



**Middle Keys Community Land Trust**  
*"Building Livable Communities – One Homeowner at a Time"*

**Middle Keys Community Land Trust Homeowner Guidelines**

**I. Applicant must meet the GUIDELINE requirements set forth below:**

**ELIGIBILITY GUIDELINES**

**You are eligible to apply for a Middle Keys Community Land Trust home if you meet the following criteria:**

- 1. Minimum one (1) year residency:** You must have lived in Monroe County for at least one year but you must be able to demonstrate the ability to earn seventy percent (70%) of your income from gainful employment in the County. There are certain exemptions available for good cause. You must provide an Affidavit of Primary Residence.
- 2. Income:** You must have a minimum income of \$30,000. You must earn enough to pay the monthly mortgage, taxes and insurance, and you must earn no more than one hundred and twenty percent (120%) of the median income for the county for your family size. In 2004 the maximum gross income by family size is as follows:

<b>Household Size</b>	<b>Low Income</b>	<b>Moderate Income</b>
1 Person	\$32,050	\$48,000
2 Persons	\$36,600	\$54,960
3 Persons	\$41,200	\$61,800
4 Persons	\$45,750	\$68,640
5 Persons	\$49,400	\$74,160
6 Persons	\$53,100	\$79,680
7 Persons	\$56,750	\$85,080
8 Persons	\$60,400	\$90,600

The above are Monroe County Income limits adjusted for family size. In 2004 the Median Income for Monroe County is \$57,200.

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3. **Credit Rating:** You must have a good credit rating showing no significant delinquencies in the past year and no bankruptcy in the past three years. Has not filed bankruptcy in the last seven (7) years. You cannot be more than thirty (30) days delinquent on any financial obligation or contract at the time of application. You must have not been evicted from a residence or have a home foreclosed in the last five (5) years. When you have completed your application form, take it to the Land Trust along with the fifty-dollar (\$50.00) application fee. A Land Trust representative will run your credit report and review it with you.
  
4. **Debt:** At the time you apply for a mortgage your total debt (including the cost of your house) may not exceed fifty percent (50%) of your income. Debt includes any long-term obligations ( a repayment period of more than six (6) months), such as automobile payments, child support, and student loans, plus the minimum monthly payment for all credit card debts. A Banking (Family Selection) Committee Member can help you determine this percentage during your initial interview. **Please note:** In properties involving Monroe County Land Authority, the City of Marathon, other municipalities or government entities the PITI (principle, interest, tax, insurance) cannot exceed 30% of your annual income. In addition to this requirement you and your lender must sign documents certifying that the PITI does not exceed the governmental 30% rule.
  
5. **Employment or other income:** You must have proof of steady employment or income for at least one year. You must have proof of employment with the same employer or the same line of work for two years. Sources of income include all wages and overtime and tips; interest and dividends; social security, annuities, pensions; unemployment, disability and severance compensation; alimony and child support; and most forms of public assistance. Self-employed individuals must demonstrate proof of earnings with tax returns for the past two fiscal years. Self-employed individuals income is evaluated after business expenses are removed from the gross income.
  
6. **Assets:** If you have assets valued at more than ten thousand dollars (\$10,000), you will be required to use them towards your down payment. Assets include savings, land, mobile home, recreational vehicles, boats, or similar items. Household possessions, cars, and Individual Retirement Accounts (IRA) or pension are not included in your asset calculation.
  
7. **BACKGROUND:** You have not been convicted of a felony or your citizens rights have not been denied in the last five (5) years

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**If you are eligible to purchase a Middle Keys Community Land Trust Home (see eligibility guidelines), or have a realistic plan for becoming eligible, you are ready to complete the criteria listed below in order to qualify.**

## **II. PRE-QUALIFICATION THROUGH ORIENTATION**

- 1. Complete an Application and submit it to Middle Keys Community Land Trust:** In order to begin the process of applying for a Middle Keys Community Trust Home, you first need to complete an application and submit it along with fifty dollars (\$50.00) for your credit check. If you provide a letter of preapproval from a bank or mortgage company with your application, please include a check for only twenty-five dollars (\$25.00) to complete your income qualification. Once the Middle Keys Community Land Trust representative has your credit report in hand, you will meet again to receive your copy and discuss any outstanding credit issues you need to resolve before joining the waiting list.
- 2. Preliminary Interview with Middle Keys Community Land Trust (MKCLT) Representative:** Meet with a representative of the Middle Keys Community Land Trust for an interview. The representative will introduce you to the Middle Keys Community Land Trust's mission, describe the basic legal structure of home ownership under the Community Land Trust model, review your application for completeness, review your financial status, describe the qualification process, and answer any questions you may have.
- 3. MKCLT Orientation Session:** Attend a MKCLT orientation meeting and watch a CLT orientation video. Orientation sessions introduce you to more of the nuts and bolts of CLT homeownership. Each MKCLT homeowner will be bound by terms of the MKCLT ground lease agreement, which includes resale restrictions, occupancy requirements and income eligibility requirements. These issues are discussed in more detail at MKCLT orientation meetings.
- 4. If applicable, Review a copy of sample CC&Rs:** If your CLT home is located in a newly developed housing community, certain other "Conditions, Covenants and Restrictions" (CC&Rs) may exist that define the process for neighborhood decision making and caring for common lands. If the timing is right, it may be possible for you to participate in the development of these CC&Rs that will guide your neighborhood. Either way, it is important to take some time to review sample CC&Rs to get an idea of what the typical rules and regulations for a new neighborhood might look like.
- 5. Complete the Application Addendum and Join the Middle Keys Community Land Trust:** If you are interested in securing a place on the waiting list, it is time to complete your Application Addendum, pay your thirty-dollar (\$30.00) application

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Fee and join the Middle Keys Community Land Trust, the membership fee is thirty-five dollars (\$35.00). Once you qualify, you must maintain your membership to keep your position on the waiting list.

6. **Meet with a member of the Family Selection Committee:** One of the final steps in the qualification process is a meeting at your current home with members of the Family Selection Committee. The Middle Keys Community Land Trust has a Family Selection Committee made up of Board of Directors, members, and Land Trust residents (current or future). The purpose of the meeting is to give you an opportunity to gain a realistic perspective on what it is like to live in a Middle Keys Community Land Trust community, answer any questions you may have and or the Land Trust to assess your housing needs.
  
7. **Attend Neighborhood Meetings:** If you are one of the first groups of MKCLT Homeowners, you will be part of a process that helps develop and define the community you will create. The initial function of the neighborhood meetings will be to develop your CC&Rs. As time goes on, there will be a variety of purposes for your meetings. Once the community is established, on-going meetings will be held to discuss neighborhood issues, common land use, etc. If you are purchasing a Middle Keys Community Land Trust Home in an existing neighborhood, you are required to attend at least two neighborhood meetings as part of the application process.
  
8. **Secondary Selection Criteria:** The following circumstances, not necessarily in order of priority or importance, will be considered in those instances when there are two or more households expressing interest in a particular unit and who meet the preliminary eligibility criteria outlined above.
  1. Residency—Residents of the community within which the housing unit is located, residents of the county and residents of the state—in this order. Length of residency will be considered.
  
  2. Community Involvement: Residents having demonstrated involvement with and commitment to the community as evidenced by organizational memberships and/or participation in, support for, or sponsorship of non-profit, church or civic groups/events, etc.
  
  3. Heirs: If “heir property” is sold to the Middle Keys Community Land Trust, any heir of the former owner(s) that meets the preliminary eligibility criteria outlined above, and who has properly filed a Middle Keys Community Land Trust homeownership application will be given special consideration.

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4. Need: The Middle Keys Community Land Trust will give special consideration to households facing immediate or near-term displacement, especially if children are involved.
5. Application on File: Length of time, which a household's application for home ownership has been on file with the Middle Keys Community Land Trust.
6. Membership: The Middle Keys Community Land Trust wishes to operate in solidarity with other resale restricted housing organizations in other communities to provide the same kind of mobility within the "resale-restricted" housing market as exists in the unrestricted housing marketplace. In other words, the Middle Keys Community Land Trust desires to enable CLT homeowners to convert their "limited" equity stake in one community into another such home ownership option in another community. Thus, length of membership in the Middle Keys Community Land Trust, length of membership in other CLT's, in this order, will be considered. Involvement in the Middle Keys Community Land Trust's operation and general activities will also be considered.
7. Adjustment for household size: In those instances when measuring the affordability of an actual unit to a known household, the median income for a household of that size, as determined by HUD, will be controlling.
8. Applicants must respond to all Middle Keys Community Land Trust inquiries in a timely manner.

### **III. Commitment Agreement**

If you qualify to apply for a Middle Keys Community Land Trust Home, the next step to Homeownership is to complete a Commitment Agreement with the Middle Keys Community Land Trust. The Commitment Agreement defines the actions you agree to take in order to remain on the waiting list, and the actions that the Middle Keys Community Land Trust agrees to take in order to provide you with a home to purchase. If you fail to meet the commitments defined, you will lose your place on the waiting list.

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#### **IV. Mortgage Application**

If you meet all the conditions of your Commitment Agreement and have signed a purchase agreement, you will submit a mortgage application to a private lender. They will request more detailed information such as employment verification and a more thorough credit report, and they will make the final determination about your financial qualification. If they determine that you are ineligible, your commitment fee paid to the Middle Keys Community Land Trust will be refunded. In general, households that require a cosigner in order to obtain a mortgage will not be considered.

#### **V. Independent Legal Review**

Applicant must retain, at applicants' expense, an attorney who reviews all the Middle Keys Community Land Trust legal documents on behalf of applicant and who provides independent advice and counsel regarding the transaction.

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