CENTRAL JERSEY
HOUSING RESOURCE CENTER
501(c)(3) non-profit organization & HUD Agency

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# DOCUMENTATION REQUIRED FOR A PROPERTY OWNER
## APPLYING TO CJHRC FOR PURCHASE OR RENTAL OF AN AFFORDABLE HOUSING UNIT

Applicant(s) applying for an affordable housing unit that already own property should know that while we understand that the rules of the affordable program can be frustrating to you, we must adhere to the rules.

The affordable housing unit must be the applicant(s) primary residence at the time of closing. Owners that own property at the time they submit an affordable application, must be able to show that they will rent their existing property and can produce a lease (this annual rental income will then be counted) or they must show that they can sell the existing property. Sale of the existing property must happen on or before the purchase date of the new affordable lease start date or closing date of the affordable property.

To complete the affordable rental or purchase application, an applicant that owns a home, must produce documentation of a market value appraisal and outstanding mortgage debt. The difference between what the home is worth and what is still owed on the home shall be treated as the monetary value of the asset and imputed interest (using a current average annual savings interest rate) added to the income.

If the applicant household owns a primary residence with no mortgage on the property valued at or above the regional asset limit as published annually, a **certificate of eligibility shall be denied** by the Central Jersey Housing Resource Center (CJHRC) as the administrative agent, unless the applicant's existing monthly housing costs (including principal, interest, taxes, homeowner and private mortgage insurance, and condominium and homeowner association fees as applicable) exceed 38 percent of the household's eligible monthly income.

**Copies of the following documents are required for those households owning real estate. These documents must be submitted with the affordable housing rental or purchase application:**

1. Most recent tax bill or tax assessment statement
2. Latest mortgage statement showing the correct/current mortgage balance
3. The copy of a Market Rate Appraisal
4. Copy of the deed
5. Copy of a divorce decree, if appropriate
6. The applicant(s) must write a letter in regards to the property and its ownership, the letter should include the following: (the letter must be signed, dated and notarized and we require the original)
   - the property address and who owns the property
   - whether the property will be sold or leased, if the property is to be sold or leased the expected time frame of when the sale will occur or the lease will be signed.

A current average annual saving interest rate will be applied to the estimated net profit of the sale of the home, if the proceeds or a portion of the proceeds will be saved or invested.

**If the property is or is expected to be utilized as a rental property, we will require the copies of the above, in addition to the following documentation:**

1. Copy of the lease or rental agreement.
2. Verification of rental income from the property (rent from real estate is considered income, after deduction of any mortgage payments, real estate taxes, property owners insurance and reasonable property management expenses as reported to the Internal Revenue Service). Other expenses are not deducted. If actual rent is less than fair market rent, the administrative agent (CJHRC) shall input a fair market rent.