

SEAL BEACH MUTUAL NO. ELEVEN**Resident Regulations****Eligibility Requirements**

1 The All persons seeking approval of the Board of Directors of Seal Beach Mutual No. Eleven
 2 to purchase a share of stock in the Mutual, and to reside in the Mutual, shall meet the following
 3 eligibility criteria:
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1. MEET THE MUTUAL ELIGIBILITY CRITERIA AS FOLLOWS:**1.1. Age**

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8 **1.1.1.** Minimum of 55 years, as confirmed by a birth certificate, or passport.
 9 A driver's license is not acceptable as proof of age.

1.2. Financial Ability

10 **1.2.1.** Verified monthly income or sufficient assets that is/are four (4) times
 11 or greater than the monthly carrying charge (Regular Assessment
 12 plus Property Tax and Fees) at the time of application and have
 13 liquid assets of at least \$25,000.

14 **1.2.2.** Verified monthly income will be in the form of the past two years of:

15 **1.2.2.1.** Tax returns,

16 **1.2.2.2.** 1099s for interest and dividends,

17 **1.2.2.3.** 099-RRs for retirement income from qualified plans and
 18 annuities,

19 **1.2.2.4.** SSA-1099 Social Security Benefit Statement,

20 **1.2.2.5.** Brokerage statements and current interim statement,

21 **1.2.2.6.** Six (6) to Twelve (12) months of checking account
 22 statements,

23 **1.2.2.7.** A credit check will be performed by the escrow company,
 24 with the results included in the financial package.

25 **1.2.3.** Adjusted Gross Income per 1040, 1040A, or 1040EZ, minus income
 26 and self-employment taxes paid will equal net income able to be
 27 spent.

28 **1.2.4.** Projected assessments will be the previous year's assessment (total
 29 of carrying charge less any cable charge, less Orange County
 30 Property Taxes and Fees), and the addition of the new property tax
 31 at 1.2% of the sales price plus Orange County District fees divided
 32 by 12 for the new projected monthly assessment. This new figure
 33 (Regular Assessment plus Orange County Property Taxes and
 34 District Fees) times four (4) will be the monthly income required.
 35 This will be verified by the escrow company and the Stock Transfer
 36 Office. Stock Transfer shall have the final say in establishing
 37 verifiable income.
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1 If major remodeling, expansion, or addition of a bathroom is being considered, the increase in taxes
 over the 1.2% of the purchase price must be taken into consideration.

(Jan 21)

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Prospective Buyer

Date

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