

PLEASE NOTE:

If it becomes necessary to revise any part of this application packet, addenda will be sent to all applicants on record as having received it. Please provide contact information to Colleen Whitcomb at the Boxborough Town Hall so that you can be notified of any changes.

E mail: [colleen.whitcomb@town.boxborough.ma.us](mailto:colleen.whitcomb@town.boxborough.ma.us))

Phone: (978) 263 – 1116 ext. 108



**BOXBOROUGH HOUSING BOARD**  
29 Middle Road, Boxborough, Massachusetts 01719  
Phone: (978) 263-1116 • Fax: (978) 264-3127  
[www.town.boxborough.ma.us](http://www.town.boxborough.ma.us)

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## AFFORDABLE CONDOMINIUM LOTTERY

### INFORMATION SESSION

BOXBOROUGH TOWN HALL  
29 MIDDLE ROAD

MAY 7, 2008

7:30 P.M.

Anyone interested in purchasing this condominium is **STRONGLY** advised to attend this Information Session!

A Housing Specialist will go over the application and other forms that are required to be submitted, as well as give a presentation explaining the lottery process. Additionally, the Housing Specialist will provide assistance with completing the application and other required forms.

If you are unable to attend the Information Session, you must contact Colleen Whitcomb at the Boxborough Town Hall at 978-263-1116 ext. 108 to receive additional information and forms that are required to be submitted with your application.

**Boxborough Condominium Request for Applications  
Applicant Information**

Date: \_\_\_\_\_

**PERSONAL INFORMATION**

	Applicant	Co-applicant
Name		
Street Address		
Town		
Zip Code		
e-mail address		
Home Telephone		
Work Telephone		
Have you owned a home or condominium in the past 3 yrs?		
If so, when did you sell it?		
If so, are you age 55 or over?		

**EMPLOYMENT STATUS**

	Applicant	Co-applicant
<b>Employer</b>		
Contact Name		
Employer Address		
Employer Telephone No.		
Date of Hire (Approximate)		
Annual Base Wage		
Additional Wages: (Bonus, Commission, Overtime, etc.)		

## INCOME AND EARNINGS

Household income includes Gross wages and other sources of income as described below. **Attach all third party verification documentation of your sources of income (5 most recent consecutive pay stubs, filed federal tax returns: Form 1040 for 2005 and 2006, and Form 1040 plus all schedules for 2007 and all bank/brokerage statements for last three months.** If information is not applicable, mark N/A.

If no income is identified as associated with one or another class of asset, income will be imputed\* at 1.0% on the equivalent fair market capital value of non-income producing assets, pursuant to guidelines and policies of the United States Department of Housing and Urban Development (HUD).

	Applicant	Co-applicant
Employment Earnings		
Retirement		
Public Assistance		
Unemployment Compensation		
Social Security		
Pension/Disability		
Supplemental Second Income		
Interest/Dividends		
Veterans Benefits		
Alimony/Support		
Deferred Compensation Program		
*Imputed Income		
Other		

## ASSETS

Assets include cash, the net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds and other forms of capital investment. Do not include the value of personal property such as furniture and automobiles. **Attach third party verification of all assets (three most recent bank statements, brokerage statements, stocks, bonds, annuities, trusts, etc.)** on financial institution's letterhead.

	Applicant	Co-applicant
<b>Bank Accounts</b>		
Name of Bank		
Address		
Savings Account No.		
Balance		
Checking Account No.		
Balance		
Other (e.g. CD's , stocks) Acct #		
Balance		
<b>Securities</b>		
Name of Bank/Broker		
Address		
Account No.		
Balance		
Account No.		
Balance		

ATTACH ADDITIONAL PAGES AS NEEDED

### LOCAL PREFERENCE ELIGIBILITY

If you meet any of the local preference eligibility criteria established by the Boxborough Housing Board, please check the appropriate category(ies) in the table below.

	Applicant	Co-Applicant
Regular Employee of the Town of Boxborough, including Blanchard School?		
Regular Employee of the Acton-Boxborough School System?		
Non-Dependent Child of a Boxborough Resident?		
Current Resident of the Town of Boxborough?		
Former Resident of the Town of Boxborough?		

Completing the following information will help us in fulfilling affirmative action requirements. Information will be used only as required by DHCD guidelines. Please check the appropriate column(s).

	Applicant	Co-Applicant
American Indian/Alaskan Native		
Asian or Pacific Islander		
African American		
Hispanic		
Cape Verdean		

### HOUSEHOLD COMPOSITION

NAME	RELATIONSHIP	DATE OF BIRTH

### SIGNATURES

The undersigned warrants and represents that all statements herein are true. It is understood that the sole use of this application is to establish the minimum requirements of the RFA.

Signature \_\_\_\_\_ Date: \_\_\_\_\_  
Applicant

Signature \_\_\_\_\_ Date: \_\_\_\_\_  
Co-Applicant

## ADDITIONAL INFORMATION

The MAXIMUM allowable annual income is based on household size and has been established based on area median income determined by the U. S. Department of Housing and Urban Development. This limit is FIRM and cannot be adjusted. If you have questions regarding your income level due to fluctuations, please contact our office for advice. Please be advised that the income to be used should include income for all members of the household that are to be residing in the condominium unit; however, household income should not include income from employment of children under the age of eighteen.

### INCOME LIMITS BASED ON HOUSEHOLD SIZE

HOUSEHOLD SIZE	MAXIMUM ALLOWABLE INCOME
1	\$46,300
2	\$52,950
3	\$59,550
4	\$66,150

### AFFORDABILITY ANALYSIS

**To help you check your own qualifications, an affordability analysis based upon current interest rates, anticipated real-estate taxes, other expenses and several down payment options is shown below. The monthly expenses are estimates only and are subject to change.**

Condominium Unit Price	\$60,000	\$60,000	\$60,000
Down Payment Percentage	3.00%	5.00%	10.00%
Down Payment Amount	\$ 1,800	\$3,000	\$6,000
Mortgage Amount	\$58,200	\$57,000	\$54,000
Interest Rate (approximate)	6.50%	6.50%	6.50%
<b>MONTHLY EXPENSES</b>			
Principal & Interest	\$367.00	\$360.00	\$341.00
Real Estate Taxes	\$ 80.00	\$ 80.00	\$ 80.00
Private Mortgage Insurance	\$ 38.00	\$ 37.00	\$ 35.00
Homeowners Insurance	\$ 35.00	\$ 35.00	\$ 35.00
Association Fee	\$259.00	\$259.00	\$259.00
<b>TOTAL Monthly Expenses</b>	<b>\$779.00</b>	<b>\$771.00</b>	<b>\$750.00</b>
<b>Minimum Income Required</b>	<b>\$31,160</b>	<b>\$30,840</b>	<b>\$30,000</b>

## AFFIDAVIT & DISCLOSURE

I/We certify that my/our household income is \$\_\_\_\_\_, as documented herein, and does not exceed the income limits provided in the Lottery Information Packet. I/We understand that total income may change due to an imputed interest figure on assets, which may cause income to exceed the HUD income limitations.

I/We certify that my/our household assets total \$\_\_\_\_\_, (cash, savings, checking, insurance proceeds, brokerage accounts, stocks, bonds, etc, as noted on the application) as documented herein, does not exceed the household asset limitation stated in the Lottery Information Packet.

The household size listed on the application form includes only and all the people that will be living in the residence.

All data supplied on the application is true and accurate to the best of my/our knowledge and is able to be verified if requested.

I/We understand that all data supplied to the bank for mortgage purposes can be reviewed by the Boxborough Housing Board or their designated agent, as needed, to verify application data.

I/We understand that if I/we are selected in the lottery, the Boxborough Housing Board does not guarantee that I/we will be permitted to purchase the condominium unit. I/We understand that all application data will be verified, and that my/our qualifications will be reviewed in detail prior to purchasing the condominium unit. I/We understand that the submission of any incorrect or misleading information or the failure to disclose any pertinent financial information may result in the rejection of my application the Boxborough Housing Board and the elimination of my ability to purchase the condominium unit through this program.

I/We understand that if I/we are selected to purchase the condominium unit, I/we intend to occupy the unit as my/our year-round residence and I/we must continue to meet all eligibility requirements of the Town of Boxborough and the Boxborough Housing Board during the lottery process. I/We understand that, if selected, the Town of Boxborough will require an annual affidavit attesting that I/we are the owner(s) and year-round occupant(s) of the affordable unit.

I/We understand that it is my/our obligation to secure the necessary mortgage for the purchase of the condominium unit. All expenses, including closing costs, attorney representation and down payments are my/our responsibility.

I/We have completed an Application for Affordable Housing form and have reviewed and understand the process that will be used to select an eligible buyer for the condominium. I/We are qualified based upon the program guidelines and agree to comply with applicable regulations.

I/We understand that there is a deed rider restricting the resale price and sale of the unit to an eligible buyer.

*I affirm that the foregoing information is true, accurate and complete to the best of my knowledge under the pains and penalties of perjury.*

\_\_\_\_\_

Name

\_\_\_\_\_

Date

*I affirm that the foregoing information is true, accurate and complete to the best of my knowledge under the pains and penalties of perjury.*

\_\_\_\_\_

Name

\_\_\_\_\_

Date

**TOWN OF BOXBOROUGH**  
**Housing Board**  
**Request for Applications/Program Description**

**1. INTRODUCTION**

1.1. Background

The Inhabitants of the Town of Boxborough (the “Town”), acting by and through the Boxborough Housing Board (the “Board”) as authorized by vote of Town Meeting under article 2 on January 24, 2005, seek applications from qualified first-time homebuyers for the purchase of a two-bedroom condominium unit located at 294 Codman Hill Road. The unit is being offered for a price of Sixty Thousand Dollars (\$60,000). The Town acquired the unit through the tax title process and now wishes to make it available to a suitably qualified and eligible buyer for affordable housing purposes. A perpetual deed restriction will ensure that the owner occupied unit is protected as part of the town’s affordable housing stock.

1.2. Presently Available Unit

The unit, # 36F, further identified as lot 135.36F block 1 on Assessor’s Map 1 and which deed was recorded with Middlesex South District Registry of Deeds in Book 43685, Page 459, is situated in the Codman Hill Condominiums complex, which is a garden style development comprised of 108 units in six buildings. The unit is an all-electric end unit with southeast exposures and is located on the top (3<sup>rd</sup>) floor, accessible only by stairs. The unit is 804 square feet and is comprised of a living room, two bedrooms, an eat-in kitchen and a bathroom.

1.3. Boxborough

The Town of Boxborough, Massachusetts is a small (~10.4 sq. mi.) thriving community located at the crossroads of Interstate 495 and Route 111, approximately 28 miles west of Boston, and is bounded by the towns of Littleton, Acton, Stow, and Harvard. Boxborough is located approximately three and one-half miles from the Littleton commuter rail station and within four miles of South Acton’s commuter rail station. Boxborough’s excellent school system, high quality housing, convenient location and scenic, historic and rural character make the town an attractive community in which to live and work. Of the Town’s approximately 5,000 residents, approximately 58% live in single-family homes and approximately 42% live in multi-unit dwellings.

1.4. Additional Information

An informational meeting will be held on May 7, 2008 at 7:30 p.m. at the Town Hall, 29 Middle Road, Boxborough, MA An Open House will be held at the unit on May 10, 2008 from 10:00 a.m. to 12:00 noon.

## 2. APPLICATION SUBMISSION REQUIREMENTS

- 2.1. Qualified applicants shall submit their application to Selina Shaw, Chief Procurement Officer, Town of Boxborough, 29 Middle Road, Boxborough, MA 01719 no later than noon on June 5, 2008, when applications will be opened and recorded. Applications received after that time shall not be accepted.
- 2.2. Applications shall be placed in a sealed envelope and clearly marked "Boxborough Condominiums" in the upper left-hand corner.
- 2.3. To be considered a complete application, the application must include:
  - a. Completed applicant(s) information form (signed)
  - b. Form 1040 of federal tax return for 2005, 2006 and Form 1040 plus all schedules for 2007
  - c. Five most recent consecutive wage stubs
  - d. Other income documentation if applicable
  - e. Three most recent months of bank/brokerage statements of all demand deposit, asset and savings account statement on financial institution's letterhead
  - f. Mortgage pre-approval letter issued by a lending institution no earlier than one month prior to the submission of your application, which shall list the following mortgage standards:
    - The loan shall have a fixed interest rate through the full term of the mortgage.
    - The loan must have a current fair market interest rate, no more than 2 percentage points above the current MassHousing Rate.
    - The buyer shall provide a down payment of at least 3%, 1.5% of which must come from the buyer's own funds.
    - The loan shall have no more than 2 points.
  - g. Affidavit and Disclosure form (signed)
  - h. Income/Assets Verification Authorization form (signed)
  - i. Deed Rider form (signed)
- 2.4. Questions concerning this Request for Application shall be submitted in writing no later than May 14, 2008 to Colleen Whitcomb by mail to the address listed in 2.1, by fax to (978)-264-3127 or by e-mail to colleen.whitcomb@town.boxborough.ma.us. Written responses to all such questions will be mailed, faxed or e-mailed to all applicants on record of having received the Applications package.
- 2.5. The Town of Boxborough reserves the right to cancel this Request for Applications and reject all applications, if the Town determines that cancellation and rejection serves the best interests of the Town. The Town also reserves the right to waive any informalities.
- 2.6. If it becomes necessary to revise any part of the Request for Applications, or otherwise provide additional information, addenda will be mailed or faxed to all applicants on record as having received the Request for Applications.
- 2.7. The Town has determined that the sale of the unit described herein is subject to the Uniform Procurement Act, M.G.L Chapter 30B; therefore, the provisions of M.G.L. Chapter 30B are incorporated herein by reference.

### **3. MINIMUM REQUIREMENTS**

#### **3.1. First-Time Home Buyer**

The applicant, as well as any members of the applicant's household, shall not have held title to residential real estate within the last three years prior to the submission date of this Request for Applications, with the exception of elderly households (where at least one household member is 55 and older) and displaced homeowners. 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.

#### **3.2. Maximum Allowed Income**

The sum of the income from all members of the applicant's household from all sources, as calculated by the Department of Housing and Urban Development (HUD) under HUD's Income Limits Briefing Materials, effective February 13, 2008, shall not exceed 80% of the median income in the Boston metropolitan statistical area. These limits are as follows:

- a. \$52,950, for a two-person household
- b. \$59,550, for a three-person household
- c. \$66,150, for a four-person household

See attached "Appendix I: INCOME AND ASSESTS" for definition of "Income".

#### **3.3. Asset Limitation**

Household assets shall not exceed Fifty Thousand Dollars (\$75,000) in value. Assets include net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds and other forms of capital investment, excluding equity accounts in HUD homeownership programs or state assisted public housing escrow programs. The value of necessary items of personal property, such as furniture and automobiles shall be excluded.

See attached "Appendix I: INCOME AND ASSETS" for definition of "Assets".

#### **3.4. Ownership: Holding of Title**

The applicant, whether acting singly or jointly, shall be party to the deed, affordable housing deed restrictions, and mortgages affecting the affordable housing unit sold pursuant to this Request for Applications. Non-household members shall not be permitted as co-signers of the mortgage.

#### **3.5. Household Size**

The applicant's household shall be comprised of at least two persons, but shall not exceed four persons. A "household" shall mean two or more persons who shall live regularly in the unit as their principal residence and who are related by blood, marriage, law or who have otherwise evidenced a stable inter-dependent relationship.

3.6. Sufficient Funds

The applicant shall have sufficient funds for a down payment and closing costs as determined by the lender, and shall be responsible for fees incurred by retaining legal representation to protect his/her interests.

3.7. Lender Pre-Qualification

Applicant shall obtain a “pre-qualification” letter from a lender, issued no earlier than one month prior to the submission of your application, and shall submit verified documentation as described in Section 2. Prequalification letter must list Mortgage Standards listed in section 2.3 (f).

**4. EVALUATION CRITERIA AND BASIS FOR AWARD**

4.1. Applications will first be reviewed for compliance with the requirements listed above in Sections 2 and 3. Any application that is not complete or that does not meet the minimum requirements shall be rejected as unresponsive.

4.2. Applications will then be evaluated on the basis of preference criteria described below.

a. LOCAL PREFERENCE

- Town employees, which shall be deemed to include the Blanchard Memorial School and Acton-Boxborough Regional School system employees, who have satisfactorily completed any applicable probationary period of employment.

The applicant shall provide evidence of Town employment. Town employees are subject to the conflict of interest provisions of G.L. 268A, § 20, which includes filing a disclosure with the Town Clerk prior to entering into a purchase and sale agreement with the Town.

- Current and former residents of the Town, as well as non-dependent natural or adopted adult children of current Boxborough residents.

This preference will provide an opportunity to local residents who otherwise would not have been able to own a home in the community in which they have been raised and/or have lived as renters. A “Boxborough resident” is a person who can and shall offer proof of residency or past residency in the town of Boxborough. Examples of sufficient proof include a census listing, voter registration, housing voucher showing residency at Boxborough address, current lease or utility bill. A person eligible to be registered to vote in Boxborough shall be deemed a resident.

**b. LARGER HOUSEHOLD PREFERENCE**

Within an applicant pool, first preference shall be given to households requiring the total number of bedrooms in the unit based on the following criteria:

- There is at least one occupant and no more than two occupants per bedroom.
- A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.
- A person described in the first sentence of (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and the lottery agent receives reliable medical documentation as to such impact of sharing.

c. If there are no suitably qualified applicants in the local preference category, all other responsive and responsible applications will be considered.

**d. MINORITY REPRESENTATION**

A preliminary lottery will be held if the percentage of minority applicants in the Local Preference Pool is less than 20.7%, as determined by recent census data in the Boston area. This lottery will be comprised of all minority applicants who did not qualify for the local pool. Applicants will be ranked in order of the drawing. The Local Pool will be adjusted by adding the required number of applicants in rank order, to achieve the appropriate minority representation in the Local Pool. Minority households are identified in accordance with the regulatory classifications established by HUD.

## 5. ADDITIONAL INFORMATION / REQUIREMENTS

### 5.1. AFFORDABILITY ANALYSIS

To help you check your own qualifications, an affordability analysis based upon current interest rates, anticipated real-estate taxes, other expenses and several down payment options is shown below. The monthly expenses are estimates only and are subject to change.

Condominium Unit Price	\$60,000	\$60,000	\$60,000
Down Payment Percentage	3.00%	5.00%	10.00%
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Mortgage Amount	\$58,200	\$57,000	\$54,000
Interest Rate (approximate)	6.50%	6.50%	6.50%
<b><u>MONTHLY EXPENSES</u></b>			
Principal & Interest	\$367.00	\$360.00	\$341.00
Real Estate Taxes	\$ 80.00	\$ 80.00	\$ 80.00
Private Mortgage Insurance	\$ 38.00	\$ 37.00	\$ 35.00
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<b>TOTAL Monthly Expenses</b>	<b>\$779.00</b>	<b>\$771.00</b>	<b>\$750.00</b>
<b>Minimum Income Required</b>	<b>\$31,160</b>	<b>\$30,840</b>	<b>\$30,000</b>

### 5.2. PURCHASE AND SALE AGREEMENT AND CLOSING

The applicant selected by the Board shall enter into a purchase and sale agreement with the Board no later than July 9, 2008 which shall provide that the closing shall occur within sixty (60) days thereafter. If the applicant is unable to close within this timeframe, the Board shall have the option of extending the date, or awarding the unit to the next qualified applicant.

5.3. The Codman Hill Condominium Association is currently in the process of updating the septic system for the complex. The fee increase to be paid by the owner of this unit for the upgrade will be paid in full by the Housing Board prior to closing.

### 5.4. CONFIDENTIALITY

The contents of applications will be kept confidential. However, because the sale of the unit is subject to the Uniform Procurement Act, G.L. c.30B, be advised that the name of the party ultimately selected will be published.

5.5. RESALE CONDITIONS ARE SET FORTH IN THE DEED RIDER

DEED RIDER CONSENT FORM

Affordability and Resale Restrictions

I/We have read the summary of resale restrictions in the Information Packet and agree to the resale restriction. I/We have been advised that a copy of the Deed Rider is on file at the Boxborough Town Hall and available for my/our further review during normal business hours. I/We also understand that, if selected in the lottery to purchase a unit, a full copy of the Deed Rider will be provided.

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Applicant

\_\_\_\_\_  
Date

*This form must be signed by all household members who will be listed on the mortgage and returned with your application.*

RELEASE OF FINANCIAL INFORMATION CONSENT FORM

**The undersigned authorizes the Boxborough Housing Board to verify any and all income and assets, and other financial information, to verify any and all household, resident location and workplace information of the undersigned and directs any employer or financial institution to release any information to the Boxborough Housing Board for the purpose of determining eligibility in the lottery process to purchase an affordable condominium unit located at 294 Codman Hill Road, unit 36F Boxborough, Massachusetts.**

Print Name: \_\_\_\_\_

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

Print Name: \_\_\_\_\_

\_\_\_\_\_  
Signature of Co-Applicant

\_\_\_\_\_  
Date

All household members with income and assets must provide the information, as required on the application, and sign and return this form with the application.

**Boxborough Condominiums  
Request for Applications  
Description of Deed-Restriction Provisions**

Because you are purchasing your home at a substantial discount price, there are requirements that the home remain affordable for future buyers of your property.

You will be signing a “deed rider” which outlines your responsibilities under the affordable housing program. The deed restrictions will apply to future buyers of your home. We strongly urge you to review this deed rider with your attorney and lender. Below is a general description of some of these requirements:

**1. Notice to Municipality and Monitoring Agency When Selling the Home**

There is a limit on the resale price of your home. When you are planning to sell your home, you are required to notify the Town of Boxborough and the Co-Monitoring Agents, the Boxborough Housing Board and the Department of Housing and Community Development (DHCD). The Maximum Resale Price, as defined in the deed rider, is determined by the Monitoring Agent pursuant to notice being given by the homeowner.

**2. Sale of the Property**

After you provide the notice to the Town and the Monitoring Agent that you plan to sell your home, the Town has 30 days to notify you in writing whether it will exercise its “right of first refusal.” The Town or the Monitoring Agent can:

- a Locate an eligible purchaser of the property who is able to purchase the property at the Maximum Resale Price, or
- b Purchase the property at the Maximum Resale Price.

In either case, the sale will take place within 90 days after receipt of the owner’s notice of intent to sell, subject to certain extensions.

If neither of the above sales occurs, you may sell your home to any third party at the Maximum Resale Price, provided preference is given to a family whose income is between 80 and 120% of the area median income and the property is sold subject to a new affordable housing restriction.

**3. Restrictions Relative to Leasing and/or Financing**

The property cannot be leased, refinanced, encumbered or mortgaged without the prior written consent of the Monitoring Agent.

**4. Owner Occupancy/Principal Residence**

**You must occupy the property as your principal residence.**

## **APPENDIX 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. Nonrevocable trusts are not covered under this paragraph.