ACT Information Session

8 LUPINE ROAD Unit 3 and Unit 4
Who is Andover Community Trust

- Non-profit Massachusetts corporation
- Promote and build homes that families can afford in Andover
- Resale agent and monitoring agent for other affordable homes in Andover
- Member organization

Built upon the Community Land Trust model
What is a Community Land Trust
- Andover Community Trust purchases the land and retains ownership of the land
- You purchase a home
- You sign a ground lease for 99-years
- There is a resale formula in the ground lease to keep the home affordable in the future
- ACT stewards your family to attain and sustain homeownership
RESTRICTIONS
Principle Residence
No renting or leasing
Approval needed to refinance
Approval needed for capital improvements
Resale price restriction
Example - It’s 2016 and you want to sell your ACT home

2006 Purchase Price          $150,000
10 Years in house
Change in AMI     +7.54%
Current Maximum Resale Price $161,310

(Maximum change is +2% per year $180,000)
Home Owner’s Responsibilities
Mortgage and Interest
Property Taxes
Insurance
Homeowners association fee – 6 units total
Land lease fee
All Utilities
All living expenses
ADVANTAGES of an ACT Affordable Home

- Low purchase price
- Stable payments
- Security of ownership vs. renting
- Build equity for the future
- Living in Andover – great schools, open space, recreation areas, community groups, faith organizations, active town gov’t., etc.
A home for generations

Spouses, domestic partners, and children have the right to inherit ACT homes, otherwise homes must be sold to another income-qualified household.
ACT’s current build at 8 Lupine Road

Applications Due May 1
Affordable Sales Price $210,000
Anticipated Closing before September 2020
8 Lupine Road

- 6 units
- 3 bedrooms
- 1 ½ baths
- 1 Parking space in shared garage
8 Lupine Road Unit 3 and Unit 4
8 Lupine Road First Floor Plan
8 Lupine Road Second Floor Plan
8 Lupine Road shared Garage building
Buyer will need money for:

Down payment –
- at least 3% - $6300
- 1½% - $3150 - must be from your own funds

Closing costs - $2000 - $5000 (You will get an estimate from your mortgage provider)
EXAMPLE - ESTIMATED COSTS

Sales Price $210,000
5% Down payment $10,500   Mortgage $199,500

Interest rate 3.90%   30 year loan
Monthly P&I Payments $940
Tax Rate $15.01   Monthly property tax $262
Hazard insurance $100
PMI $130
HOA fee $170
Lease fee $50

Monthly Housing Cost $1,652

Necessary approx. income: $66,063
Greater Lawrence Technical School

Building and COVID-19
STEPS TO BUYING THE HOME

Determine if you are eligible
Household Size (everyone who will live in the home)
Household Income (gross income of everyone over 18)
  3 person household < $67,950
  4 person household < $75,500
  5 person household < $85,550
  6 person household < $87,600
Household Assets < $75,000
Get Mortgage Pre-approval
No household member has owned a home in the last 3 years
Apply

- DON’T WAIT
- Application and ALL documentation must be in by May 1 at 4 pm
APPLICATION  Answer ALL questions
              Sign and date
DOCUMENTS   Send COPIES, not originals
              Use the checklist
REFERENCES   Any reference is acceptable
QUESTIONS   Tell us your story. What would this house mean to you?
Start TODAY

Download and complete the application.

Gather your documents - Pay stubs, Tax returns, Rent receipts, Bank statements, Retirement statements

Get a Mortgage Pre-Approval - Home with Affordable Restriction, Leased land.

Evidence of Down Payment – 1½% must be in your accounts

Credit Report

Homebuyer Certificate must be completed before closing
Mid May

- Notification of eligibility
Household Size (everyone who will live in the home)

Household Income (gross income of everyone over 18)
- 3 person household < $67,950
- 4 person household < $75,500
- 5 person household < $85,550
- 6 person household < $87,600

Household Assets < $75,000

Get Mortgage Pre-approval

No household member has owned a home in the last 3 years
Verification of your Information

Interview

The ACT owner selection committee will interview eligible applicants. They will verify your understanding of the Community Land Trust model. You are welcome to provide information about any special circumstances.
Owner Selection Criteria

Full Occupancy – Household must require 3 Bedrooms

* Provide References
* Financial Responsibility
* Housing Need

Partner with ACT
ACT adheres to fair housing laws when qualifying and selecting income-eligible buyers. This includes the HUD Affirmatively Furthering Fair Housing Rule (2015)(www.huduser.gov).
The two selected buyers will have the opportunity to purchase a home.

Your household must remain eligible at the time of Closing (anticipated for August 2020)
Don’t get discouraged

-A lot of information is required. Do your best.
-Follow the procedure
-Ask questions – call or email
-Don’t wait until the last minute

If you are eligible, there may not be as much competition as it appears.
Creating Opportunities for Families
QUESTIONS?

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