

LIVE WHERE YOU WORK

Down Payment, Closing Costs and PrePays Assistance PROGRAM SUMMARY

I. PROGRAM PURPOSE:

The purpose of the Live Where You Work Program is to provide up-front capital for households to access homeownership closer to their employment.

II. ELIGIBLE LOAN USES: Down Payment, Closing Costs, and/or actual Prepays

III. ELIGIBLE BORROWERS:

A. All Applicants:

1. The applicant's income is 100% or below of the area median income, adjusted for household size, as defined by the U.S. Department of Housing and Urban Development (see chart)
2. One of the applicants must be employed and commuting more than 30 miles to and 30 miles from this employment daily.
3. Purchase of the home must be for the applicants' principal residence and reduce the commute by at least 30 miles each way to and from their employment for at least one of the applicants.
4. The applicant/borrower must occupy the purchased property as a principal residence.

B. First-Time Homebuyer Applicants:

1. First-time home buyer applicants are encouraged to attend a homebuyer education course that includes sessions in budgeting, the home purchase process, home quality (inspections and appraisals), debt management, and home maintenance. Available courses can be found at www.mainehomeworks.org

IV. ELIGIBLE PROPERTIES:

- A. The property must meet all of the following criteria:
 - 1. Property to be purchased must be principal residence. Second homes and seasonal properties are not eligible.
 - 2. Properties with up to four units are eligible (provided one of the units will be the buyer's principal residence), condominiums, and manufactured housing. Mobile homes must be permanently attached to land that will be deeded with the purchase.

V. LOAN TERMS:

- A. Loan amount not to exceed required down payment, closing costs, and actual prepaids
- B. Maximum loan amount: \$5,000
- C. Interest Rate for the Loan: 0%, repaid over 60 months
- D. Term: Five (5) years
- E. No cash back allowed at closing except to reimburse for actual prepaids
- F. Secured with second mortgage
- G. Loan is not assumable
- H. No prepayment penalty

VI. LOAN ACCELERATION:

- A. The loan may be accelerated if the borrower ceases to occupy the property as their principal residence.
- B. The loan may be accelerated if any of the information provided during the application process is determined to have been false or untrue when provided.
- C. The loan must be immediately repaid if the borrower sells or transfers title to the property during the term of the loan.

VII. PROCESSING OF APPLICATION:

- A. Maine Association of REALTORS® Foundation Staff:

The Maine Association of REALTORS® Foundation staff has responsibility for the administration of the Live Where You Work Program. The MAR Foundation

Executive Director reviews and approves the Preliminary Application, reservation of Live Where You Work loan funds, and Final Application.

B. Primary Mortgage Lender:

The Maine Association of REALTORS® Foundation staff will rely on mortgage loan underwriting by the primary lender taking into account the applicants' ability to repay the total debt (including Live Where You Work funds).

C. Approval/Denial:

Approval or denial of Live Where You Work loan by the Maine Association of REALTORS® Foundation will be based solely on program eligibility. Credit underwriting decisions will be made solely by the primary lender.

VIII. ADMINISTRATION: The Maine Association of REALTORS® Foundation does not discriminate against any person because of race, color, religion, national origin, ancestry, sex, sexual orientation, disability, familial status, or receipt of public assistance in access to its programs and activities. Administration of this program shall be in accordance with Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), the federal Equal Credit Opportunity Act, and the Maine Human Rights Act.

A. Definitions:

1. Household Income:

For the purpose of determining eligibility for a Live Where You Work loan, the MAR Foundation Executive Director will calculate income by estimating the annual income of a family or household by projecting the annual rate of income of each person at the time of application. Estimated annual income shall include income from all family or household members and may include wages, salaries, bonuses, tips, commissions, interest and dividend income, self-employment income, income from estates or trusts, child support, alimony, net rental income from boarders, Social Security retirement benefits, social security disability benefits, VA payments, pensions or annuities, Temporary Aid to Needy Families, unemployment benefits, worker's compensation, and disability or benefits from any source.

2. Household Occupants:

For the purpose of computing income for prequalification, household shall be defined as all persons, related or unrelated, who share living arrangements and occupy a housing unit.

Exception: Boarders of the applicant: an adult who pays the market rate to rent a room and shares kitchen facilities with the applicant. The applicant must produce verification of rental income (canceled checks and rental income on a Federal tax return). The gross income of the boarder will not be included in calculating the applicant's household income. Instead, the amount of rent paid by the boarder will be added to the household income. The boarder will not be counted as a household member when calculating household size.

3. Income Limits:

To qualify applicants under the Live Where You Work program, The MAR Foundation Executive Director will use the Estimates of Median Family Income as released by the U.S. Department of Housing and Urban Development in effect at the time of application.

B. Application Procedures:

1. Initial contact for loan funds can be made through self-referral, referral by a REALTOR®, referral by financial institution staff, or referral by MAR Foundation staff or Directors. Fund availability and program documentation can be obtained by calling the MAR Foundation at 207-622-7501 or <http://marfoundation.org>
2. Applications for Live Where You Work funds will be processed on a first-come, first-served basis according to the date of the submission of a complete application. Preliminary applications with required attachments are submitted to:

Executive Director
Maine Association of REALTORS® Foundation
19 Community Drive
Augusta, ME 04330

If funds are not available, the Preliminary Application and attachments will be returned to the applicant. The Maine Association of REALTORS® Foundation will not maintain a waiting list for Live Where You Work Loan Program funds.

3. If loan funds are available, Executive Director reviews the Preliminary Application for completeness and eligibility. Incomplete applications will be returned to the applicant.
4. If funds are available and the applicant meets the Program eligibility requirements, they will be issued a Funding Reservation Letter giving them 30 days to file a Final Application and 60 days after that to close.
5. If the applicant fails to meet the Program eligibility requirements, a Denial Letter will be issued indicating the basis for the denial.
6. Within the deadlines imposed in the Funding Reservation Letter, the applicant must complete the Final Application (with required attachments) and the Document/Funding Request Form and submit to:

Executive Director
Maine Association of REALTORS® Foundation
19 Community Drive
Augusta, ME 04330

7. MAR Foundation staff will work with the primary mortgage lender and their closing agent to finalize the amount of the Live Where You Work loan, prepare the loan documents, and disburse the loan funds so they are available at the closing.