

## **MARIN HOUSING**

### **BELOW MARKET RATE HOMEOWNERSHIP PROGRAM**

#### **Eligibility Requirements**

- BMR applicants must be First Time Homebuyers which is defined as not having owned a primary residence for the past three years.
- BMR applicants must be at or below Moderate Income Household Limits per HUD Area Median Income Schedule.
  - A percentage of assets, including savings and retirement funds in excess of \$100,000, will be added to income.
- BMR purchasers will be required to live in the BMR unit full-time as their primary residence.
- BMR purchasing households must contain US citizens or legal permanent residents.

#### **Application to the program:**

- All applicants must complete a HUD-approved First Time Homebuyer Education workshop and receive a certificate upon completion.
- Households that meet the above requirements must complete a BMR application and attach the FTHB workshop completion certificate along with a check for \$25 to apply for the BMR Program.
- Current applications will be valid until the current income limits are updated (usually at the end of April each year).

#### **Selection of Prospective purchasers**

- All purchasers will be selected through a lottery of the eligible applicants.
- Household size must be appropriate for the unit size (minimum of one person per bedroom)- no limitation of the maximum household size.
- Exceptions may be made to the household size limits for long term medical conditions that require full time caregivers.

#### **Financing and Title Requirements**

- All adults in the household over the age of 26 must be on title to BMR property and sign the Resale Restriction Agreement (with some limited exceptions).
- The household must have the ability to obtain financing, if required, through one of the BMR Program Participating Lenders certified by Marin Housing.
- Co-signors and non-occupant borrowers are prohibited, with some limited exceptions.
- Buyers are required to obtain a home warranty for the first year at their expense.
- Buyers are required to obtain homeowners insurance for the interior and exterior portions not covered by the homeowner's association insurance.
- BMR owners may transfer unit to a living trust with the approval of Marin Housing and a recorded Disclosure and Assumption Agreement.

#### **Resale, Refinance and Inheritance Restrictions**

- Each BMR unit will have a recorded Resale and Refinance Restriction Agreement in perpetuity (forever).
- BMR units can only be resold at the restricted resale price based on the formula in the recorded resale restriction. Generally, the resale price will appreciate at the rate of the lesser of the consumer price index (CPI) or the area median income (AMI) published by the US Department of Housing and Urban Development (HUD).
- Capital improvements and special homeowner association assessments that are approved by Marin Housing may also be added to the restricted resale price.
- At no time can total encumbrances on the unit exceed 90% of the current restricted resale price.
- Upon death of the owner(s) on title, the unit must be resold to Marin Housing and the heirs will receive the proceeds from the property sale. Children that meet the program requirements of being a first-time buyer and having an income at or below moderate income may be allowed to occupy the property. The new owners will be required to sign a new resale restriction.

**Final interpretation of program rule and restrictions are solely at the discretion of Marin Housing**