

OPAL Community Land Trust Personal Net Assets and Retirement Assets

Income and Assets:

(1) *Funder and OPAL Restrictions:* Most OPAL homes are funded with grants from government agencies that restrict the income of households being served. In addition, when OPAL homebuyers obtain a mortgage from USDA, total assets are limited. In cases where no funder restrictions apply, OPAL has its own policies to assure that individuals purchasing a home through OPAL are not able to purchase a market rate home on the island.

(2) Definitions:

- i. *Personal Net Assets* is the total of all assets including cash, savings, trusts, and investments (both liquid and non-liquid) and *excludes* automobiles used for regular transportation, household furnishings used for daily living, and business assets.
- ii. *Retirement Assets* are funds deposited in IRS designated retirement accounts.
- iii. *Market Rate Home* is the average (mean) sale price of the twenty lowest priced bank mortgage-eligible homes of at least 600 square feet sold in the prior 12 months on Orcas Island as listed in the Multiple Listing Service. This average will be updated bi-annually.
- iv. *Retirement Age* is five years prior to being eligible to receive payments from social security.

(3) Limits:

- i. *Limit on Personal Net Assets* = Personal Net Assets may not exceed 80% of median income, adjusted for household size, plus the cost of the OPAL home being purchased by the homebuyer (including closing costs). In other words, a homebuyer could purchase an OPAL house outright and retain assets equivalent to 80% of area median income, adjusted for household size.
- ii. *Limit on Retirement Assets:*
 1. *Before retirement age:* applicants may have retirement assets up to an amount equal to 10 times the Area Median Income (AMI) for the applicable household size.
 2. *Retirement age or older:* applicants may have assets up to the Limit of Personal Net Assets, plus additional retirement and non-retirement assets of up to 10 times the applicable (by household size) AMI.