



The City of Gaithersburg - CROWN PROPERTIES Moderately Priced Dwelling Unit (MPDU) Purchase Program Application Packet

<https://www.gaithersburgmd.gov/services/housing-services/moderately-priced-dwelling-unit-program>

Instructions

PLEASE READ THE INSTRUCTIONS on pages 1 and 2 of this packet; and review the MPDU Purchase Program on pages 3 and 4 of this packet **CAREFULLY** before completing the application on pages 5 and 6.

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 be submitted by mail or in person. Due to the current COVID-19 pandemic, the City will also accept applications by email to Louise.kauffmann@gaitersburgmd.gov or uploaded to the housing services webpage (PLEASE NAME UPLOADED FILE UPLOADED LAST NAME OF APPLICANT. housingfiles.gaithersburgmd.gov (Password: "housing").

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 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.
- 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 bring 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 bring 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. A letter from your employer stating your gross annual income is acceptable as long as it includes any expected overtime.

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 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.



The City of Gaithersburg CROWN FARM
 Moderately Priced Dwelling Unit (MPDU)
 Purchase Program Description



<https://www.gaithersburgmd.gov/services/housing-services/moderately-priced-dwelling-unit-program>

Application

In order for The City to determine if you are eligible to participate in the MPDU 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 a MPDU.

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 has the authority to waive this requirement.)

Income Limits for Crown Properties: Your total household income must not exceed the current maximum income limits shown below:

Household Size	Purchase Program Maximum Permitted Income* (Effective 4/2020)
1	\$61,500
2	\$70,500
3	\$79,500
4	\$88,000
5+	\$95,500

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

Mortgage Pre-Qualification: A household must be pre-qualified by participating lending institution for a mortgage sufficient to purchase the property.

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 will receive a Certificate of Eligibility. If contacted by the builder, you must provide the original Certificate.

Selection Process

As MPDUs 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 MPDU must be affordable for your family’s income. The sales prices for MPDUs are set by the Executive Regulations governing the MPDU program.

Private Transaction

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

Households must be able to afford to pay the applicable 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 rent or lease it, nor can any portion of the unit be rented. You may not own another property while you are the owner of the MPDU.

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 other affordable housing in the City of Gaithersburg.

Required Classes

Persons interested in purchasing a MPDU 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 Gaithersburg Housing Services webpage at www.gaithersburgmd.gov

FAIR HOUSING LAW: MONTGOMERY COUNTY CHAPTER 27A

TO FILE A COMPLAINT:

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

City of Gaithersburg 240-805-1022

Questions? Email

mpdu@gaitersburgmd.gov



Moderately Priced Dwelling Unit (MPDU) Purchase Program Application Form



Please read the instructions carefully. Complete ALL applicable blanks. This information will be used to determine your eligibility for the program; it will not be used to qualify you for mortgage financing. All information will be kept confidential.

THIS APPLICATION MUST HAVE PHOTOCOPIES OF THE FOLLOWING ITEMS ATTACHED (please check off each attachment - incomplete applications will not be accepted):

- Tax Returns:** A copy of the two (2) most recent Federal income tax return(s) for all adults in the household, with all schedules and W-2 forms.
- Paystubs:** Copies of the three (3) most recent pay stubs showing **GROSS** income for every wage earner in the household. List all current jobs held by adults in your household.
- Lender Pre-Qualification Letter:** You must bring an updated, signed Pre-Qualification Letter from a mortgage lender showing you pre-qualify for a mortgage adequate to purchase the property.
- First Time Homebuyer Certificate**

APPLICANT	Social Security Number:																								
Name																									
Current Address																									
Home Phone											Work Phone														
Employer																									
Employer City/State																									
Employer Phone											Email Address														
Base Salary	\$					Overtime					\$					Bonuses					\$				
Other Income (Explain and Verify)	\$					Explain:																			
Alimony or Child Support Received?	Yes ___ No ___					If "Yes" what is the amount?										\$									
CO-APPLICANT	Social Security Number:																								
Name																									
Current Address																									
Home Phone											Work Phone														
Employer																									
Employer City/State																									
Employer Phone											Email Address														
Base Salary	\$					Overtime					\$					Bonuses					\$				
Other Income (Explain and Verify)	\$					Explain:																			
Alimony or Child Support Received?	Yes ___ No ___					If "Yes" what is the amount?										\$									

* - spouses must be included on the application

FAMILY INFORMATION: Provide the requested information for each household member who will be living with you. **Include yourself and co-applicant in this section.**

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

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

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 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 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

NEW APPLICATION

ELIGIBLE

INELIGIBLE

RENEWAL APPLICATION

TOTAL ANNUAL HH INCOME:

OVER INCOME (\$ _____)

ENTERED IN DATABASE ON

\$ _____

UNDER INCOME (\$ _____)

_____/_____
(Date) (By)

PRE-QUAL.FOR MAX. MORTGAGE OF

INSUFFICIENT MORTGAGE AMOUNT

CERTIFICATE ISSUED ON

\$ _____

NO PRE-QUALIFICATION LETTER

_____/_____
(Date) (By)

TOTAL HOUSEHOLD SIZE:

NO HOMEBUYER CLASS CERTIFICATE

OWNED RESIDENTIAL PROPERTY WITHIN LAST 5 YEARS