



# The City of Gaithersburg (MPDU and WFHU)

## Purchase Program Application Packet

<http://www.gaithersburgmd.gov/services/housing-services>



## Instructions

The City of Gaithersburg uses this application to collect the information necessary to determine whether or not your household is eligible to purchase a Moderately Priced Dwelling Unit (MPDU). **PLEASE READ THE INSTRUCTIONS on pages 1 and 2 of this packet; and review the Purchase Program on pages 3 and 4 of this packet CAREFULLY before completing the application on pages 5 and 6.**

Please complete the Application form found on pages 5 and 6 of this packet. Include all of the required back-up documentation. If your household is found eligible, you will be issued a non-transferable Certificate of Eligibility to purchase an MPDU which is valid for one year. You will then be eligible to participate in the selection drawings that are held to determine which households may purchase MPDUs as they become available.

**Where May I Submit a Completed Application?** A completed application may only be submitted by mail or in person. Faxed or emailed applications will not be accepted.

**When are Applications Accepted?** Applications are accepted throughout the year, and applications sessions are held throughout the year.

**How Long Does it Take to Process an Application?** Due to the volume of applications received, it may take three (3) weeks from the date that all required documents are received to process an Application.

### Eligibility for the MPDU Program:

- You are not eligible to purchase an MPDU/WFHU if you currently own a house or have owned a house anywhere in the past five (5) years, or if you have appeared on the deed to a property anywhere within the last 5 years.
- Your household income must meet the income qualifications and you must be able to qualify for a mortgage loan. The amount of a mortgage that your household is eligible for depends on several factors, including your credit history, your savings, job stability, the level of your household debt, etc.

**Documents That Are Required:** You must submit an original signed application and photocopies of the documents shown below.

- **Tax Information:** You must submit copies of the 2 most recent Federal income tax return(s) for all adults in the household, with all schedules and W-2 forms.
- **Income Information:** You must submit copies of the three (3) most recent pay stubs for all wage earners in the household that show the employer's name and address, the frequency the payment is received, gross income per period, and total income earned to date.

Persons who are self employed must bring a notarized year-to-date summary statement of income and expenses. Retired persons must bring proof of pension, Social Security, and/or any other sources of income.

- **Homebuyer Class Certificate of Completion:** You must submit a copy of your Certificate of Completion from the first-time Homebuyer's class with your application.
- **Lender Pre-Qualification Letter:** You must bring a Pre-Qualification Letter from a participating mortgage lender demonstrating that you qualify for a mortgage. The Pre-Qualification Letter must be an original on the lender's letterhead, and signed and dated by an authorized representative of the lending institution.

**IMPORTANT** - Applicants who do not submit all of the documentation shown above will have their applications rejected and returned. MPDU staff will not make photocopies for you, so have all copies made prior to submission.

**Additional Documentation for Special Situations:**

- If you are divorced or separated, you must provide legal documentation validating your marital status.
- If you are married and filed separate tax returns, you must provide the most recent tax return for you and your spouse.
- If you did not file a tax return in the most recent tax year, you must include a letter from the U.S. Internal Revenue Service (IRS) certifying that they have no record of you filing a tax return. You may contact the IRS at 1 (800) 829-1040.
- If you did not file taxes because you were a full-time student, you must provide a copy of your school transcript or a class schedule showing that you were a full-time student during the most recent tax year.
- If you have a newborn child who was not listed on your Federal income tax return, you must provide a copy of the child's birth certificate.
- If a dependent is 18 or older, you must verify whether they are a student or working. If they are not a full-time student and working, you must also provide copies of their three most recent pay stubs from their employer.
- If you are a student, or if your dependent is over 18 and is a student, you must provide a current school transcript or a class schedule. A student identification card will not be accepted.
- If you are a single parent and do not receive child support or alimony, check the appropriate box and mark "0" in the space indicated on the application. If you receive either of the above, put the amount received in the space indicated, and provide a copy of the settlement that indicates the amount received.



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(MPDU and WFHU)



**Purchase Program Description**

<http://www.gaithersburgmd.gov/services/housing-services>

**Application**

In order for The City to determine if you are eligible to participate in the Program, you must complete an application and provide information about your household and your income. Applicants must meet the appropriate income and credit history guidelines in order to receive a Certificate of Eligibility which permits them to enter the random selection drawings used to determine which households may purchase an MPDU/WFHU.

**Eligibility**

**First-Time Homebuyers Only:** Persons who currently own or who have owned residential property in the previous 5 years are not eligible to participate in the program. (Under certain circumstances, the City Manager may waive this requirement.)

**Income Limits Properties\*:**

Your total household income must not exceed the current maximum income limits shown below:

Household Size	Purchase Program (MPDU) Permitted Income*
1	\$37,450 - \$59,920
2	\$42,880 - \$68,480
3	\$48,150 - \$77,040
4	\$53,500 - \$85,600
5+	\$57,780 - \$92,448

*\* Gross annual income from all current sources for all wage earners in the household.*

Household Size	Purchase Program (WFHU) Permitted Income*
1	\$59,920 - \$ 89,880
2	\$68,480 - \$102,720
3	\$77,040 - \$115,560
4	\$85,600 - \$128,400
5+	\$92,448 - \$138,672

*\* Gross annual income from all current sources for all wage earners in the household*

**Mortgage Pre-Qualification:** A household must be pre-qualified by a participating lending institution for a mortgage.

Closing cost and down payment assistance may be available. Information on this program is available on the City's website. If you are found to be eligible, you must make an appointment to pick up your Certificate of Eligibility.

**Selection Process**

As units are made available, Gaithersburg will notify certificate holders in writing/by email.

**Financing**

To obtain mortgage financing, you need to have good credit, a steady income, and the unit must be affordable for your family's income. The sales prices are set by the Executive Regulations governing the MPDU program.

**Private Transaction**

The City is not involved in the contracting process. All contracts for purchase are a private, legally enforceable transaction between the buyer and the seller.

## Types of Homes

Households must be able to afford to pay the applicable homeowners' association (HOA) fees and condominium fees. These fees are not subsidized by the MPDU program.

## Occupancy and Resale Restrictions

To ensure that MPDUs serve eligible households and are affordable to future owners, restrictions are placed on the MPDUs. You must agree to these restrictions in order to participate in the program.

**Occupancy:** The MPDU must be owner-occupied. You must occupy the MPDU as your only residence. You may not own the MPDU and rent it out.

You may not own another property while you are the owner of the MPDU without written permission by the City Manager.

## Control of Resale:

The resale price of the MPDU is controlled for a 30-year period. You may sell your MPDU during the control period; however, you have to sell it at a pre-determined price. The resale price is limited to the sum of the original price plus the increase in inflation from the date of the original purchase to the date of resale plus the fair-market value of eligible capital improvements made to the unit.

**Refinancing:** Because the resale price of the MPDU is controlled, you may not refinance your MPDU for an amount above the controlled resale price.

**Share of Excess Profit:** To provide funds for producing affordable housing in the future, the City has established a Housing Initiative Fund (HIF). When a unit is sold for the first time after the 30-year control period expires, the seller must pay one-half of the excess profit to the HIF. Money contributed to the HIF is used to finance construction or rehabilitation of other affordable housing in the City of Gaithersburg.

## Required Classes

Persons interested in purchasing an MPDU/WFHU are required to attend two classes before they can be certified as eligible:

- 1) a first-time Homebuyer class
- 2) a MPDU Orientation Seminar

Information on these classes can be found on the County's MPDU website

## *Fair Housing: It's the Law*

Office of Human Rights  
240-777-8450  
TTY: 240-777-8480

## *Igualdad de Oportunidad de Vivienda es la ley*

Oficina de los Derechos  
Humanos  
240-777-8450  
TTY: 240-777-8480

Para información en español,  
llame a la Comunidad Hispana  
de Maryland al  
301-587-7217/7218



Name	Relationship	Gender		Date of Birth
	Head of Household	<input type="checkbox"/> Male	<input type="checkbox"/> Female	
		<input type="checkbox"/> Male	<input type="checkbox"/> Female	
		<input type="checkbox"/> Male	<input type="checkbox"/> Female	
		<input type="checkbox"/> Male	<input type="checkbox"/> Female	
		<input type="checkbox"/> Male	<input type="checkbox"/> Female	
		<input type="checkbox"/> Male	<input type="checkbox"/> Female	
		<input type="checkbox"/> Male	<input type="checkbox"/> Female	

*(Any dependent listed above who is 18 years of age or older must document if he/she is employed or a student)*

Please complete the following to assist in the analysis of the affirmative marketing of units under this program.  
**Race:**  Asian  Black  White  Other: \_\_\_\_\_ **Ethnicity:**  Hispanic  Non-Hispanic  
 At least one household member has a mobility or visual impairment (additional documentation may be requested)

**CERTIFICATIONS By signing below:**

- I/We certify that no one on this application currently owns, or has owned residential property within the last five (5) years.
- I/We agree to allow the City and/or a non-profit housing advocacy group to review my/our application and supporting documents (including the credit histories of the applicant and co-applicant) to determine my/our present and continuing eligibility.
- I/We certify that the information provided on this application is true and complete to the best of my/our knowledge. I/We are aware that any misrepresentation will result in the forfeiture of my /our right to be eligible for the Moderately Priced Dwelling Unit (MPDU) Program; and that the City may make inquiries to verify this information; and may take legal action against persons who benefit from the MPDU program under false pretenses.
- I/We certify that I/we have read, understand, and will comply with the MPDU program rules.
- I/We understand it is my /our responsibility to renew my/our certificate when it expires and that no renewal notice will be sent by the MPDU office; also, it is my/our responsibility to notify the MPDU office of any changes in employment, change of address, new household members, etc.

Signature of Head of Household	Date	Signature of Co-Applicant	Date
Signature of Adult Household Member	Date	Signature of Adult Household Member	Date

Email Address: \_\_\_\_\_

**OFFICE USE ONLY - DO NOT WRITE BELOW THIS LINE**

	<u>ELIGIBLE</u>	<u>INELIGIBLE</u>
<input type="checkbox"/> NEW APPLICATION	TOTAL ANNUAL HH INCOME:	<input type="checkbox"/> OVER INCOME (\$_____)
<input type="checkbox"/> RENEWAL APPLICATION	\$_____	<input type="checkbox"/> UNDER INCOME (\$_____)
<input type="checkbox"/> ENTERED IN DATABASE ON	PRE-QUAL.FOR MAX. MORTGAGE OF	<input type="checkbox"/> INSUFFICIENT MORTGAGE AMOUNT
_____/_____ (Date) (By)	\$_____	<input type="checkbox"/> NO PRE-QUALIFICATION LETTER
<input type="checkbox"/> CERTIFICATE ISSUED ON	TOTAL HOUSEHOLD SIZE: _____	<input type="checkbox"/> NO HOMEBUYER CLASS CERTIFICATE
_____/_____ (Date) (By)	ELIGIBLE FOR NUMBER	<input type="checkbox"/> OWNED RESIDENTIAL PROPERTY
	OF BEDROOMS: _____	WITHIN LAST 5 YEARS