

FAQ FOR APPLICANTS WISHING HOME OWNERSHIP AT LANDON WOODS THROUGH THE NEIGHBORHOOD HOUSING TRUST

The Neighborhood Housing Trust aims to give low to moderate income households the opportunity of home ownership. This is a 'First-Time' home buyer program, with a few exceptions, in which Potential Buyers (Applicants) submit their application along with supporting documents to be reviewed and approved for the program. Once the application is reviewed and the applicant is deemed eligible, they will be submitted into a randomized drawing for the opportunity to purchase a home at Landon Woods.

The following Q&A is meant to answer questions you may have regarding the Neighborhood Housing Trust, NHT, housing selection process. It is important to understand that not all households who want to become NHT homeowners will be able to do so even if they meet all the income eligibility requirements and complete all the steps in the randomized drawing process.

If you have questions that this Q&A doesn't address, please reach out to Larissa Crockett, executive director, by email at LCrockettNHT@gmail.com. We are here to help make this process as straightforward as possible!

Q: Who is eligible to apply for this affordable home program?

A: Applicants should be first-time homebuyers. A person is a "first-time homebuyer" if no person in the household has, within the preceding three years, owned a home or owned an interest in a home with one or more people, such as through joint ownership with the exception of:

- Displaced homemakers/caregivers where the displaced homemaker/caregiver (an adult who has not worked full-time in the labor force for several years but has, during such years worked primarily without compensation to care for the home and family), while a homemaker/caregiver, owned a home with their partner or resided in a home owned by the partner.
- Single parents or legal guardians where the individual owned a home with their partner or resided in a home owned by the partner, and is a single parent, unmarried or legally separated from a spouse, and either has one or more children of whom the individual has custody or joint custody, or is pregnant;
- Elderly households (where at least one household member is 62 or over) with or without minor children;
- Households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
- Households that owned a property that was not in compliance with State, local or model building codes and that cannot be brought into compliance for less than the cost of constructing a permanent structure.



Individuals who have a financial interest in NHT, and their families, shall not be eligible.

Q: If I presently own a home could I qualify to purchase an affordable home?

A: Yes, but only if you meet the exceptions to the First Time Homebuyer rule as listed above. However, you must sell your home before you close on the affordable home. The equity in the home, in other words the amount of money made from the sale of the home, must be included in the determination of assets.

Q: If I am currently in the process of a separation and plan on being legally divorced can I still apply?

A: Your divorce does not need to be finalized when you apply for the randomized drawing; however, it must be finalized before you purchase the home. You will not be allowed to purchase an affordable home until the terms regarding the allocation of assets and custody of children are finalized, so your income and assets eligibility can accurately be determined. If you have only filed for separation and your divorce is not finalized, you may not be eligible to purchase a home at Landon Woods.

Q: I am disabled; will the home be modified based on my disability?

A: These homes will be complete prior to purchase and there is not a budget to make modifications to the homes. A home may be modified by the owner(s) to accommodate a disability - all modifications must be approved by the Neighborhood Housing Trust and follow all building and zoning codes and a building permit must be approved by the Town of Kennebunkport.

Q: What is the maximum family income and asset eligibility requirement?

A: Per MaineHousing requirements, to be eligible to purchase a home at Landon Woods, annual household income may not exceed \$110,240

Q: How do you determine household income?

A: NHT will determine a household's income based on all sources of income for all household members ages 18 or older, with the exception of full-time students.

This includes, but is not limited to, Social Security, alimony, child support, overtime pay, bonuses, unemployment, severance pay, part-time employment, matured bonds, monies to be received in court settlements and imputed interest and dividends on bank accounts and other assets.



Q: What constitutes a household?

A: A household constitutes the number of persons who plan to reside in the home regardless of familial status. Gross income from all household members over the age of 18 (except for full-time students) shall be considered in determining compliance with income eligibility requirements.

Q: I am expecting a child. Do I add the child to our household size?

A: To have your expected child included in household size NHT will need documentation from your Obstetrician/Gynecologist or adoption agency stating you are expecting a child. This will determine if the child can be included in the household.

Q: When will the affordable homes be available for occupancy?

A: These homes are expected to be complete by the end of 2025.

Q: Do I have to be a resident of the Town to apply?

A: No. All households that meet the income guidelines specified above may apply for an affordable home.

Q: Is there a priority for larger households?

A: No.

Q: Do I need to attend homebuyer education classes?

A: Yes. In order to be considered eligible for the housing randomized drawing households will need to complete a homeownership education class offered by AVESTA or York County Community Action Corporation, YCCAC.

Q: Do we need to get a pre-approval from a lender?

A: Yes, A pre-approval is required for the application process. When applying for pre-approval, your approval must include a breakdown of the mortgage payment in addition to the interest, and term of the loan.



Q: How or where do I apply for a mortgage?

A: We strongly recommend that applicants apply for financing with banks that are familiar with the affordable housing deed restrictions and guidelines for affordable housing programs.

There are many institutional lenders and mortgage brokers that are familiar with the qualifying process to purchase affordable homes. We are willing to share these references upon request by email or phone. In addition, there are other lenders and mortgage brokers who may participate in this process. Your lender must be an institutional lender.

There are many programs available for First Time Homebuyers including those offered by MaineHousing. We suggest you or your lender refer to the MaineHousing website www.MaineHousing.org.

Q: Are there any requirements on the type of loan I receive?

A: No.

Q: What are the minimum income requirements?

A: Minimum income requirements are determined by individual lenders.

Q: Once I am approved by the lender are additional approvals required.

A: Yes. Typically, your lender, not NHT, will re-qualify you for the loan a few days prior to closing, including but not limited to an additional credit check, job verification, marital status, etc. As a result, your lender could deny your loan even though it may have been previously approved.

Therefore, before any household members decide to make any lifestyle changes, such as but not limited to; job changes, marital status, substantial additional debt for payments for large purchases (such as a car, RV, boat), etc., consult with your lender as to what effect this could have on your loan.

Q: Are there restrictions upon resale or refinancing?

A: Yes, the intention of NHT homes is to give people the opportunity to purchase homes at reduced prices that otherwise may not qualify for a conventional purchase. There is a likely possibility that the home you are purchasing could be worth substantially more on the open market without limits on resale included in the deed.



However, you will not be able to sell the home at market rate prices and benefit from the difference.

These homes will have deed restrictions that will be recorded with the mortgage at the time of purchase. These restrictions limit the amount the home can be resold for or refinanced for and require that it be resold to another income eligible buyer. The deed restrictions ensure that the home remains affordable for perpetuity.

Upon resale or refinance you must notify NHT in accordance with the requirements of the deed.

NHT will determine the Maximum Resale or refinancing amount.

Q: Are there restrictions on using the home as a rental property?

A: Yes. This home must be the primary residence of the owner and may not be used as a rental property or as a short-term rental property. The owner must live in the home 12 months of each year unless an agreement is reached with the NHT Board.

Q: What if my understanding of the English language is limited?

A: NHT is committed to broadening access for persons with limited English proficiency (LEP) as a general Fair Housing principal.

NHT shall, upon request, make reasonable accommodations, at no cost to the applicant, to assist an applicant with limited English proficiency of their understanding of application documents.

Q: What if there are more applicants than homes available?

A: A random drawing selection process will be used in the likely situation where the number of eligible applicants exceeds the number of affordable homes. Each applicant shall be assigned a confirmation code once all required information is received.

Late applications will not be considered for the randomized drawing. NO EXCEPTIONS.

Six applicants will be drawn from the pool of eligible applicants. This will provide one additional applicant that will be offered the opportunity to purchase a home at Landon Woods if one of the first five (5) applicants is unable to complete the purchase. After the randomized drawing, the highest placement participant will be screened for any additional information required, and upon approval of eligibility by NHT, will be invited to enter into a Purchase and Sale agreement, and subsequently apply for a mortgage loan to purchase a home at Landon Woods.



As an example: 10 eligible applicants are placed in a randomized drawing for the opportunity to purchase a home at Landon Woods. Six (6) numbers are drawn and recorded in the order they are drawn. The first household is contacted and, if they are determined to meet all income eligibility requirements and can secure a mortgage for a home, they are offered the opportunity to buy a home. If this household cannot or does not wish to buy the home, the next household pulled in the randomized drawing will be contacted and made the same offer subject to the same requirements. This process will continue until all the homes are sold. If the first five applicants pulled can complete the purchase of a home, the sixth applicant pulled will be offered the opportunity to purchase the next home that is available for purchase, either through resale or building, by NHT. If more than one household cannot complete the purchase of a home additional randomized drawings will occur until all homes are sold.

Q: If I am one of the first six (6) applicants drawn, am I guaranteed my choice of home?

A: No. Households of two or more people will be offered their choice of two or three-bedroom homes in the order that they are drawn. There are three three-bedroom homes and two two-bedroom homes available for purchase. Households of one will only be offered the opportunity to purchase a two-bedroom home. Households of five (5) or more will only be offered the opportunity to purchase a three-bedroom home. If an applicant with a household size of one is the third - fifth applicant in the randomized drawing and there are no two-bedroom homes remaining, the applicant will not be given the opportunity to purchase a home at Landon Woods. If an applicant with a household size of five or more is the fourth or fifth applicant in the randomized drawing and there are no three-bedroom homes remaining, the applicant will not be given the opportunity to purchase a home.

For example, if the household size of the six applicants pulled is, in order of pull:

1. Household of three
2. Household of one
3. Household of one
4. Household of two
5. Household of one
6. Household of four

Then the fifth household pulled, the third household of one, will not be given the opportunity to purchase a home and the sixth household pulled will be given the opportunity to purchase the last three-bedroom home available.



As another example, if the household size of the six applicants pulled is, in order of pull:

1. Household of four
2. Household of three
3. Household of three
4. Household of one
5. Household of five
6. Household of two

If the first three applicants pulled are able to purchase a home and opt for the three-bedroom homes available, the fifth applicant pulled with a household size of five will not be given the opportunity to purchase a home and the sixth applicant pulled will be given the opportunity to purchase the last two-bedroom home available.

Q: I have been selected in the randomized drawing; do I automatically get a home?

A: No. Because you rank high in the randomized drawing process does not mean that you automatically qualify to purchase a home. It means that you have won the opportunity, not the obligation, to purchase a home. You must still meet all program eligibility requirements and will need to receive a financing commitment to purchase the property. If you meet the eligibility requirements but are unable to secure financing, you will not be able to purchase a home.

Q: Once I am entered into the drawing will additional documents be required?

A: No, if you have been told you are being entered into the randomized drawing, no additional documents are required for eligibility.

Q: Once the drawing has been completed, will additional documents be required?

A: Yes. Prior to receiving “final approval” from NHT to purchase the home, you will need to obtain a “firm Financing commitment” from your lender.

Q: When will I need to make a final decision about purchasing a home if I am offered the opportunity to do so?

A: Applicants who are selected through the randomized drawing will have five (5) days after the drawing to sign a purchase and sales agreement with NHT. Selected applicants who have not signed a purchase and sales agreement within five (5) days will have the offer to purchase a home rescinded and another applicant will be given the opportunity to purchase the home.



Q: Will I be able to do a walk through of the home prior to signing a purchase and sales agreement?

A: These homes will be in the final stages of construction when the randomized drawing occurs. 3D renderings will be available on the NHT website and photos of the project will also be available. We will announce a site walk later this fall at a time that the builder recommends is safe for the public to be on site. This site visit will allow applicants to get a sense of the neighborhood and see the homes from the outside.



For any additional information/questions please contact:
Larissa Crockett, executive director
LCrockettnht@gmail.com

