

**Pennsylvania Interfaith Community Programs, Inc.**  
40 East High Street  
Gettysburg, PA 17325  
Voice: (717) 334-1518 or (717) 334-2911  
Fax (717) 334-8326  
TDD/TTY Relay Service: 1-800-654-5984  
[www.adamscha.org](http://www.adamscha.org)



# **HOMEOWNERSHIP A REAL POSSIBILITY!**



## **Adams County**

### **HOMEOWNERSHIP PROGRAM**

Operated by Adams County Housing Authority and Pennsylvania Interfaith Community Programs, Inc.

*Contact: Mary Hirsh*

*Phone: 334-1518 ext 231*

### **PURPOSE OF THE PROGRAM:**

- 1. To provide opportunities for HOMEOWNERSHIP to families of Adams County.**
- 2. To provide Homebuyer Education classes to help families understand the homebuying process.**
- 3. To provide assistance to homebuyers with downpayment and or/ closing costs.**



This institution is an equal opportunity provider.



**Act 137 Funds**  
**Closing Cost Assistance Program for Adams County**

The closing cost assistance program helps qualified borrowers meet the financial requirements of a real estate settlement. This assistance may be used with various homeownership programs as a Low-interest loan that requires repayment on a monthly basis. Applicants may borrow from \$2,000 to \$7,000 at reduced interest rates.

**ELIGIBILITY**

1. Applicant(s) must be first time home buyers and not be on the deed of any property at the time of application.
2. Must be a citizen or permanent resident of the United States, over 18 years of age, and possess the legal capacity to incur the loan obligations.
3. Applicant(s) must personally occupy the home for which they are applying on a permanent basis.
4. Must qualify for the property to be purchased. Must fall within guidelines of the lender. Ex. (Good credit, consistent employment, etc.) This verification will be done through the primary lending institution.
5. May not have liquid assets that exceed lenders reserve requirement or \$1200 whichever is higher. Liquid assets include checking, and savings accounts, certificates of deposit, stocks, bonds, etc.
6. Must attend home buyer education classes offered by PICPI and ACHA.
7. Home must be owner occupied with simple interest.

***INCOME REQUIREMENTS***

The family must have total household income that is at or below the HUD low/moderate income limits for Adams County. The income chart below is based on adjusted family income. Due to lending institutions making adjustments to household income, the following deductions will apply: A deduction of \$480.00 will be made to annual income for each resident of the household, other than the applicant, co-applicant, or spouse, who is under 18 of age; 18 years of age or older and is disabled; or a full time student age 18 or older. Also, a deduction of \$400.00 to income for any elderly family member aged 62 or older, or handicapped/disabled.

Income Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
Very Low	\$22,450	\$25,700	\$28,900	\$32,100	\$34,650	\$37,250
Low	\$35,950	\$41,100	\$46,200	\$51,350	\$55,450	\$59,550

Income Category	Maximum Assistance	Repayment & max. term	Maximum payment
Very Low	\$7,000	3% 10 year term	\$67.59
Low	\$6,000	5% 10 year term	\$63.64

Sometimes applicants with **moderate** income are still lacking the funds needed for down payment and/or closing costs. For these individuals we can offer a more limited, but certainly very helpful type of assistance. Listed below are the income and loan limits.

Income Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
Moderate	\$41,450	\$46,600	\$51,700	\$56,850	\$60,950	\$65,050

Income Category	Maximum Assistance	Repayment & max. term	Maximum payment
Moderate	\$4,000	6.25 5 year term	\$77.80

### ***REPAYMENT OF ASSISTANCE***

Repayment is required on a monthly basis and the assistance is required to be paid in full when the property is sold. A second mortgage will be placed on the property at closing for the amount of assistance.

### ***AVAILABILITY***

Due to limited funds, closing assistance may not always be available. Borrowers may check with our office for availability.

### ***APPLICATION PROCEDURE***

Applicants may apply directly to PICPI and ACHA. Clients need to complete an application and provide necessary documentation to determine eligibility. This documentation shall include, but not necessarily be limited to:

1. Proof of income. (To be consistent in our calculations we will use the income verifications done by the bank or financial institution).
2. Documentation from the bank or financial institution for the amount of closing costs.
3. Applicant(s) must sign a statement that they are not on the deed of any property at the time of application.
4. Copy of commitment letter or loan approval by the bank or financial institution.
5. A satisfactory credit history.
6. \$25.00 fee for credit bureau.

### ***PROCEDURES FOR PAYMENT DISBURSEMENT***

If the applicant(s) meet all conditions of eligibility, the home ownership counselor shall contact the lender to obtain the amount of closing costs and will proceed with approval and release of payment. In cases where the application is rejected, a notice of decision will be mailed to the client. Payments issued by PICPI and ACHA on behalf of the clients shall be made payable to the attorney or settlement agent and the applicant(s). These funds will be mailed or hand carried to the attorney's office for disbursement.

## ***LOAN SERVICING***

Once the applicant(s) are approved, a mortgage and note will be prepared explaining the repayment of the loan. This mortgage will be recorded at closing of the property. Applicant(s) will pay for the necessary fee to have the mortgage recorded and satisfaction fee when the loan is paid in full.

Payment – Payments will be made to payable to Pennsylvania Interfaith Community Programs, Inc. on or before the first of every month. Failure to make timely payments will result in late charges, reporting to credit repositories, and/or foreclosure. Borrowers who fail to make timely payments will be charged a late fee. This fee is 4 percent of their principal and interest payment. If a borrower wishes to make a final payment, the borrower should contact the homeownership counselor to obtain a payoff statement.

PICPI will service these loans made to applicants and retain all interest accumulated on the loan. PICPI will charge a one-time administrative fee of 3% of the loan amount or a maximum of \$150.00 for all applicants who are approved.

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