



Protecting Affordability through Loan Support (PALS) PROGRAM

EDGARTOWN and OAK BLUFFS

2023 Application

Program Guidelines

The **RESOURCE INC. (TRI)** is a private, non-profit organization dedicated to providing solutions to the affordable housing and economic development issues facing the Towns of Martha's Vineyard. TRI is currently accepting applications for the **P.A.L.S Program**, funded by Community Preservation Funds in the Towns of Oak Bluffs. These guidelines are provided to those interested in a program overview. Deferred forgivable loans of up to 40,000 at 0% interest are available to qualified applicants, whose are at or below 100% of area wide median.

The P.A.L.S Deferred Loan Program grant priorities are to:

1. **Address the health and safety preservation of single-family, owner-occupied properties.**
2. **Increase and maintain the supply of affordable, year-round housing.**

PROPERTY GUIDELINES: **Multi-Family and Single-Family Units.**

Owner Occupied Single-Family Homes

- A single-family property may be eligible for a preservation loan based on the property owner's ability to meet grant income eligibility (low or moderate) guidelines. Please see the income eligibility chart to determine your eligibility according to household size.
- In some instances, single-family property owners may be required to provide a portion of the total rehabilitation costs. Funds beyond the portion provided by TRI are the sole responsibility of the property owner and must be verified prior to loan approval.
- The single-family property must be the property owner's (or direct heir, in the case of death prior to the end of the loan term) primary year-round residence. If at some point in the term of the loan the homeowner wishes to rent the property, it must be year-round to income-eligible tenants at a rental rate commiserate with the P.A.L.S program which serves residents below 100% of area wide median income. TRI or the Towns designee must be notified prior to renting the property.
- *Single Family homes* assisted with program funds if rented at any point during the fifteen (15) year lien, must be rented to year-round, income eligible tenants at an affordable rent level for a minimum of fifteen (15) years. The affordable rent levels will be determined in accordance with the Dukes County Regional Housing Authorities "Rental Assistance" program guidelines. In no case will anyone above 100% of area median wide income be eligible to rent the P.A.L.S assisted property.
- Program eligibility is based on repairs needed to secure the preserve the recipient's home.
- Rehabilitation costs incurred prior to acceptance into the Program will not be eligible for reimbursement (this includes the cost of Septic Plans and application/Permit fees that homeowners may have purchased or incurred prior to acceptance and application qualification)

- If you decide to rent your home after participating in the P.A.L.S. Program It will be the responsibility of the property owner to contact the Dukes County Regional Housing Authority and request information regarding rental rates based upon the amount of bedrooms in your home that you may charge for a person/persons blow 100% of area wide median income. It will also be the responsibility of the tenant to receive verification from the Dukes County Regional Housing Authority that the proposed tenant meets the income requirements of below 100% of area wide median income as is required of a tenant living in a home that has receive funds from the P.A.L.S. Program. If this requirement is not met, the homeowner will be in violation of the Program Guidelines and the Town, or its entity may require the Lien to be paid in full.
- Annual audits, including verification of tenants and rents may be done by the Town in which the property is located for the fifteen-year duration of the loan. If the property owner is in non-compliance, The Town will work with the property owner to address the non-compliance. If no resolution is met, the loan will be considered in default.
- Tenant selection beyond income eligibility is the sole responsibility of the property owner(s).

THE HOUSING REHABILITATION LOAN:

- The rehabilitation funds for owner-occupied single-family homes operate as a **0% Deferred Forgivable Loan.**
- The **0% Deferred Forgivable Loan.** will be forgiven after the 15th anniversary of the loan signing date, as long as the Owner has not defaulted on the terms of the loan and/or the Owner has not sold the property or passed away and the heirs sold the property. If none of these events have occurred the ***entire loan*** and the recorded mortgage will be eligible for discharge. The Homeowner will be given a recordable discharge by the Town or its entity that the Homeowner may take to the Dukes County Registry of Deeds and record.
- Loans are secured by a property lien (Mortgage) for the term of the loan, recorded at the Dukes County Registry of Deeds/ Registry District of the Land Court.
- Loan closing costs are included in the Mortgage and Promissory Note amounts. Loan closing costs may include, but are not limited to, title searches and Dukes County Registry of Deeds recording fees. Typical closing costs average between \$250 and \$450.
- If the property is sold or transferred before the loan term restriction has expired or if there is a default by the Borrower, the entire loan must be repaid.

ELIGIBLE PROPERTY REPAIRS:

- This Program was designed to help income qualified homeowners secure their building envelope. This is not a program that will address maintenance issues, or items that add to the "material comfort" of the homeowner.
- Types of eligible work that could/can be performed include, but are not limited to roof replacement, Failed Septic System replacement, heating system replacement, failing electrical and plumbing, siding and windows that have lost their integrity to keep the elements out. If a home is built prior to 1978 and children under six years of age live in it a Lead Paint inspection may be required.

PROGRAM TECHNICAL ASSISTANCE:

- The P.A.L.S. Program provides the services of a construction consultant who inspects the property and provides specifications and estimates for the repair(s). Once a project is under construction, the consultant, and the TRI Program Manager, or their designee will inspect the ongoing work through the completion of the construction.

PROGRAM PRIORITIES:

- Once accepted into the Program, each year-round residence in which an income eligible homeowner resides will be inspected and ranked against the other applications in process, according to need. In an emergency (e.g. failed heating system in winter or failed Septic system constituting a health hazard), the eligible applicant will become a priority so that critical needs can be corrected. These steps will assure that the Program will address the neediest properties.
- On occasion, the P.A.L.S. Program must reject applications despite the presence of eligible work. Reasons for ineligibility may include: lack of program funds; property repairs in excess of program budget; ineligible repairs, required rehab exceeds program limitations, property title issues; ineligible tenants; or other factors that suggest the borrower may be unable to comply with the terms of the conditions of the program.

REQUIRED INCOME DOCUMENTATION:

In addition to providing information requested on the application form; complete, accurate and up-to-date documentation of income is required of all applicants according to your circumstances. This requires applicants to collect copies of several forms, statements and notices. Some important reminders to help with the collection of required documents:

- ❖ *Please remember that ALL HOUSEHOLD income must be included for all members of the household 18+ years old. Additional documentation may require for income and assets after TRI performs the initial review. However, the initial review cannot be completed without the documentation called for below and on the Tenant Application Checklist.*
- ❖ *DO NOT SENT ORIGINALS. Provide photocopies of all documents.*
- ❖ *Some documentation requires notarization. Notaries can be found at most local banks and Town offices. Call ahead for an appointment or for the hours of notary services are available.*

Salaried income or Unemployment income - for all Household Members 18+ years old
<ol style="list-style-type: none"> 1. Pay stubs for most recent 8-week period for every member of your household working for an employer. If you do not have paystubs, then a notarized payroll letter on your employer's letter head listing the last consecutive 8 weeks of gross pay or 4 bi-weekly will suffice. 2. If a member of your household is enrolled as a full-time student a letter from the registrar's office stating such is required. If over 18 and NOT currently working, a notarized statement stating such is needed. This also pertains to the applicant and co-applicant. 3. Pay stubs for most recent 8-week period weeks of Unemployment Benefits and the Monetary Determination Letter.
Self-employment income - for all Household Members 18+ years old
<ol style="list-style-type: none"> 1. Copies of your <u>entire</u> IRS Tax Return 1040 for <u>2020 and 2021</u>; including all schedules. We require two years of timely filed tax returns. <u>Applications without a Schedule C will not be accepted.</u> NOTE: We do NOT need MA Tax Returns. 2. If the self-employed earner does not file taxes, a Notarized Statement reflecting earnings and expenses <u>for 2020 and 2021</u>, including dates, addresses of jobs, amounts paid, related expenses - to determine net profit.

OTHER INCOME:

Verification of other income as applicable to Household Members 18+ years old

Benefit statements for Public Assistance, VA, Unemployment, SS, SSI, disability and a verification letter or periodic statement from each pension/investment income source stating the amount and frequency of benefits.

Child Support, either 1) Child Support Order and Divorce Decree; or 2) Notarized Statement that you are not receiving child support

ALL applicants and household members 18+ years old must submit:

1. Complete financial statements: spanning the past 2 months for any/all checking, savings, investment and retirement accounts.

2. Copies of signed 1040 Tax Returns for tax years 2020 and 2021. Please include Schedule C if you are self-employed and/or Schedule E if you receive rental income.

3. IRS Verification: "Tax Return Transcripts" for every adult for tax years 2020 & 2021: You are responsible for obtaining your IRS Tax Return Transcripts for tax years 2017 and 2018. Please refer to the **3 Easy Options Guide** included in this packet. When ordering your Tax Return Transcript, please use the same information used when filing your 1040 return. **If you do not file taxes** because your taxable income is not enough to meet the minimum filing requirements, you must select the **request a Verification of Non-Filing option**. Your Tax Return Transcript will be sent to you directly. Please forward this information onto the TRI in order to complete your qualification. Eligibility cannot be determined without this information.

Please call the Program Manager with questions so that she can help you avoid unnecessary delays.

Income Eligibility Chart
(Below 100% of Area Median Income 2023)
Dukes County - MA

<u>Household Size</u>	<u>Maximum Income Limits</u>
1	\$92,050
2	\$105,200
3	\$118,350
4	\$131,500
5	\$142,050
6	\$152,600
7	\$163,100
8	\$173,600

**Single-family property owners cannot exceed income limits.
Tenants residing in units cannot exceed income limits.**

QUESTIONS?

Please feel free to call **Melissa Vincent**, Program Manager for The Resource Inc on Martha's Vineyard, or **Kaitlyn Seaton** Assistant Program Manager at (508) 696-3285.

P.A.L.S PROGRAM HOMEOWNER DOCUMENTATION CHECK LIST

REQUIRED INCOME DOCUMENTATION

- | | |
|---|------------------------------|
| _____ Completed application | _____ Interest |
| _____ 8 Weeks of Pay stubs or letter | _____ Alimony |
| _____ Unemployment-Monetary Determination/Weekly deposits | _____ Foster Care |
| _____ Veteran's Benefits/Current Year Letter | _____ Worker's Comp. |
| _____ Social Security/Current Year Benefit Letter | _____ Non-Income |
| _____ Pension (2Mo.s Statements or 1099 if no statements) | _____ Other Income (Explain) |
| _____ Child Support (Divorce Decree) | |
| _____ Bank Statements – Checking & Savings (2Mo.s Recent Statements, all pages) | |
| _____ Investment Account Statements (2Mo.s Recent Statements, all pages) | |
| _____ IRAs & 401Ks Account Statements (2Mo.s Recent Statements, all pages) | |

REQUIRED SUPPORTING DOCUMENTATION

- _____ Copy of the property Deed
- _____ 2 most recent years 1040 IRS TAX RETURNS signed & filed.
- _____ 2 most recent years SELF-EMPLOYED – **Schedule C** _____ 2 most recent years INCOME FROM RENTAL – **Schedule E**
- _____ 2 most recent years IRS **TAX RETURN** TRANSCRIPTS. Forward to TRI upon receipt (see instructions)
- _____ Copy of First two pages of Mortgage
- _____ Copy of First two pages of Home Equity
- _____ Copy of Entire Reverse Mortgage Doc.
- _____ Copy of most recent Loan Statement of a Reverse Mortgage
- _____ PROOF OF PAID PROPERTY & FLOOD INSURANCE (**PROOF FROM INS. CO.**)
- _____ PROOF OF PAID REAL ESTATE TAXES (**PRINT OUT FROM THE TOWN REQUIRED**)
- _____ Complete copy of Trust Documents – if applicable
- _____ Complete copy of Condo Documents – if applicable

******PLEASE NOTE W-2'S, 1099'S, YEARLY SUMMARIES UPON REQUEST ONLY**

P.A.L.S. PROGRAM APPLICATION

Applicant Information

Last Name		First Name		Middle Name	
Present Address					Own _____
Street: _____					Rent _____
City/Town: _____					Number _____
State: _____		Zip Code: _____			of Years _____
Mailing Address					Married _____
Street: SAME					Widowed _____
City/Town: _____					Separated _____
State: _____		Zip Code: _____			Divorced _____
Email Address:			Number Dependents living at home:		_____
Home Phone Number:			Ages Dependents living at home:		_____
Cell Phone Number:			_____	_____	_____
Work Phone Number:			_____	_____	_____

Employment Information			Self Employed? Yes ___ No ___		
Employer Name:			Unemployed? Yes ___ No ___		
Address:			How Long?		
Type of Business:		Position/Title:		Years with company	
If at current company less than 2 years					
Previous Employer					
Address:					
Business Tel.No.		Position/Title		Years with company	

Co-Applicant Information - Name is also on the Deed or you are a Spouse.

Last Name		First Name		Middle Name	
Present Address					
Street: _____					
City/Town: _____					
State: _____		Zip Code: _____			_____
Mailing Address					Married _____
Street: _____					Unmarried _____
City/Town: _____					Separated _____
State: _____		Zip Code: _____			Divorced _____
Email Address:			Home Phone Number:		
Cell Phone Number:			Work Phone Number:		
Employment Information			Self Employed? Yes ___ No ___		
Employer Name:			Unemployed? Yes ___ No ___		
Address:			How Long?		
Type of Business		Position/Title		Years with company	
If at current company less than 2 years					
Previous Employer					
Address:					
Business Tel.No.		Position/Title		Years with company	

ANNUAL INCOME - Please fill in ALL applicable income.

Source	Applicant	Other Household Members 18 +		Total
Salary				
Overtime pay				
Commissions				
Fees				
Tips				
Bonuses				
Self Employed				
Interest and/or Dividends				
Net Rental Income				
Income Received Periodically				
Social Security Benefits				
Pension Benefits				
IRA Redemptions				
Unemployment Benefits				
Workers Compensation				
Alimony, Child Support				
Other(describe)				
TOTALS	\$0	\$0	\$	\$0

ASSETS - Please include ALL Financial Accounts

Type	Cash Value	Annual Income from Assets	Bank /Financial Institution Name and last 4 digits of Acct number	
Checking Account(s)				
Savings Accounts(s)				
Credit Union Account(s)				
Investment Account(s) <i>Stocks, bonds etc.</i>				
IRA Account(s)				
Life Insurance				
Other-Inheritance				
Home				
Estimated Value				
Mortgage Balance				
Other Real Estate				
Estimated Value				
Mortgage Balance				
TOTALS	\$	\$	\$	\$

List all outstanding financial obligations (your debts) including auto loans, credit cards, credit union loans, real estate loans, and all other loans.

LIABILITIES

Type	Creditor's Name	Monthly Payment	Unpaid Balance	Due Date
Monthly Alimony		\$		
Monthly Child Support		\$		
Monthly Child Day Care		\$		
TOTAL		\$	\$	

If a "Yes" answer is given to any question below, please explain on a separate sheet

1. Do you have any outstanding unpaid judgments? Yes ___ No ___ Amount \$ _____
2. In the past 7 years, have you declared bankruptcy? Yes ___ No ___
3. Are you a party in a law suit? Yes ___ No ___

MONTHLY HOUSING EXPENCES

Item	Monthly Payments	Unpaid Principal	Balloon Pymt.	Balloon Amt.
a. First Mortgage		\$	Yes _____	\$
b. 2nd Mortgage		\$	No _____	
c. Home Equity Loan		\$		
d. Other Financing Secured by Property		Describe any special circumstance relative to your housing or its financing on an separate sheet		
e. Homeowner's Insurance Yes No		Name of Insurance Agent:		
f. Flood Insurance Yes No	\$	Address:		
Is your insurance included in your mortgage?		Yes	No	
g. Real Estate Taxes Are your real estate taxes included in your mortgage?		Total Town Assessed Value: Yes No		
h. Back Taxes Due		Which year(s): If necessary, supply further details on an attached sheet:		
TOTAL				

HOUSEHOLD COMPOSITION - List the head of the household and all members who live in your home
Give relationships of each family member to the head

Member No.	Full Name	Relationship	Date of Birth	Ages
1. Applicant				
2. Co-Applicant				
3. Dependent				
4. Dependent				
5				
6				
7				
Does anyone live with you now who is not listed above?		Yes	No	
Does anyone plan to live with you in the future who is not listed above?		Yes	No	
If either is "yes", please explain.				

PROPERTY INFORMATION

LOCATION

Street: _____

Town: _____ Plan # _____

State: _____ Lot # _____

Year the home was built: _____

Is your property listed as a Historical Property? Yes No

To your knowledge, is there any lead-base paint in your home?

Interior Yes No

Exterior Yes No

Are there any Children under six residing in your home? Yes No

Is your home connected to the town's Water System? Yes No

Sewer System? Yes No

Is your property located in a Wetlands Conservation Area? Yes No

Is your property located in a flood hazard area? Yes No

Has your property been sited for any code violations within the past 12 months?

Yes No

Do you need Energy Upgrades? Yes No

Briefly describe repairs needed:

**TRI- The Resource Inc.
P.A.L.S. Program**

Commonwealth of Massachusetts Income Limits

Income Eligibility Chart

	Income Limits 99% of Median Income	2023
Household Size	Dukes County	
1	\$92,050	
2	\$105,200	
3	\$118,350	
4	\$131,500	
5	\$142,050	
6	\$152,600	
7	\$163,100	
8	\$173,650	

Please check as appropriate.

1) **INCOME ELIGIBLE CATEGORY – Available for income eligible homeowners – or income eligible property owners with rental units.** If your present gross income falls within the HUD Income Limit Guidelines (see the income eligibility chart above), you may qualify as an INCOME ELIGIBLE property owner, and receive rehabilitation funds. Additional income information must accompany this application. Please check the box below and refer to the INCOME VERIFICATION REQUIREMENTS FOR ELIGIBLE PROPERTY OWNERS and continue with the Employment Income Information.

INCOME ELIGIBLE

2) **ABOVE INCOME CATEGORY – Available for property owners with rental units only .** gross income exceeds the HUD Income Limits for income eligible property owners (see the income eligibility chart is above), you may declare yourself ABOVE INCOME. You may qualify for a loan to cover a match of the total rehabilitation costs. If the majority of the rental units are occupied by households that DO meet the income limits, then additional household/income documentation will be requested from the tenants. If you wish to declare yourself ABOVE INCOME, please check the box below.

ABOVE INCOME

Application Signature Page
and
Acceptance of The P.A.L.S. Program Application/ Terms

I/We the applicant(s) understand the information provided in this application will be utilized by utilized by TRI-The: Resource Inc. to determine income eligibility for the P.A.L.S. Program for which we are applying to and is funded with Community Preservation funds.

I/We understand that additional information including but not limited to verification of income, employment, tax statements, and credit information are required by State Regulations, and I/we agree to provide such information as required.

In reference to multi-family dwelling units, I/We understand that rental units rehabilitated under this Program must be rented to income qualified tenants for a period of fifteen (15) years at rental rates as determined in accordance with the lower of HUD Fair Market rent guidelines or High Home rent guidelines . The Dukes County Regional Housing Authority should be consulted regarding Rental Rates for those under 100% of median income.

If the property is transferred (whether by gift, law, sale or any other type of transfer) in which the Grantor does not retain a life estate in the property or if I/We fail to abide by the Program Guidelines and Agreement the full amount of the loan will become due and payable immediately. Property that is inherited by a direct heir is not subject to this clause.

The following do documents must accompany your signed application

- 8 current consecutive weeks of paystubs (4 if paid bi-weekly) for all household member-. over the age of 18 "who are not enrolled in school/college
- If you receive Social Security or SSDI a copy of your Benefit Statement
- Copy of current Homeowners Policy
- copy of property deed (may be found on masslandrecords.co)
- Certified copy of the two most recent year tax returns if Self Employed with all Schedules especially Schedule C. If not Self-Employed please provide copies of your last two years tax returns.
- Copy of your most recent paid Property Tax Invoice
- Copy of the first two pages of your Mortgage and or Equity Line of Credit
- Bank Staternents for the last two consecutive month for all savings and checking accounts.

I/We certify that all of the information given for the purpose of obtaining assistance under the P.A.L.S. Program administered by TRI-The Resource Inc. is true to the best of my/our knowledge.

Borrower

Date

Co-Borrower

Date