

DATE RECEIVED: _____



HOMESTEAD DEVELOPMENT CORP.
LAKE PLACID, NY

HOME PURCHASE ELIGIBILITY FORM

The information provided on this form shall be kept confidential and shall be used for the purpose of determining eligibility for homeownership.

APPLICANT INFORMATION:

Name: _____

Physical address: _____

Mailing address: _____

Phone number: _____

Email: _____

CO-APPLICANT INFORMATION:

Name: _____

Physical address: _____

Mailing address: _____

Phone number: _____

Email: _____

FAMILY COMPOSITION:

NAME	RELATIONSHIP TO APPLICANT

INCOME:

Provide information for each family member who will receive income during the next twelve (12) months.

APPLICANT:

Employment: _____

Name: _____

Employer: _____

Position/Title: _____

Dates of employment: _____

CO-APPLICANT:

Employment: _____

Name: _____

Employer: _____

Position/Title: _____

Dates of employment: _____

OTHER INCOME: (EXAMPLE: CHILD SUPPORT, SOCIAL SECURITY)

Name: _____

Source of income: _____

Total **GROSS** annual income from all members of household:

(As indicated on recent tax return)

CO-APPLICANT NAME:

Organization: _____

Volunteer role: _____

Date of involvement: _____

MORTGAGE FINANCING:

Have you been pre-approved by a lender? Yes No

If yes, for what amount? _____

Do you have any issues with your credit? Yes No

PERSONAL REFERENCE:

Name: _____

Relationship: _____

Contact Info: _____

TELL US ABOUT YOURSELF:

Fawn Valley is a community-based housing development intended to fill a need for safe and achievable housing for local workers, now and in perpetuity. Please tell us about your household and why you are interested in living in this community: (Attach more details if needed)

I/we hereby certify that to the best of my(our) knowldege and belief the above data is true and correct.

APPLICANT SIGNATURE: **DATE**

CO-APPLICANT SIGNATURE: **DATE**

VOLUNTEER INFORMATION:

Please provide information for each family member who volunteers

Applicant Name: _____

Organization: _____

Volunteer role: _____

Date of involvement: _____

CURRENT HOUSING:

Do you currently rent or own? Own Rent

Have long have you been at your current home? _____

Have you owned a home in the past? Yes No

How many years have you lived locally? _____

How many years have you worked locally? _____

List your addresses and landlords for the past five years:

Address/Landlord: _____

Address/Landlord: _____

Address/Landlord: _____



**DISCLOSURE TO BUYERS OF
AFFORDABLE HOUSING DEED RESTRICTION**

RECITALS

WHEREAS, the Grantee is purchasing the Property at a consideration which is less than the fair market value of the Property or the total development cost of the Property; and

WHEREAS, the Property is part of a program (Program) initiated by Homestead Development Corp. ("Homestead" or "HDC") to develop homes that can be sold to income eligible buyers (those buyers with household income up to 200% of the Area Median Income) and that remain perpetually affordable to subsequent income eligible homebuyers; and

WHEREAS, the Property has been developed using grants; and

WHEREAS, pursuant to the Program, eligible purchasers such as the Grantee are given the opportunity to purchase residential Property at less than its fair market value or less than its total development cost if the Grantee agrees to certain use and transfer restrictions, including an agreement to occupy the Property as a principal residence and to convey the Property when sold for an amount not greater than a maximum resale price, as more fully provided herein; and

WHEREAS, Homestead is obligated by the Program to monitor compliance with and to enforce the terms of this Restriction, as more fully provided herein; and

WHEREAS, the rights and restrictions granted herein serve the public's interest in the creation and retention of affordable housing for persons who are income eligible and in the restricting of resale price of the Property to assure its affordability by future low- and moderate- income purchasers;

NOW, THEREFORE, as further consideration for the conveyance of the Property at less than fair market value or less than total development cost, and as further consideration for the ability to enter into the financing or refinancing transaction, the Grantee and Homestead, including his/her/their heirs, successors and assigns, hereby agree that the Property shall be subject to the following rights and restrictions which are imposed for the benefit of, and shall be enforceable by, Homestead or its agents.

DEFINITIONS

Appraisal shall mean a written assessment of the fair market value of a property that has been conducted by an appraiser currently certified by the State of New York as a Certified or Licensed Appraiser and which Appraisal was conducted in accordance with the Uniform Standards of Professional Appraisal Practice that were in place at the time that the Appraisal was performed.

Area Median Income shall mean the most recently published figures for median family income, for each household size, that are published by the U.S. Department of Housing and Urban Development for the County of Essex, State of New York.

Capital Improvements shall mean any improvements that are made to the Property, including

the land, which change the original design or components of the Property and were previously approved by Homestead. Routine maintenance, including the repair or replacement of existing components, shall not be considered Capital Improvements.

Eligible Purchaser shall mean an individual or household with a combined annual household income that is less than 200% of the Area Median Income for the appropriate household size and who will occupy the home as his/her/their primary residence; and does not own any other real property, and has provided Homestead with certifications and documentation regarding income, assets, and debt and has been approved by Homestead or its assignee.

Fair Market Value shall mean the estimated monetary value of the land, buildings and other improvements to a property as determined by an Appraisal as defined herein.

Foreclosure Notice shall mean a formal and legally authorized notice by a lender that it has initiated foreclosure proceedings against a borrower.

HUD shall mean the U.S. Department of Housing and Urban Development.

Maximum Resale Price shall mean the lower of (see attached Example):

- A. 25% Appraisal Based Model: This calculation is based on the Homeowners Purchase Price plus 25% of the difference between the appraised market value at the time of purchase and the appraised market value at the time of resale. Additionally, the seller may recover up to 20% of capital improvements approved by HDC provided that they reside in the home for a minimum of 5 years.
- B. 2% Model: This calculation is based on the Homeowners Purchase Price plus a return of 2% per year from the time of purchase to the time of resale. Additionally, the seller may recover up to 20% of capital improvements approved by HDC provided that they reside in the home for a minimum of 5 years.
- C. If the Grantee purchases the Property for an amount that is less than the Fair Market Value of the Property, the difference between the Fair Market Value and the purchase price for the Property shall, upon the sale or transfer of the Property, be credited back to Homestead as a proceed from the sale. Notwithstanding any term or provision of this Agreement that may be construed to the contrary, in the event that the Grantee incurs any State or federal tax liability on account of the gain on the Grantee's sale of the Property, Homestead will allow the Grantee to retain from the sale proceeds an amount equal to the portion of such tax liability that is attributable to any portion of the sale proceeds that are delivered to Homestead rather than to the Grantee.

Mortgage shall mean any form of debt that encumbers the Property by creating a lien on the Property as collateral against a debt. No Mortgage shall be placed on the Property without the express written consent of Homestead.

Option to Purchase shall mean a binding legal agreement between Homestead and the Grantee, as further specified herein, that provides Homestead the right to purchase the Property from the

Grantee at the Maximum Resale Price of the Property.

Owner-Occupancy/Principal Residence shall mean that the Property shall be occupied and used by the Grantee as his/her/their principal residence as described herein:

- i. The sole owner of the Property, as reflected in a deed recorded in the Essex County Clerk's Office;
- ii. A tenant by entirety or a joint tenant with a right of survivorship, as reflected in a deed recorded in the Essex County Clerk's office; or
- iii. A tenant in common of at least 50% interest in the Property, as reflected in a deed recorded in the Essex County Clerk's office.

AFFORDABLE HOUSING RESTRICTIONS

1. Use of Property

- A. The Grantee warrants that he/she/they shall occupy the Property as his/her/their principal residence at all times the Grantee is the owner of the Property, subject to additional provisions contained herein. The property shall not be rented for any period of time.
- B. The Grantee warrants that he/she/they shall use the Property only for residential purposes and for any incidental activities related to residential use that are permitted by the zoning laws of the Village of Lake Placid/Town of North Elba. Any use of the Property or any activity thereon which is inconsistent with such exclusive residential use is expressly prohibited.

2. Restrictions Governing Financing, Refinancing and Junior Encumbrances

- A. The Property shall not be mortgaged, refinanced or encumbered, either voluntarily or otherwise, without the prior written consent of Homestead. Homestead retains the sole discretion to approve or deny any additional mortgages or other encumbrances on the Property. Homestead may deny additional mortgage debt or encumbrances upon the Property for reasons including, but not limited to: total debt that is not affordable to the Grantee; adjustable rate debt that has the potential to become not affordable to the Grantee; or an increase in the risk of default and foreclosure due to additional debt.
- B. Notwithstanding the terms of Section 2, Homestead acknowledges and consents to the first mortgage on the Property granted for\$ _____ to _____

3. Rights and Obligations of Approved Mortgagees

Any Mortgage that encumbers the Property and that has been approved in writing by Homestead shall comply with the following terms:

- A. Such Mortgage shall run in favor of the lending institution and shall represent a lien on the land and all improvements upon the land.
- B. In the event of the Grantee's default in any obligation to a lending institution, the Grantee is required to notify Homestead in writing of such default and to forward copies of all written communications and documents regarding the default. Such written notice and copies of communications shall be delivered to Homestead within five (5) days of receipt by the Grantee. Failure of the Grantee to provide written notice of default to Homestead shall be considered default of the terms of the mortgage(s) provided by Homestead.
- C. Upon receipt of a written Foreclosure Notice, Homestead shall have the right and option (but not the obligation) to purchase the Property prior to the foreclosure sale or transfer by deed in lieu of foreclosure. The purchase price shall be the total of the principal balances of all outstanding liens on the property plus all advances, accrued interest, tax liabilities and all other reasonable fees, costs and expenses that any Mortgagee is entitled to recover. Homestead shall provide written notice to both the Grantee and the foreclosing Mortgagee of its intent to either exercise its option to purchase the Property or not exercise its intent to purchase the Property within thirty (30) days of its receipt of the Foreclosure Notice.
- D. If Homestead does exercise its option to purchase the Property, the Property shall be conveyed in its then current "as-is" condition, without representation or warranty of any kind, and with the benefit of and subject to all rights, rights of way, restrictions, easements, covenants, liens, improvements, public assessments, tax liens, and any other encumbrances of record then in force and applicable to the Property having priority over such foreclosing Mortgagee's mortgage.
- E. If Homestead does not exercise its option to purchase the Property and sends a written notice of its intent to the foreclosing Mortgagee within the specified time contained herein, the foreclosing Mortgagee may conduct a foreclosure sale or accept a deed in lieu of foreclosure. The Property shall be sold or conveyed in its then-current "as-is" condition, without representation or warranty of any kind, and with the benefit of and subject to all rights, rights of way, restrictions, easements, covenants, liens, improvements, public assessments, tax liens, and any other encumbrances of record then in force and applicable to the Property having priority over such foreclosing Mortgagee's mortgage. The property may only be sold at the Maximum Resale Price or less, and may only be sold to income eligible buyers.

4. Homestead Option to Purchase Property

- A. Homestead shall retain an option to purchase the Property deeded herein prior to the transfer of the Property by the Grantee or the Grantee's estate by sale, gift or bequest.

- B. If the Grantee contemplates the sale, gift or bequest of the Property to another owner, he/she/they shall notify Homestead of the intent to transfer the Property. Such notification shall be sent in writing at least ninety (90) days before the proposed date of the transfer.
- C. In the event of the death of Grantee, the executor of the Grantee's estate (if there is a will) or the administrator of the Grantee's estate (if there isn't a will) shall notify Homestead of the Executor's intent to transfer the Property to another party. Such notification shall be sent in writing at least ninety (90) days before the proposed date of the transfer.
- D. Upon receipt of a notice of the Grantee's intent to transfer the Property, Homestead shall notify the Grantee of its intent to either exercise its option to purchase the Property or forego its option to purchase the Property. Such notification shall be sent in writing no later than thirty (30) days after receipt of the notification of intent to transfer the Property.
- E. If Homestead exercises its option to purchase the Property, the purchase price shall be the lesser of:
 - 1. The 25% Appraisal Based Model
or
 - 11. The 2% Model
As they are described in the Definitions above.
- E. In lieu of exercising its option to purchase the Property, Homestead shall also have the right to assign its purchase rights to another buyer who must meet all the requirements to be an Eligible Purchaser.
- F. If Homestead or its assignee exercises its option to purchase the Property, the closing shall occur no later than one hundred and twenty (120) days after the date of receipt of the notice of the Grantee's intent to transfer the Property. If Homestead or its assignee fails to close on the Property within 120 days, through no fault of the Grantee, Homestead shall lose the right to exercise its option.
- G. In connection with the conveyance of the Property pursuant to an option to purchase as set forth herein, the Property shall be conveyed by the Grantee to the selected purchaser by a good and sufficient warranty deed conveying good and clear record and marketable title to the Property free from all encumbrances except i) such Property taxes for the then current year as are not yet due and payable on the date of the delivery of the deed; ii) any lien for municipal betterments or services; provisions for local building and zoning laws; iv) all easements, restrictions, covenants and agreements of record specified in the deed from the owner to the selected purchaser; v) such additional easement(s), restrictions, covenants and agreements of record as the selected

purchaser agrees to; and vi) the Affordable Housing Deed Restrictions contained herein, which shall remain an encumbrance on the title for the Property in perpetuity.

- H. If the Grantee shall be unable to give title or to make conveyance as above required, or if any change of condition of the Property not included in the above exception(s) shall occur, then the Grantee shall be given a reasonable time not to exceed thirty (30) days after the date on which the closing was to have occurred in which to remove any defect in title or to restore the Property to the condition required herein.

5. Sale of Property by Grantee

The Seller must:

1. Give HDC written notice of intent to sell
2. Order Market Appraisal
 - a. Seller has to order a market appraisal of the property that does not include the deed restrictions.
 - b. If there are capital improvements you will be claiming for a credit, please have appraisal state how much the capital improvement is currently worth. Please notify us if you will be claiming a capital improvement credit, there is additional paperwork that needs to be signed to do this.
3. Forward Market Value Appraisal to HDC for re-sale calculation.
HDC will provide re-sale price based on the lesser of the two resale calculations.
4. List property, stating the following:
 - a. Must be an eligible purchaser (as defined by HDC)
 - b. Must be under 200% AMI
 - c. Potential buyer will need to be qualified by HDC
5. Once HDC has approved a buyer, purchase agreement can be signed, please include the following language:
 - a. *The parties acknowledge and agree that Seller's interest in the Premises is subject to the deed restrictions held by HDC.*

Please note that just because someone is qualified by some other group for purchase assistance or has been qualified in the past by some other group does NOT mean they qualify to purchase your house, the potential buyer MUST meet with HDC to confirm they qualify for your specific house prior to signing a purchase agreement.

If Homestead does not exercise its option to purchase the Property, the Grantee shall be entitled to sell or transfer the Property to another owner, subject to the following restrictions:

- A. The Property may only be transferred to another owner who meets all of the requirements and be an Eligible Purchaser.
1. The buyer shall be an Eligible Purchaser, as defined herein.
 - ii. The buyer shall occupy the Property as his/her/their principal residence.
 - iii. The Property may not be transferred at a price that is greater than the Maximum Resale Price, as defined herein.
- B. Homestead must certify in writing a document to be recorded at the buyer's expense that the conditions required of the buyer or owner that are specified in Paragraph A have been met prior

to closing. Such certification shall be recorded at the buyer's expense along with the title to the Property.

6. Capital Improvement Policy

All capital improvements must be approved by Homestead prior to being made. Failure to obtain prior approval will not allow the cost of Capital Improvements to be considered for reimbursement in the event of a sale.

- (a) Approved capital improvements can be added to the maximum resale price at the time of resale.
- (b) Owner will be allowed a maximum of 20% capital improvement allowance (credit given at re-sale will be no more than 20% of the purchase price of the home). Owner must have lived in the home for a minimum of five years in order to qualify for the allowance.
- (c) Owners must receive written approval from Homestead Development Corp. prior to beginning the work in order to receive credit for capital improvement.
- (d) Upon resale, a site visit by HDC staff will also be required before is added to the maximum resale price.

7. Real Estate Taxes and Insurance

Grantees shall be responsible for and shall pay real property taxes (town/county, school and village) and shall procure and keep the property insurance at replacement cost.

8. HAPEC Homeowner Education Program

All Eligible Purchasers must participate in the Housing Authorization Program for Essex County (HAPEC) Homeowner Education Program.

9. Covenants, Conditions and Restrictions

The premises shall be and are conveyed subject to the following additional covenants, conditions and restrictions, which shall run, touch and concern the land.

- (a) Fences - Limited to height of 3' in the front yard and 6' on the side and rear yard, no chain link fences are allowed. Fence materials must be natural materials. Design and construction must be approved by HDC prior to installation.
- (b) Livestock/Animals - Husbandry of animals will not be allowed. Domestic pets are limited to two animals. Animals must be controlled at all times and may not be kept outside overnight or when house is vacant.
- (c) The house and yard are to be kept neat and well maintained, free of debris.

10. Homestead, its successors and assigns, shall have the right, in addition to any other person or entity, to enforce all of the covenants, conditions and restrictions.

11. Covenants to Run with the Property

The Grantor and the Grantee intend, declare and covenant that this restriction, including all restrictions, rights and covenants contained herein, shall be and are covenants running with the land, encumbering the Property and are binding upon the Grantee and the Grantee's successors in title and assigns; are not merely personal covenants of the Grantee; and are enforceable by Homestead.