



Mueller Affordable Homes Program Eligibility Instructions

General Eligibility

- At least one applicant must work 25-hours/week (not applicable if disabled or retired)
- Must obtain Income Eligibility Certification from Lender stating that household income and assets meet the Mueller Affordable Homes Program Income & Asset Guidelines and are at or below 80% of the Median Family Income for the Austin area as published annually by HUD
- If the down payment is less than 5% of the purchase price, buyer may be required to attend a homebuyer education class by the lender
- Must have a first lien (home mortgage) as the primary buyer
- Property must be owner-occupied
- Must agree to all affordable housing restrictions and participate in the Mueller Affordable Homes Program
- Must comply with the City of Austin's S.M.A.R.T. Housing™ Program income requirements
- Must provide accurate and complete information. False or misleading statements concerning household status, income, and/or assets will disqualify applicants from participation in the program and may subject the applicant to other sanctions
- Other restrictions may apply

I. Household Size

Household size is composed of all individuals who will be occupying the home. If two people are a "couple" regardless of marital status, then both people must be included on the application. A couple in the process of a divorce or separation must submit proof of filing in order to apply separately. Co-signers are allowed, provided they do not appear on the warranty deed.

Persons not counted as family members for the purpose of determining income include:

- A child who is subject to a shared-custody agreement in which the child resides with the household for *less* than 50 percent of the time;
- Unborn children; and
- Children being pursued for legal custody or adoption who are not currently living with the household.

II. Income

Income & Asset requirements are summarized below. Income Eligibility Certification is contingent on the City of Austin's SMART Housing approval. Buyers must meet both the Mueller Affordable Homes Program Income & Asset requirements and the City of Austin's SMART Housing Income requirements, in order to purchase a Mueller Affordable Home. **Income Eligibility Certification is valid for six months, or until a contract is entered into for a home on which the buyer closes, whichever is earlier. Income Eligibility Certification does not guarantee that an applicant will qualify for a home mortgage. Other restrictions may apply.**

2020 HUD INCOME LIMITS BYHOUSEHOLD SIZE
Effective July 1, 2020

Household Size	1	2	3	4	5	6	7	8
80% MFI	54,700	62,500	70,300	78,100	84,350	90,600	96,850	103,100

Income Verification Rules

1. The full amount, before any payroll deductions, of wages and salaries, tips, commissions, bonuses and other compensation;
2. Self-employment income (after expenses) as shown in the Federal Tax Returns from the operation of own business including proprietorships and partnerships and incorporated businesses;
3. Social security or Railroad retirement;
4. Profit (or loss) from royalties or rental of land, buildings or real estate or roomers or boarders. If a household intends to own a rental/investment property, it is limited to only one rental/investment property which has four (4) units or less;
5. Income from any estate and or trust fund;
6. Gift amount that is above 20% of the purchase price home (even if the gift has not yet been received)
7. Supplemental Security Income (SSI), or any public assistance or welfare payments such as Temporary Assistance for Needy Families (TANF);
8. Regularly received retirement payments, survivor or disability pensions, including IRA/Keogh distributions;
9. Child support and/or alimony;
10. Any other sources of income received regularly, including but not limited to, VA payments, unemployment, dividends, or investment fund or trust distributions including interest received from checking/ savings, money market, CDs, IRA, KEOGH, and government bonds
11. Unless specifically identified on supporting documentation in responses to (10) above, the balance of unencumbered assets such as cash, checking, money market, and savings account balances, certificates of deposit, investment portfolios such as stocks and bonds (excluding retirement plans, health savings accounts, and education/college savings accounts) and other unencumbered assets shall be multiplied by .06% (the pass book rate) to calculate an amount to be included as income for the current year
12. Parent loans or other gifts/income provided by parents, relatives, or others to students, less tuition and books for the current semester;
13. Co-signer's income if the co-signer lives in the affordable home purchased at Mueller.

Asset Test

If the Net Assets (defined below) of any person or family applying for income eligibility exceeds \$150,000 then such applicant shall be not be eligible to purchase an affordable home at Mueller.

Net Assets include cash, checking, money market, and savings account balances, certificates of deposit, investment portfolios such as stocks and bonds, and the equity in any real estate owned (i.e., the FMV of the real estate less secured debt against the real estate).

The following assets are excluded from the Net Assets calculation:

- (a) education/college savings plan accounts;
 - (b) health savings accounts;
 - (c) teacher pension/retirement accounts, and
 - (d) retirement/pension accounts for persons 59 and ½ years of age and younger; and
 - (e) retirement/pension accounts up to \$500,000* for persons 59 ½ years or older.
- *Total assets may not exceed \$500,000. Up to \$500,000 in retirement funds may be excluded provided that no more than \$150,000 of the \$500,000 is non-retirement fund assets.

INCOME & ASSET GUIDELINES ARE SUBJECT TO CHANGE AND OTHER RESTRICTIONS MAY APPLY

III. Documents

Please follow the **BUILDER'S INSTRUCTIONS** to submit the required income documentation and income eligibility application.

☐ Completed Mueller Affordable Homes Program Income Eligibility Application signed and dated by all applicants (***all household members must be included on the application***).

☐ **Two (2) full months' most immediate past paycheck stubs for which the pay dates occurred within the last ninety (90) days.**

- IF PAY STUBS ARE PROVIDED, indicate frequency of pay:

☐ Monthly ☐ Bi-Monthly ☐ Weekly ☐ Bi-Weekly ☐ Other: _____

- IF SELF EMPLOYED: In addition to the two complete years of federal returns required below, please include a current profit & loss estimate projecting income and expenses for 12 months.

☐ Last six (6) months of all checking & savings accounts, each bank statement must include the name of the applicant, name of the banking establishment, the reporting period on all pages.

☐ Most current statements for CDs, brokerage accounts, stock investments, mutual funds, retirement/pension accounts, etc., and proof of value of any other asset held by any member of the household.

☐ Proof of value, as evidenced by a taxing authority or a certified real estate appraiser, and proof of current balance of any debt for any real estate owned.

☐ Two years of signed FEDERAL income tax returns and corresponding W2's (If you don't have copies please request a transcript from the IRS by calling 1-800-829-1040.)

☐ Award letter(s) if receiving social security, pension, survivor or disability payments*

☐ If you have been divorced since your last federal tax return was filed, a copy of your executed divorce decree OR, if you are in the process of a divorce, a copy of the petition for divorce.*

☐ If you are divorced or legally separated, a copy of your court ordered custody arrangements, order for child support and/or alimony.*

☐ If receiving a financial gift from another person, the person will need to provide a letter that includes the amount of the gift and when the gift will be given.*

**as it may apply*

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Mueller Income Verification and Eligibility requirements may be more restrictive than the City of Austin SMART Housing Program's requirement. If there are changes in the City of Austin SMART Housing Program that make it more restrictive than the Mueller Income Verification requirements then the more restrictive requirements of the SMART Housing Program will control.

The information contained and programs described herein are intended as a general description relating to affordable housing, are current as of the date of preparation hereof to the knowledge of Catellus Austin, LLC and are subject to change without notice. Catellus Austin, LLC, its affiliates, employees and consultants make no warranties or representations of any kind or nature whatsoever regarding the information contained and programs described herein.

Catellus Austin, LLC, its affiliates, employees and consultants, and the City of Austin reserve the right to review, approve, or reject any application for eligibility.

I HAVE READ AND UNDERSTAND THE ELIGIBILITY INSTRUCTIONS.

I UNDERSTAND THAT SUBMITTING FALSE OR MISLEADING INFORMATION MAY DISQUALIFY ME FROM PARTICIPATING IN THE PROGRAM AND MAY SUBJECT ME TO OTHER SANCTIONS.

INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED.

THE ELIGIBILITY INSTRUCTIONS MUST BE SIGNED BY THE APPLICANT(S) AND RETURNED WITH THE INCOME ELIGIBILITY APPLICATION & REQUIRED DOCUMENTATION.

Applicant

Date

Co-Applicant

Date

EQUAL OPPORTUNITY: There will be no discrimination against an applicant on the basis of race, age, sex, marital status, sexual orientation, national origin, religion, handicap, or source of income.

