



Bourne Affordable Housing Opportunities

LOTTERY APPLICATION

For a New (currently under construction) 3 Bedroom Cape Style Home at 143 Old Plymouth Rd. Sagamore Beach, MA

Sale price: \$179,500

INCOME AND OTHER QUALIFICATIONS

THE MAXIMUM ALLOWABLE INCOME IS AS FOLLOWS:

Persons in Household	1	2	3	4	5	6
Maximum Income	\$46,100	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350

(Note: This represents 80% of the annual household mean income for the area and is subject to adjustments. This assumes a household size of 1-6 people. Total household assets are limited to \$75,000

- DHCD qualifications and restrictions apply; cannot have owned a home for the past 3 years (some exceptions apply).
- Properties will be subject to resale affordability deed restrictions

Applications available at:

- Planning Department, Bourne Town Hall, 24 Perry Ave., Bourne MA
- Bourne Housing Authority Offices, 871 Shore Rd. Pocasset MA
- Bourne Veteran's Community Center 239 Main St. Buzzards Bay MA 02532
- Online at www.townofbourne.com/Departments/HousingOppurtunities
- Application Deadline is Monday, September 21, 2015 and must be received at the Bourne Town Planners Office Bourne Town Hall, 24 Perry Ave., Bourne MA by 4:30 PM. The lottery will be held on October 1, 2015 at 7:00 PM at the Bourne Housing Authority Offices, 871 Shore Rd. Pocasset MA
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- Information sessions will be held on Monday August 17, 2015 at 7:00PM at the Bourne Housing Authority Offices and on Tuesday September 1, 2015 at 7:00 PM at the Veteran's Community Center. Property viewings at 143 Old Plymouth Rd. Sagamore Beach will be on Saturday August 29, 2015, from 1:00PM to 3:00 PM and Wednesday, September 9, 2015 from 5:30 PM to 7:00PM
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Contact Kerry Horman, Affordable Housing Specialist
508-457-1005 ~ email: affordablehomes@townofbourne.com



ATTACHMENT I
143 OLD PLYMOUTH RD. LOTTERY
Disclosure Statement

- I I/We agree to share the application and all documentation enclosed with the Bourne Housing Partnership.
- II I/We give my permission to the lender to forward all of my/our financial information to the Bourne Housing Partnership, Bourne Affordable Housing Trust Fund and to the Commonwealth of Massachusetts Department of Communities and Development for final eligibility.
- III I/We acknowledge that all household assets and income or currently in a trust have been included in the information submitted.
- IV I/We have read the 143 Old Plymouth Rd. Lottery Information Package and agreed to participate under the guidelines and requirements presented therein.
- V I/We acknowledge that there is a deed rider on properties that are purchased through this program and I/We understand that it requires pre-approval from the Massachusetts Department of Housing and Community Development and the Town of Bourne to refinance, undertake capital improvements, and sell the property, and that the resale price will be set by DHCD and the Town at what is affordable to another eligible household, based upon the formula in the resale certificate.
- VI I/We acknowledge that we understand that anticipating in the lottery does not guarantee that I will be able to purchase a housing unit.
- VII I/We acknowledge that if information provided by me/us in this application is found to be untrue that the Bourne Affordable Housing Trust Fund may disqualify me.

I/We authorize this application information to be used by the Bourne Housing Partnership and Bourne Affordable Housing Trust for application to its Affordable Housing Resale Ready Buy List and for future notifications all Bourne and other affordable purchase programs.

Please check: ____yes

By signing below, all applicants agree to all paragraphs above. No changes or deletions of paragraphs or portions of any paragraph will be accepted. Both applicant and co-applicant must sign below.

Applicant Signature

Co applicant Signature

Date_____

Date_____

Attachment II

APPLICATION PACKAGE

Bourne Affordable Housing Opportunities

143 Old Plymouth Rd.

Application Instructions

All households interested in participating in the lottery process must complete the application form and supporting documentation as relates to their household.

Neither the Project Sponsor nor the Municipality or the Trust shall discriminate on the basis of race, religion, color, sex, sexual orientation, familial status, age, handicap, marital status, national origin, genetic information, ancestry, children, receipt of public assistance, or any other basis prohibited by law in the selection of buyers for the Units.

- Individuals with a financial interest in the development, or their families, are not eligible;
- The affordable unit must be the buyer's principal residence and may not be rented out;
- Profits are limited because the price formula is the same even if the unit is resold to an ineligible buyer;
- Only applicants who meet the eligibility requirements will be entered into the lottery.

In addition to the attached application the following documentation is required.

Income and financial information

- **Copies of the last five most recent consecutive pay stubs and last three months, statements for all checking, savings, stock, bond, trust, and retirement accounts for all household members age 18 or older**
- **Copies of the 2012, 2013, 2014 federal tax returns including W-2 and 1099 forms for all household members age 18 or older**
- **Verification of self-employment income received during the preceding 12 months for all household members age 18 or older, if applicable**
- **Verification of unemployment income received during the preceding 12 months for all members age 18 or older, if applicable**
- **Supporting documentation for child support and or alimony amounts, if applicable**
- **Copies of statements for all assets (see Appendix I: Income and Assets) for three months prior to the application date for all household members age 18 or older**

- **Copies of IRA, Social Security, pension and retirement account see statements, and whole life insurance policies for the current year for all household members age 18 or older**
- **Documentation for all other sources of income**
- **A notarized “ no income statement” from any household member over the age of 18 who has no source of income**
- **A letter and supporting documentation explaining any unusual employment income or household circumstances**

First Time Home Buyer Exceptions (see information package for explanation of first-time home buyer exceptions):

- **Any home must be sold prior to the purchase of an affordable home**
- **Supporting documentation for age 55 elderly first-time home buyer exception, such as birth certificate and appraisal and/or mortgage statement of currently owned real estate, if applicable.**
- **Supporting documentation for displaced homemaker first-time home buyer exception, such as a divorce decree, if applicable**
- **Supporting documentation for a residence not permanently affixed to a permanent foundation first time home buyer exception, if applicable**
- **Supporting documentation for single-parent first-time home buyer exception such as divorce decree, if applicable**
- **Supporting documentation for residence not in compliance with building codes first time home buyer exception, if applicable.**

Mortgage Application and Pre-Approval Documentation

- **Supporting documentation that the applicant has received mortgage pre-approval from a qualified lender. The Pre-approval letter must be submitted with the Application. Pre-approval letters must include a statement indicating the maximum amount that the applicant can borrow. It is noted that mortgages must be for a fixed term and fixed rate of not more than 2% above the current MassHousing rate. The applicant must demonstrate the ability to provide at least a 3% down payment of which half must come from the applicant's own funds.**

Other:

- **A signed Disclosure Statement for signed by all household members over the age of 18.**

**APPLICATION FORM
BOURNE AFFORDABLE HOUSING OPPORTUNITIES
APPLICATION**

Applicant information:

Applicant

Co-Applicant

Name

Name

Current Address

Current Address

City, State Zip

City, State Zip

Phone #

Phone #

Present Employer

Present Employer

Years at Present Occupation

Years at Present Occupation

Current Wages (Weekly/Monthly)

Current Wages (Weekly/Monthly)

Members in Household:

Number of Adults _____

Number of Children _____

For the purposes of verifying income, please supply the following information:

- Last three years tax returns, five most recent pay stub.
- If self employed, last two years personal Tax Returns, Partnership and Corporate Returns if applicable. All other income source including child support (if applicable).

Do you have any special needs due to a disability?

Racial Designation: Responding to this question is optional. Your status with respect to lottery selection procedures may be affected by this information. If anyone in your household is a Minority, you may classify your household as a minority category.

Circle one: ASIAN AMERICAN INDIAN BLACK HISPANIC WHITE OTHER

Have you ever owned a home before? Yes No

Have you had a pre-approval done by an approved lender? Yes No

Amount of funds available for down payment \$ _____

I/We acknowledge that the above information is being supplied for the sole purpose of determining eligibility for the Bourne Housing Opportunity Purchase Program (B-HOPP) Lottery. It does not represent an application for financing. A separate application for financing will be required if eligible.

Would you like to use this application for an application to the Resale Ready Buy List and for future notification for all Bourne Affordable Purchase Programs? Please Check: Yes _____ No _____

I/We further certify that all persons living in the household have been listed above and their income has been included in this application. **Signed under the pains and penalties of perjury. (All members over the age of 18 must sign.)**

Date _____
Applicant Signature

Date _____
Co-Applicant Signature

BOURNE AFFORDABLE HOUSING OPPORTUNITIES

INDIVIDUAL INCOME AND ASSETS FORM

To be completed by every household member 18 years old or over

Name: _____

Status -circle one: Applicant Co-applicant- Other household member 18 years or older

I am a full-time student? Yes No

If yes, identified the school where you're enrolled. _____
Please provide documentation.

Employment History. Please list all the places you employed of the last 12 months.

Employer	Start date	End date	Occupation	Total Income during tenure

Part One : Income information

Gross annual salary before deductions. _____

Annual Self-Employment Income _____

Interest and Dividends _____

Veterans Benefits _____

Alimony/Child Support _____

Social Security _____

Trusts _____

Other Income _____

Total income _____

Part Two: Value of Assets

Assets include assets such as cash in checking the savings accounts, stocks, bonds, certificates of deposits, treasury bills, money market accounts, mutual funds, whole life insurance policies, revocable trusts, equity and

real estate and other forms of capital investments, and excluding equity accounts in home ownership programs or state assisted public housing escrow accounts. Retirement accounts and pension funds, IRA, 401(k) Keogh A heart considered assets if the applicant has access to these funds. **Please provide three months most recent bank statements and 401(k) reports plus reliable documentation of other assets.**

Name on account _____
Bank name _____
Savings Account Number _____
Checking Account Number _____
Other Account Number _____
Retirement Account _____
Balance in a Comment As of Today's Date _____

Name on account _____
Bank name _____
Savings Account Number _____
Checking Account Number _____
Other Account Number _____
Retirement Account _____
Balance in a Comment As of Today's Date _____

Securities Account: Name and Value _____

Whole Life Insurance Policy _____

Trust Account _____

Real Estate Owned: Address _____ Value: _____
Real Estate Owned: Address _____ Value: _____
Real Estate Owned: Address _____ Value: _____

Other Assets: _____ Value: _____

Sign _____ Date: _____

BOURNE AFFORDABLE HOUSING OPPORTUNITIES

143 Old Plymouth Rd.

INDIVIDUAL INCOME AND ASSETS FORM

To be completed by every household member 18 years old or over

Name: _____

Status -circle one: Applicant Co-applicant- Other household member 18 years or older

I am a full-time student? Yes No

If yes, identified the school where you're enrolled. _____
Please provide documentation.

Employment History. Please list all the places you employed of the last 12 months.

Employer	Start date	End date	Occupation	Total Income during tenure

Part One : Income information

Gross annual salary before deductions. _____

Annual Self-Employment Income _____

Interest and Dividends _____

Veterans Benefits _____

Alimony/Child Support _____

Social Security _____

Trusts _____

Other Income _____

Total income _____

Part Two: Value of Assets

Assets include assets such as cash in checking the savings accounts, stocks, bonds, certificates of deposits, treasury bills, money market accounts, mutual funds, whole life insurance policies, revocable trusts, equity and

real estate and other forms of capital investments, and excluding equity accounts in home ownership programs or state assisted public housing escrow accounts. Retirement accounts and pension funds, IRA, 401(k) Keogh A heart considered assets if the applicant has access to these funds. **Please provide three months most recent bank statements and 401(k) reports plus reliable documentation of other assets.**

Name on account _____
Bank name _____
Savings Account Number _____
Checking Account Number _____
Other Account Number _____
Retirement Account _____
Balance in a Comment As of Today's Date _____

Name on account _____
Bank name _____
Savings Account Number _____
Checking Account Number _____
Other Account Number _____
Retirement Account _____
Balance in a Comment As of Today's Date _____

Securities Account: Name and Value _____

Whole Life Insurance Policy _____

Trust Account _____

Real Estate Owned: Address _____ Value: _____
Real Estate Owned: Address _____ Value: _____
Real Estate Owned: Address _____ Value: _____

Other Assets: _____ Value: _____

Sign _____ Date: _____

BOURNE AFFORDABLE HOUSING OPPORTUNITIES

INDIVIDUAL INCOME AND ASSETS FORM

To be completed by every household member 18 years old or over

Name: _____

Status -circle one: Applicant Co-applicant- Other household member 18 years or older

I am a full-time student? Yes No

If yes, identified the school where you're enrolled. _____

Please provide documentation.

Employment History. Please list all the places you employed of the last 12 months.

Employer	Start date	End date	Occupation	Total Income during tenure

Part One : Income information

Gross annual salary before deductions. _____

Annual Self-Employment Income _____

Interest and Dividends _____

Veterans Benefits _____

Alimony/Child Support _____

Social Security _____

Trusts _____

Other Income _____

Total income _____

Part Two: Value of Assets

Assets include assets such as cash in checking the savings accounts, stocks, bonds, certificates of deposits, treasury bills, money market accounts, mutual funds, whole life insurance policies, revocable trusts, equity and real estate and other forms of capital investments, and excluding equity accounts in home ownership programs

or state assisted public housing escrow accounts. Retirement accounts and pension funds, IRA, 401(k) Keogh
A heart considered assets if the applicant has access to these funds. **Please provide three months recent bank
statements and 401(k) reports plus reliable documentation of other assets.**

Name on account _____
Bank name _____
Savings Account Number _____
Checking Account Number _____
Other Account Number _____
Retirement Account _____
Balance in a Comment As of Today's Date _____

Name on account _____
Bank name _____
Savings Account Number _____
Checking Account Number _____
Other Account Number _____
Retirement Account _____
Balance in a Comment As of Today's Date _____

Securities Account: Name and Value _____

Whole Life Insurance Policy _____

Trust Account _____

Real Estate Owned: Address _____ Value: _____

Real Estate Owned: Address _____ Value: _____

Real Estate Owned: Address _____ Value: _____

Other Assets: _____ Value: _____

Sign _____

Date: _____

BOURNE AFFORDABLE HOUSING OPPORTUNITIES

143 OLD PLYMOUTH

Introduction and Summary to the Information Package and Application

Applicants will be chosen by lottery. In order to be eligible, applicants must have a gross household income of less than 80% of the area median income as determined annually by the US Department of Housing and Urban Development, must have not owned a home for the past three years, and cannot have assets in excess of those allowed by The Massachusetts Department of Housing and Community Development. The details of these requirements and exceptions are contained in the application package.

Neither the Project Sponsor nor the Municipality or the Trust shall discriminate on the basis of race, religion, color, sex, sexual orientation, familial status, age, handicap, marital status, national origin, genetic information, ancestry, children, receipt of public assistance, or any other basis prohibited by law in the selection of buyers for the Units

- Individuals with a financial interest in the development, or their families, are not eligible;
- The affordable unit must be the buyer's principal residence and may not be rented out;
- Profits are limited because the price formula is the same even if the unit is resold to an ineligible buyer;
- Only applicants who meet the eligibility requirements will be entered into the lottery.

INFORMATION PACKAGE

General Information

Households earning less than 80% of the Area Median Income by household size are invited to participate. Other conditions include the following:

- A prerequisite of purchase will be the completion of a homeowner training program acceptable to the Bourne Affordable Housing Trust (a list of approved training programs is found at the end of this document).
- All applicants will be required to apply for mortgage pre-approval from a MassHousing loan program lender or other approved lender. The Trust works closely with the US Department of Agriculture Rural Home Loan Partnership Program and applicants are encouraged to investigate this program. Applicants are encouraged to discuss with lenders the availability of One Mortgage loan programs. Also, applicants are encouraged to discuss the Bourne Down Payment and Closing Cost Program with the Affordable Housing Specialist.
- Applicants must demonstrate the ability to secure a combination of mortgage and down payment monies equal to amount necessary to purchase the property.
- **All properties purchased under this program will be required to include the Massachusetts Local Initiative Program Deed Rider or other deed rider acceptable to the Bourne Housing Partnership as part of the recorded title conditions. The Massachusetts Local Initiative Program Deed Rider limits the resale price of the property and requires that it be sold to a program eligible buyer. The deed restriction insures that the property remains affordable in perpetuity and requires pre-approval from the Massachusetts Local Initiative Program and the Town of Bourne for refinancing and capital improvements. It is strongly recommended that applicants review the provisions of the Deed Rider with their own attorney to ensure that they understand its requirements.**

1. Gross income cannot exceed 80% of the area median income as defined by the U.S. Department of Housing and Urban Development. The income limits vary according to household size. Annual income should include all members of the household over the age of 18 (unless full-time students) during the most recent calendar year.
2. All units will be sold to First-time homebuyers who are defined as homebuyers who have not owned a home during the past three years. Displaced homemakers will be considered as first-time homebuyers.
3. Priority will be given to household size which is appropriate for the number of bedrooms in the home.
4. All applicant households should have sufficient income to support a mortgage for at least fifty percent of the purchase price of the affordable house. No more than fifty percent of the purchase price can be paid in cash. Any home owned by an applicant, including in Trust, must be sold prior to purchase of an affordable home.
5. The lottery will use the Local Initiative Program asset limit of \$75,000 for all buyer of affordable homes. Household assets will be defined in the same way that the U.S. Department of Housing and Urban Development determines assets for purposes of calculating income in the Section 8 program. Assets such as savings, stocks and bonds, certificates of deposits, retirement accounts, and other forms of liquid savings shall be counted. Furniture, autos, and personal property will not be counted as assets.
6. Non- household members will not be permitted as co-signers for the mortgage.
7. Only adult household members who are listed on the mortgage will be listed on the deed. Any future change in owners listed on the deed will not be allowed without prior written consent by the Town of Bourne and the Department of Housing and Community Development.
8. All resale units will have a DHCD approved Deed Rider that restricts the use and resale of the unit that includes provision for the satisfaction of the requirements in 760 CMR 45.03. The Town of Bourne shall provide for effective selection procedures, monitoring, administration, and enforcement of the Deed Rider.
9. Applicants must qualify under the Local Initiative Program guidelines both at the time of the lottery and at closing.

**FOR INFORMATION ABOUT THE CURRENT AFFORDABLE HOMES AVAILABLE FOR SALE
AND FOR AFFORDABLE HOMES AVAILABLE FOR RESALE CONTACT:**

Kerry Horman, Affordable Housing Specialist at 508 457 1005 or email:affordablehomes@townofbourne.com

APPLICANT ELIGIBILITY

First Time Homebuyer Requirement

Each lottery applicant must meet the following eligibility requirements:

MUST BE A FIRST TIME HOMEBUYER (NEVER OWNED OR NOT OWNED A HOME AS A PRINCIPAL RESIDENCE FOR A PERIOD OF THREE YEARS.) EXCEPTIONS ARE AS FOLLOWS:

For ownership projects which are not age-restricted, applicants must be first-time homebuyers.

To be a first-time homebuyer, applicant households must not have had an ownership interest in a residential property for the preceding 3 years. Exceptions may be made for:

1. **A DISPLACED HOMEOWNER:** A displaced homeowner is an individual who is an adult, who has owned a home only with a spouse, who is legally separated from a spouse, and who does not currently own the home previously owned with a spouse.
2. A household that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations
3. A household that owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.
4. An age-qualified household (in which at least one member is age 55 or over) which is selling a home in order to purchase a LIP unit. Any home owned by an applicant, including in Trust, must be sold prior to purchase of an affordable home.

DOWN PAYMENT ABILITY

- Applicants must have funds or demonstrate the ability to obtain funds for a down payment and closing costs, as determined by lending industry standards. A minimum 3% down payment is required, which at least half of which must be from the applicants own funds. Applicants placed on the project's waiting list be income and asset re-qualified as necessary and in order to assure their continued eligibility. Applicants are encouraged to discuss the Bourne Down Payment and Closing Cost Program with the Affordable Housing Specialist.

INCOME ELIGIBILITY

THE MAXIMUM ALLOWABLE INCOME, ADJUSTED FOR HOUSEHOLD SIZE, IS AS FOLLOWS:

Household Size	1	2	3	4	5	6
MAX Income	\$46,100	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350

(Note: This represents 80% of the annual household mean income for the area and is subject to adjustments. This assumes a household size of 1-6 people. Income limits are subject to change based upon DHCD up-dating.) These limits became effective December 11, 2012. Check with the Affordable Housing Specialist for updates

All applicants' allowable assets shall not exceed \$75,000. Retirement accounts are counted. **Assets will be counted in accordance with DHCD policies. See Appendix 1**

Mortgage Guidelines:

1. The loan must have a fixed interest rate through the full term of the mortgage.
2. The loan must have a current fair market interest rate. (No more than 2 percentage points above the current MassHousing Rate.)
3. The buyer must provide a down payment of at least 3%, half of which must come from the buyer's own funds. Applicants are encouraged to discuss the Bourne Down Payment and Closing Cost Program with the Affordable Housing Specialist.
4. The loan can have no more than 2 points.
5. The buyer may not pay more than 38% of their monthly income for the mortgage.

The Bourne Housing Partnership or its agent will screen all applications. Applicants who mail in their application will receive a confirmation letter. All applicants must provide a mortgage pre-approval letter and complete financial documentation in order to be considered for eligibility.

Household Size

First preference for a three bedroom unit will be given to three to six person households.

PROPERTIES AND TRANSACTION MAY REQUIRE DHCD PRIOR APPROVAL.

The Bourne Housing Partnership, with the approval of the Massachusetts Department of Housing and Community Development, reserves the right to amend the requirements, terms and conditions of this program as it sees necessary by the vote of its committee members.

Some approved local lenders include:

- United States Department of Agriculture
Rural Development
For a list of USDA lenders contact: Ticia Weare 508-295-5151 ext 103
Email: ticia.weare@ma.usda.gov or Patty Whalen at ext. 203 Email patty.whalen@ma.usda.gov

- Cape Cod Five
Contact: James D. Snyder 800-678-1855 Ext. 8370 Cell 774-487-0857
Email: jsnyder@capecodfive.com
- Rockland Trust
Contact: 508-957-1133
Email: gayle.lee@rocklandtrust.com
- Eastern Bank
Contact: James C. Austin 508-295-9291
Email: james.austin@easternbank.com
- Cape Cod Cooperative
Contact: Mark Higgins 508 568 1110
Email: mhiggins@mycapecodbank.com
- Salem Five
Contact: Ken Gonye at the Plymouth Office at 508-747-2262 cell phone 508 568 1204
Email: kmg@salemfive.com
- Chapa
18 Tremont Street, Suite 401
Boston, MA 02108
www.massaccesshousingregistry.org
- MAHA
1803 Dorchester Avenue
Dorchester, MA 02124
www.mahahome.org

The contact persons at these banks can help you prepare some of the required forms and documentation.

Approved Home Buyer Education Programs

Housing Assistance Corp. 508-771-5400, 800-255-5507 www.haconcapecod.org

South Shore Housing 781-422-4200, 800-242-0957 www.southshorehousing.org

Fall River Affordable Housing Corporation 508-677-2220 www.frahcr1@hotmail.com

Applicants may wish to review the following websites for affordable units that are available throughout Massachusetts:

www.massaccesshousingregistry.org

www.hahahome.org

ATTACHMENTS:

Attachment I: Disclosure Statement

Attachment II: Application

Appendix I: Income and Assets

Appendix II: Sample Deed Rider –www.mass.gov/hed/docs/dhcd/hd/lip/lipdeedrider.pdf

For further information please contact:

Kerry Horman, Affordable Housing Specialist, Bourne Housing Partnership Tel: 508 457 1005

Email: affordablehomes@townofbourne.com

APPENDIX I

I: INCOME AND ASSETS

Annual Income

Annual gross income means all amounts, monetary or not, which go to, or on behalf of, the family head or spouse or to any other family member received from a source outside the family during the 12-month period following application.

Annual income includes, but is not limited to:

- The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family;
- The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
- Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;
- All regular pay, special pay and allowances of a member of the Armed Forces;
- Income derived from assets to which any member of the family has access.

Annual income does not include the following:

- Income from employment of children (including foster children) under the age of 18 years;

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- Income of a live-in aide, as defined in Sec. 5.403;
- The full amount of student financial assistance paid directly to the student or to the educational institution;
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- Temporary, nonrecurring or sporadic income (including gifts);
- Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;
- Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
- Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply.

Assets

Net Family Assets include the following:

- **Cash held in savings and checking accounts, safe deposit boxes, homes, etc.** For savings accounts, use the current balance. For checking accounts, use the average balance for the last six months. Assets held in foreign countries are considered assets.
- **Revocable trusts.** Include the cash value of any revocable trust available to the applicant.
- **Equity in rental property or other capital investments.** Include the current fair market value less (a) any unpaid balance on any loans secured by the property and (b) reasonable costs that would be incurred in selling the asset (e.g., penalties, broker fees, etc.).
- **Stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts.** The value of stocks and other assets vary from one day to another and should be determined within a reasonable time in advance of the applicant's submission of a lottery application. Individual retirement, 401K, and Keogh accounts. These are included when the holder has access to the funds, even though a penalty may be assessed. If the applicant is making occasional withdrawals from the account, determine the amount of the asset by using the average balance for the previous six months. (Do not count withdrawals as income.)
- **Retirement and pension funds.** *While the person is employed*, include only amounts the applicant can withdraw without retiring or terminating employment. Count the whole amount less any penalties or transaction costs. *At retirement, termination of employment, or withdrawal*, periodic receipts from pension and retirement funds are counted as income. Lump-sum receipts from pension and retirement funds are counted as assets. Count the amount as an asset or as income, as provided below. If benefits will be received in a lump sum, include the lump-sum receipt in net family assets.

If benefits will be received through periodic payments, include the benefits in annual income. Do not count any remaining amounts in the account as an asset.

If the applicant initially receives a lump-sum benefit followed by periodic payments, count the lump-sum benefit as an asset as provided in the example below and treat the periodic payment as income. In subsequent years, count only the periodic payment as income. Do not count the remaining amount as an asset.

NOTE: This section assumes that the lump-sum receipt is a one-time receipt and that it does not represent delayed periodic payments. However, in situations in which a lump-sum payment does represent delayed periodic payments, then the amount would be considered as income and not an asset.

- **Cash value of life insurance policies available to the applicant before death** (e.g., the surrender value of a whole life policy or a universal life policy). It would not include a value for term insurance, which has no cash value to the applicant before death.
- **Personal property held as an investment**. Include gems, jewelry, coin collections, or antique cars held as an investment. Personal jewelry is NOT considered an asset.
- **Lump-sum receipts or one-time receipts**. These include inheritances, capital gains, one-time lottery winnings, victim's restitution, settlements on insurance claims (including health and accident insurance, worker's compensation, and personal or property losses), and any other amounts that are not intended as periodic payments.
- **A mortgage or deed of trust held by an applicant**.

Payments on this type of asset are often received as one combined payment of principal and interest with the interest portion counted as income from the asset.

This combined figure needs to be separated into the principal and interest portions of the payment. (This can be done by referring to an amortization schedule that relates to the specific term and interest rate of the mortgage.)

To count the actual income for this asset, use the interest portion due, based on the amortization schedule, for the 12-month period following the certification.

To count the imputed income for this asset, determine the asset value at the end of the 12-month period following the certification. Since this amount will continually be reduced by the principal portion paid during the previous year, the owner will have to determine this amount at each annual recertification.

Assets disposed of for less than fair market value Applicants must declare whether an asset has been disposed of for less than fair market value at each certification and recertification. Owners must count assets disposed of for less than fair market value during the two years preceding certification or recertification. The amount counted as an asset is the difference between the cash value and the amount actually received.

Net family assets DO NOT include the following:

- Personal property (clothing, furniture, cars, wedding ring, other jewelry that is not held as an investment, vehicles specially equipped for persons with disabilities).
- Interests in Indian trust land.
- Term life insurance policies (i.e., where there is no cash value).

- Equity in the cooperative unit in which the applicant lives.
- Assets that are part of an active business. "Business" does NOT include rental of properties that are held as investments unless such properties are the applicant's main occupation.
- Assets that are NOT effectively owned by the applicant. Assets are not effectively owned when they are held in an individual's name, but (a) the assets and any income they earn accrue to the benefit of someone else who is not the applicant, and (b) that other person is responsible for income taxes incurred on income generated by the assets.
- Assets that are not accessible to the applicant and provide no income to the applicant. Non - revocable trusts are not covered under this paragraph.

APPENDIX II: SAMPLE DEED RIDER

The LIP DEED RIDER can be found at <http://mass.gov/hed/docs/dhcd/hd/lip/lipdeedrider.pdf>