)
 - Verification of Child Support (if applicable)
 - Verification of Unemployment Wages (if applicable)
 - Certification of Zero Income (if applicable)
- A current pre-qualification letter from a lender signed and dated by your lender and a completed Island Housing Trust Lender Criteria form**

BANK ACCOUNT VERIFICATION

(The use of white out, black out, or alteration of original information will void this document)

Project Name:		Unit ID:		Date:	
Applicant/Tenant:		SSN:			

Bank Contact:

Bank Name:		Contact Person:	
Address:		Phone:	
City:	State:	Zip:	Email:

My Signature Authorizes Verification of My Bank Account Information:

Applicant/Tenant Signature	Date
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The individual named directly above is an applicant/tenant of the IRC § 42 **Low Income Housing Tax Credit Program**. The information provided will be used to determine eligibility for the program and remains confidential to the satisfaction of that stated purpose only. Your prompt response is crucial and would be greatly appreciated.

Sincerely,

RETURN THIS FORM TO:

DCRAA

Fax: 508 693 5710

Email: Barbara@HousingAuthority.mv.a

Barbara Hoffman
Project Owner/Management Agent

THIS SECTION TO BE COMPLETED BY BANK

CHECKING Account Number	Avg 6 Month Balance	Interest Rate	Current Balance
	\$	%	\$
	\$	%	\$
	\$	%	\$
	\$	%	\$
SAVINGS Account Number	Current Balance	Interest Rate	
	\$	%	
	\$	%	
	\$	%	
	\$	%	
OTHER Account (i.e. CD; Money Market; Debit, etc.)	Current Balance	Interest Rate	Withdrawal Penalty
	\$	%	
	\$	%	
	\$	%	
	\$	%	

If additional space is needed please attach a separate sheet with information, date and signature

Signature	Date	
Name and Title of Person Supplying the Information		
Phone #	Fax #	E-Mail

NOTE: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction

EMPLOYMENT VERIFICATION

(The use of white out, black out, or alteration of original information will void this document)

Project Name:	Unit ID:	Date:
Applicant/Tenant:	SSN:	

Employer Contact:

Business Name:		Contact Person:	
Address:		Phone:	Fax:
City:	State:	Zip:	Email:

My Signature Authorizes Verification of My Employment Income Information:

X _____
Applicant/Tenant Signature _____
Date

The individual named directly above is an applicant/tenant of the IRC § 42 **Low Income Housing Tax Credit Program**. The information provided will be used to determine eligibility for the program and remains confidential to the satisfaction of that stated purpose only. Your prompt response is crucial and would be greatly appreciated.

Sincerely,

Barbara Hoffman

Project Owner/Management Agent

RETURN THIS FORM TO:

DCRHA
 Fax 508 693 5710
 Email: Barbara@Housingauthoritymv.org

THIS SECTION TO BE COMPLETED BY EMPLOYER

- Please answer all questions fully leaving no blanks
- Please provide an employee pay history report when returning this completed form

Employee Name: _____ Job Title: _____

Presently Employed: Yes Date First Employed: ___/___/___ No Last Date of Employment: ___/___/___

Current Wages (check one) Hourly Salary \$ _____ Pay Frequency Weekly Bi-weekly Monthly Semi-monthly Yearly
 Pay Method Cash Check Direct Deposit Other

number of weeks worked per year: _____

Number of regular hours scheduled per week: _____
 (If hours vary please list average anticipated)

Gross pay from prior year: \$ _____

Gross Year to Date Pay: \$ _____
 From ___/___/___ Through ___/___/___
 Number of pay periods included in the YTD earnings above: _____

Overtime Rate: \$ _____ per hour Average number of OT hours per week: _____

Shift Differential Rate: \$ _____ per hour Average number of shift differential hours per week: _____

Commissions, bonus, tips, other: \$ _____ Frequency Weekly Bi-weekly Monthly Semi-monthly Yearly Other _____

List the most recent change in the employee's rate of pay: \$ _____ % _____ ; Effective date: ___/___/___

List any anticipated change in the employee's rate of pay within the next 12 months: \$ _____ % _____ ; Effective date: ___/___/___

If the employee's work is seasonal or sporadic, please indicate the layoff period(s) : _____

Is employee eligible for unemployment during the layoff? No Yes Does employee participate in a retirement plan i.e. 401k? No Yes

Additional Remarks: _____

 Employer Signature Employer Printed Name & Title Date

 Employer Name and Address

 Phone # Fax # E-Mail

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SELF EMPLOYMENT INCOME AFFIDAVIT

Use this form for any applicant or resident who receives income as a business owner, independent contractor, sole proprietorship, cash pay, odd jobs, etc.

Applicant/Tenant: _____

Name of Business: _____

Business Address: _____

Type of Business: _____

Position Held: _____

Start Date: _____

Anticipated Gross Annual Income: \$ _____

Anticipated Annual Business Expenses: \$ _____

Anticipated Annual Profit: \$ _____

Previous Year Profit (or Loss): \$ _____

Cash Withdrawals from Business: \$ _____

Do you file tax returns? YES Taxpayer ID# _____ NO

If YES please submit tax returns with schedule C for past 3 years

If NO please state why: _____



- *If tax returns were not filed please submit a profit/loss report for each month since the business started*
- *Please include documents such as invoices, receipts, written business plan, or accountant statement of business income.*

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. The undersigned further understand that providing false representation herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of a lease agreement.

Applicant Signature

Date

PENSION VERIFICATION

(The use of white out, black out, or alteration of original information will void this document)

Project Name:		Unit ID:		Date:	
Applicant/Tenant:		SSN:			

Pension Provider:

Company Name:		Contact Name:	
Address:		Phone:	Fax:
City:	State:	Zip:	Email:

My Signature Authorizes Verification of my Pension Account Information:

X _____
 Applicant/Tenant Signature _____
 Date

The individual named directly above is an applicant/tenant of the IRC § 42 Low Income Housing Tax Credit Program. The information provided will be used to determine eligibility for the program and remains confidential to the satisfaction of that stated purpose only. Your prompt response is crucial and would be greatly appreciated.

Sincerely,

Barbara Hoffman
 Project Owner/Management Agent

RETURN THIS FORM TO: <i>DCRHA</i> <i>Fax 508693 5710</i> <i>Email: Barbara@housingauthority.ty.us</i>

THIS SECTION TO BE COMPLETED BY PENSION PROVIDER

Pension Account Number	Current Balance	Can Applicant/Tenant Convert to Cash?		Interest/Dividend*
	\$	<input type="checkbox"/> YES	<input type="checkbox"/> NO	\$ %
	\$	<input type="checkbox"/> YES	<input type="checkbox"/> NO	\$ %
	\$	<input type="checkbox"/> YES	<input type="checkbox"/> NO	\$ %
	\$	<input type="checkbox"/> YES	<input type="checkbox"/> NO	\$ %

** If earnings vary or cannot be predicted please list total interest/dividend from most recent quarter (even if reinvested)*

Does the individual receive periodic payments from any account listed above: YES NO

If yes, please complete following:

Account Number	Gross Payment Amount	Payment Frequency	Fixed or Subject to Change?
	\$	<input type="checkbox"/> Monthly <input type="checkbox"/> Other:	<input type="checkbox"/> Fixed <input type="checkbox"/> Subject to Change
	\$	<input type="checkbox"/> Monthly <input type="checkbox"/> Other:	<input type="checkbox"/> Fixed <input type="checkbox"/> Subject to Change
	\$	<input type="checkbox"/> Monthly <input type="checkbox"/> Other:	<input type="checkbox"/> Fixed <input type="checkbox"/> Subject to Change
	\$	<input type="checkbox"/> Monthly <input type="checkbox"/> Other:	<input type="checkbox"/> Fixed <input type="checkbox"/> Subject to Change

Please list any expected changes: _____

 Signature _____
 Date

 Name and Title of Person Supplying the Information

 Phone # _____ Fax # _____ E-Mail

NOTE: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction

CHILD SUPPORT OR ALIMONY INCOME VERIFICATION



Send this form to the person providing child support or alimony payments. If the payments are made due to a formal court order please include the divorce decree in the tenant file.

Applicant/Tenant: _____ **Unit #:** _____

Name and Address of Contributor:

Name: _____ **Relationship:** _____
Address: _____
City: _____ **State:** _____ **Zip:** _____
Phone: _____ **Fax:** _____ **Email:** _____

I, _____, am contributing the following assistance to the above named individual.

Cash: \$ _____ Frequency: _____

This is CHILD SUPPORT or ALIMONY

These payments are made through a formal agreement or informal agreement

Will this assistance change in the next 12 months? YES NO

If YES please describe: _____

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Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. The undersigned further understand that providing false representation herein constitutes an act of fraud.

(Signature of Contributor)

Date

UNEMPLOYMENT INCOME VERIFICATION

(The use of white out, black out, or alteration of original information will void this document)

Project Name:	Unit ID:	Date:
Applicant/Tenant:	SSN:	

AGENCY PROVIDING BENEFITS

Agency Name:	Contact Name:	
Address:	Phone:	Fax:
City:	State:	Zip:
		Email:

My Signature Authorizes Verification of my Unemployment Income Information:

X _____
Applicant/Tenant Signature

Date

The individual named directly above is an applicant/tenant of the IRC § 42 **Low Income Housing Tax Credit Program**. The information provided will be used to determine eligibility for the program and remains confidential to the satisfaction of that stated purpose only. Your prompt response is crucial and would be greatly appreciated.

Sincerely,

Barbara Hoffman

 Project Owner/Management Agent

RETURN THIS FORM TO: <i>DEPIA</i> <i>Fax 508 693-5710</i> <i>Email: Barbara@housingauthoritymv.org</i>
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THIS SECTION TO BE COMPLETED BY BENEFIT ADMINISTRATION

- PLEASE LIST ALL BENEFITS RECEIVED BY THE ABOVE NAMED APPLICANT/TENANT
- ATTACH A PAY HISTORY FOR PAST 12 MONTHS

Are benefits currently being paid? YES NO If NO, when did they end: _____

If YES, please list gross benefit amount: \$ _____ Weekly Biweekly Monthly Other: _____

When did payments begin: _____

When will payments end: _____

List any available extensions: _____

Is the individual required to actively seek employment? YES NO

Please list any expected changes: _____

Please list any helpful remarks: _____

Signature	Date	
Name and Title of Person Supplying the Information		
Phone #	Fax #	E-Mail

NOTE: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction

CERTIFICATION OF ZERO INCOME

(To be completed by all adult household members with no reported income)

Applicant/Tenant: _____ **Unit #:** _____

1. I currently have no income of any kind and I do not expect this to change in the next 12 months [] YES [] NO

2. I have been living with zero income for _____ years and _____ months

3. I hereby certify that I do not individually receive income from any of the following sources:

- a. Wages from employment (including commissions, tips, bonus, etc.)
- b. Income from the operation of a business
- c. Rental income from real or personal property
- d. Interest or dividends from assets
- e. Social Security payments, annuities, insurance policies, retirement funds, pensions, or death benefits
- f. Unemployment or disability payments
- g. Public assistance payments
- h. Periodic allowances such as alimony, child support, or gifts from persons not living in my household
- i. Sales from self employed resources (Avon, Mary Kay, etc.)
- j. Cash payments
- k. Any other source not named above

4. The reason I have no income is: _____

5. I will be using the following sources of funds to pay for:

Rent: _____
Utilities: _____
Food: _____
Clothing: _____
Transportation: _____
Internet/Cable/Phone: _____
Toiletries: _____
Credit cards/loans/bills: _____

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. The undersigned further understand that providing false representation herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of a lease agreement.

(Signature of Tenant)

Date

(Signature of Manager)

Date

The Island Housing Trust ground lease requires that any mortgage for purchase or refinance on Trust property be approved by the Trust. Furthermore the mortgage or security instrument must satisfy the requirements of the attached Permitted Mortgage. Any prequalification letter or mortgage commitment letter must include this completed and signed form. Should you have any questions please contact the Trust at 508-693-1117.

Check Boxes:

1. Employment and income

- Homebuyer has provided proof of steady employment or income for the past year.
- Prequalification or mortgage commitment is based on verified income from recent and previous years filed income tax returns.

2. Credit score

- Homebuyer’s credit score are above 620, and
- Homebuyer has had no bankruptcies within past three years if for consumer credit reasons, or within the past two years if for medical reasons.

3. Personal assets available

- Homebuyer is able to make down-payment equal to 5% (minimum 3% personal and 2% gift) of the total sale price of the property.
- Homebuyer has funds in savings or other cash account after closing costs (we recommend that buyers have \$2,000 after closing).

4. Debt ratios

- Front-end debt ratio does not exceed 33% of gross monthly income on housing debt (exclusive of utilities).
- Back end debt ratio does not exceed 45% of gross monthly income on all housing and non-housing debt combined (exclusive of utilities).

5. Asset value

- Mortgage loan(s) value does not exceed 95% of the maximum resale price (Article 10.8 - Option Purchase Price).

6. Lending certification

- Lending institution is in compliance with the Commonwealth of Massachusetts’ (or mortgage lender’s applicable state) Predatory Lending Statutes.

7. Types of loan products:

- Mortgage is not an “80/20” loan.
- Mortgage does not have pre-payment penalties.
- Mortgage is not an option ARM loan.
- Mortgage is not a stated income & no income/ no asset verification loan.

I certify that the \$ _____ (amount) mortgage to _____ (name of homebuyer/ mortgagee) for the property at _____ (property address) satisfies the terms of the attached Permitted Mortgage and the information above is correct.

(Loan Officer)

(Signature)

(Lending Institution)

I/We authorize representatives from the above lending institution to supply the above information, as well as a copy of the commitment letter, term sheet, and the property appraisal to the Dukes County Regional Housing Authority and the Island Housing Trust.

(Applicant)

(Signature)

(Co-applicant)

(Signature)

PERMITTED MORTGAGES

The provisions set forth in this Exhibit shall be understood to be provisions of Article 8 of the Island Housing Trust's Ground Lease to which the Exhibit is attached and in which the Exhibit is referenced. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease. A complete copy of the Island Housing Trust's ground lease can be downloaded at: <http://www.ihmtv.org/lenders.shtml>

A. PERMITTED MORTGAGE: A "Permitted Mortgage," as identified in Section 8.1 of the Lease to which this Exhibit is attached, shall be a mortgage ("Mortgage") that meets the following requirements.

1. Such Mortgage shall run in favor of either (a) a so-called institutional lender such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, a pension and/or profit-sharing fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision, or (b) a "community development financial institution" as certified by the U.S. Department of the Treasury, or similar nonprofit lender to housing projects for low- and moderate-income persons.
2. Such Mortgage shall be a first lien on all or any of the Improvements and the Lessee's interest in the Leased Premises (the "Security").
3. Such Mortgage and related documentation shall provide, among other things, that in the event of a default in any of the mortgagor's obligations there under, the holder of such Mortgage shall notify Lessor of such fact and Lessor shall have the right (but shall not have the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor's name and on mortgagor's behalf, provided that current payments due the holder during such 120-day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by such Mortgage or to commence to foreclose under the Mortgage on account of such default.
4. Such Mortgage and related documentation shall provide, among other things, that if after such cure period the holder intends to accelerate the note secured by such Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of this Lease, the holder shall first notify Lessor of its intention to do so and Lessor shall have the right, but not the obligation, upon notifying the holder within thirty (30) days of receipt of said notice from said holder, to pay off the indebtedness secured by such Mortgage and to acquire such Mortgage.
5. Such Mortgage and related documentation shall provide, among other things, that, in the event of foreclosure sale by a Permitted Mortgagee or the delivery of a bill of sale and deed to a Permitted Mortgagee in lieu of foreclosure, upon acquisition of title to the Improvements and the Lessee's interest in the Leased Premises by the Permitted Mortgagee, the Permitted Mortgagee shall give the Lessor written notice of such acquisition and the Lessor shall have an option to purchase the Improvements and acquire the Lessee's interest in the Leased Premises from the Permitted Mortgagee for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage; provided, however, that the Lessor gives written notice to the Permitted Mortgagee of the Lessor's intent to purchase the Improvements and acquire the Lessee's interest in the Leased Premises within thirty (30) days following the Lessor's receipt of the Permitted Mortgagee's notice of such acquisition of the Improvements and Lessee's interest; further provided that Lessor shall complete the purchase of the Improvements and acquisition of Lessee's interest in the Leased Premises within sixty (60) days of having given written notice of its intent to purchase; and provided that, if the Lessor does not complete the purchase within such period, the Permitted Mortgagee shall be free to sell the Improvements and transfer the Lessee's interest in the Leased Premises to another person;
6. Such Mortgage and related documentation shall not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the Dukes County area by institutional mortgagees.
7. Such Mortgage and related documentation shall not contain any provisions which could be construed as rendering Lessor or any subsequent holder of the Lessor's interest in and to this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.
8. Such Mortgage and related documentation shall contain provisions to the effect that the holder of such Mortgage shall not look to Lessor or Lessor's interest in the Leased Premises, but will look solely to Lessee, Lessee's interest in the Leased Premises, the Improvements, or such other buildings and improvements which may from time to time exist on the Leased Premises, for the payment of the debt secured thereby or any part thereof (It is the intention of the

parties hereto that Lessor's consent to such Mortgage shall be without any liability on the part of Lessor for any deficiency judgment).

9. Such Mortgage and related documentation shall provide that in the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the holder of the Mortgage in accordance with the provisions of Article 9 hereof.

10. Such Mortgage and related documentation shall contain nothing that obligates Lessor to execute an assignment of the Ground Lease Fee or other rent payable by Lessee under the terms of this Lease.

B. RIGHTS OF PERMITTED MORTGAGEE: The rights of a holder of a Permitted Mortgage ("Permitted Mortgage") as referenced under Section 8.2 of the Lease to which this Exhibit is attached shall be as set forth below.

1. Permitted Mortgagee shall without requirement of consent by the Lessor have the right, but not the obligation, to:

a. cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance by a Permitted Mortgagee being effective as if it had been undertaken and performed by Lessee;

b. acquire and convey, assign, transfer, and exercise any right, remedy or privilege granted to Lessee by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and

c. rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of Permitted Mortgagee.

2. Permitted Mortgagee shall not, as a condition to the exercise of its rights under the Lease, be required to assume personal liability for the payment and performance of the obligations of the Lessee under the Lease. Any such payment or performance or other act by Permitted Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Security and the premises. In the event Permitted Mortgagee does take possession of the Security and thereupon transfers the Security, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.

3. In the event that title to the estates of both Lessor and Lessee shall be acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage. In the event that the estate of Lessor is owned at any time by Lessee (regardless of a merger), or by any person in which Lessee has a direct or indirect interest, Permitted Mortgagee shall not be obligated to cure any default of Lessee under the Lease as condition to the forbearance by Lessor in the exercise of Lessor's remedies as provided in the Lease.

4. If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, Lessor shall enter into a new lease of the Leased Premises with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to Lessor's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection, or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to Lessor for such new lease within sixty (60) days after the effective date of such termination, rejection, or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Lessee there under, and the Permitted Mortgagee shall have cured all defaults under the Lease, which can be cured by the payment of money. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Premises as the Lease. The provisions of this Section shall survive the termination, rejection, or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by Lessor, Lessee, and the Permitted Mortgagee.

5. The Lessor shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

6. In the event that Lessor sends a notice of default under the Lease to Lessee, Lessor shall also send a notice of Lessee's default to Permitted Mortgagee. Such notice shall be given in the manner set forth in Section 14.2 of the Lease to the Permitted Mortgagee at the address that has been given by the Permitted Mortgagee to Lessor by a written notice to Lessor sent in the manner set forth in said Section 14.2 of the Lease.

GROUND LEASE SUMMARY



The Island Housing Trust's ground lease is the legally binding agreement that gives the Lessee/homeowner the right to use the land. It describes in full the rights and responsibilities of the lessee and the IHT, as well the restrictions that govern the relationship. The lease attempts to balance the interests of the lessee as a homeowner with the long-term interests of the IHT and the Island community.

There are a number of critical agreements that are defined by the IHT ground lease. These include:

- **3.1 DURATION OF LEASE:** renewable 99-year lease and shall not cease if the land is transferred whether voluntarily or involuntarily.
- **4.1 USE OF LEASED PREMISES:** only for residential purposes and any incidental activities related to residential use that are currently permitted by applicable law and regulations.
- **4.4 OCCUPANCY:** Lessee shall occupy the Leased Premises for at least eleven (11) months of each year of this Lease, unless otherwise agreed by IHT.
- **5.0 GROUND LEASE FEE:** A \$50.00 monthly fee will be charged based on an amount approximating the monthly fair rental value (Article 5.1), recognizing that use of the Leased Premises is restricted by some of the provisions of the Lease (Article 5.3). The ground lease fee (along with any other association fees) is included in the calculation that determine the initial Purchase Price in Article 10.10 and the Total Development Value in Article 7.4 so they remain affordable in perpetuity. See attached purchase price limit.
- **6.0 TAXES AND ASSESSMENTS:** Lessee shall be responsible for payment of all taxes, governmental assessments and other charges (i.e. road association fees) that relate to the Improvements and the Leased Premises (Article 6.1). In the event that Lessee fails to pay the taxes or other charges, IHT choose to increase, but shall not be obligated to increase, Lessee's Ground Lease Fee in an amount that will offset the cost of any delinquent and current taxes or other charges (Article 6.4).
- **7.3 ALTERATION AND ADDITIONS:** Any construction in connection with an existing or new Improvement is subject to the following conditions: (a) all costs are paid by Lessee; (b) all construction must comply with all applicable laws and regulations; (c) all construction must be consistent with the permitted uses in Ground Lease and; (d) the addition of bedroom(s) and bathroom(s) intended to qualify for Added Value in accordance with Article 10.10 shall not be constructed without prior review by the IHT.

□ **7.5 MAINTENANCE AND SERVICES:** Lessee shall maintain the Leased Premises and all Improvements and assumes the sole responsibility for furnishing all services or facilities as required in the Ground Lease, including but not limited to heat, electricity, air conditioning, or water, or to make any repairs.

□ **8.1 PERMITTED MORTGAGE:** Lessee may mortgage the Leased Premises only with the written consent of IHT.

□ **8.3. REMOVAL OF CERTAIN PROVISIONS PURSUANT TO FORECLOSURE:** In the event of foreclosure sale by the bank the provisions preserving affordability for lower-income households (Article 10, sections 10.1 through 10.11) shall be deleted.

- **EXHIBIT H – PERMITTED MORTGAGES:** The bank has to give the IHT prior written notice of its intention to foreclose and the IHT or its assigns will have 45 days to provide written notice to the bank of intent to purchase the Improvements and leasehold estate for the full amount owed to the bank. If the bank conducts a foreclosure the Lease authorizes and instructs the bank or any party conducting any sale to pay the amount in excess of what the Lessee would have received under the resale formula in Article 10 directly to IHT.

- **10.2 TRANSFERS TO INCOME-QUALIFIED PERSONS:** Lessee may sell their interest in the Leased Premises or the Improvements only to the IHT or an Income qualified Person as defined by the provisions of the Lease. Income qualified person shall mean a person or persons whose household income does not exceed 100% of the median household income for Dukes County.

- **10.3 TRANSFER TO LESSEE’S HEIRS:** IHT will consent to a transfer of the Improvements under the terms and conditions of the Lease to and by one or more of these “Permitted Heirs”, including:
 - a. the spouse of the Lessee; or
 - b. the Lessee’s domestic partner who is one of two people, the other being the Lessee, who maintain the same permanent residence and have a close and committed personal relationship involving shared responsibilities for each other’s welfare as evidenced by financial interdependence, and expressing the intention for their relationship to be permanent.

- **10.5 LESSOR’S PURCHASE OPTION:** IHT may elect to exercise its Purchase Option within forty-five days after IHT’s receipt of the Lessee’s Notice of Intent to Sell. If the IHT gives notice to exercise the Purchase Option, the IHT must complete the purchase of the Improvements within sixty (60) days. The IHT may assign the Purchase Option to an Income-Qualified Person who then completes the purchase of the Improvements within the required period.

- **10.8 PURCHASE OPTION PRICE:** The Purchase Option Price shall be equal to the lesser of (a) the value of the Improvements as determined by the Appraisal (Article 10.9) commissioned and conducted at the discretion of the IHT or (b) the price calculated in accordance with the formula described below (“the Formula Price”).
- **10.10 CALCULATION OF THE FORMULA PRICE:** The Formula Price shall be equal to the Base Price (Lessee’s Purchase Price) plus the Inflation Adjustment, calculated as described below.
 - **Base Price:** The parties agree that the Base Price is the Purchase Price plus the Added Value, as may be applicable.
 - **Lessee’s Purchase Price:** The parties agree that Lessee’s Purchase Price for the Improvements existing on the Leased Premises as of the commencement of the term of the Lease is \$370,000 .
 - **Inflation Adjustment:** The parties agree that the Inflation Adjustment is defined as the sum of two parts: (1) the Lessee’s Purchase Price, times the percent change in the Area Median Income for Dukes County (“AMI”) since the time of purchase, as may be applicable, and (2) the Added Value times the percent change in the AMI since the time of the addition of the bedroom(s). The Base Price plus the Inflation Adjustment shall be the Formula Price. The AMI shall be for Dukes County as reported by the HUD. In any event, and in order to balance years of anomaly in the AMI, the increase in the index shall not be greater than an average of 4% per year.
- **10.12 DEFERRED MAINTENANCE AND CONDITION OF IMPROVEMENT AT TIME OF SALE:** It is expected and understood that the Lessee maintain the Improvement in good, safe and habitable condition. At the time of transfer, Lessee agrees to transfer the Improvement in good, safe and habitable condition. The Lessor shall use the Buyer’s mortgage lender’s requirements as the basis for identifying deferred maintenance problems, if any, that must be corrected prior to sale of the Improvement.
- **10.13 MONITORING FEE:** The IHT receives a fee of 1% of the maximum sale price of the unit to cover the cost of monitoring the resale and the lease transfer (application and income qualification, orientation and homebuyer training, resale calculation, marketing, and legal review). The Lessee purchaser as a closing cost shall pay this fee at the time of closing.
- **11.0 ASSIGNMENTS AND SUBLEASE RESTRICTION AGAINST LEASING:** The Property shall not be leased or subleased to anyone who is not qualified by the IHT or their agent for affordable housing, as defined by the IHT. The rent is limited to the carrying costs of the improvements. Any profits from rents that exceed the carrying costs will be paid to the IHT.