



	<h2>YORK HOMEBUYER ASSISTANCE PROGRAM</h2> <p>Program Description - This program is designed to provide down payment & closing cost assistance to low/moderate income households in York, Pennsylvania. The assistance is in the form of a 5-year forgivable loan to the buyer, secured by a second mortgage against the property. Full and accurate documentation is required with a strong emphasis on the borrower(s) income eligibility.</p>											
<p>Funding Source</p>	<p>The County of York (County) and City of York (City) will be using funds from the US Department of Housing and Urban Development and/or other resources to provide secondary financing for low/moderate income buyers who do not exceed the income levels set forth by HUD.</p> <p>Designed to utilize a wide array of mortgage products offered by the secondary mortgage market, the Rural Housing Services (502 excluded), the Veterans Administration, the Federal Housing Administration, the Pennsylvania Housing Finance Agency, York Habitat for Humanity, and individual mortgage lenders to fund first mortgages. This program will only be used in conjunction with the standard Conventional, FHA, VA, government-backed mortgage products or with mortgages granted through the USDA (502 excluded) and Habitat for Humanity. (No sub prime, alt-A or any other non-conforming product allowed unless approved by the City and/or County of York)</p> <p>The County and City housing programs, York Homebuyer Assistance Program, (YHAP) and Homebuyer Education are administered by Community Progress Council, Inc., (CPC).</p>											
<p>Program Code</p>	<p>YHAP</p>											
<p>Eligible States</p>	<p>Financing available for York County and York City, Pennsylvania</p>											
<p>Minimum Loan Amount</p>	<p>County \$1,000.00</p>	<p>City \$1,000.00</p>										
<p>Maximum loan Amount</p>	<p>County Properties Up to \$5,000.00</p>	<p style="text-align: center;">City Properties Up to \$ 7,000.00</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><u>Property Sales Price</u></td> <td style="text-align: center;"><u>Closing Cost Allowed</u></td> </tr> <tr> <td style="text-align: center;">Less than \$40,000.00</td> <td style="text-align: center;">Up to 8% of Sales Price</td> </tr> <tr> <td style="text-align: center;">\$40,001-\$60,000</td> <td style="text-align: center;">Up to 7% of Sales price</td> </tr> <tr> <td style="text-align: center;">\$60,001 and up</td> <td style="text-align: center;">Up to 6% of Sales price*</td> </tr> <tr> <td colspan="2" style="text-align: center;">*Not to exceed \$7,000.00</td> </tr> </table>	<u>Property Sales Price</u>	<u>Closing Cost Allowed</u>	Less than \$40,000.00	Up to 8% of Sales Price	\$40,001-\$60,000	Up to 7% of Sales price	\$60,001 and up	Up to 6% of Sales price*	*Not to exceed \$7,000.00	
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<p>Minimum Loan-To-Value (LTV) (on first mortgage)</p>	<p>80.01% County/ 95% City (some exceptions do apply such as VA, Habitat for Humanity, and Rural Housing Services)</p>											

Maximum Purchase Price	95% of median purchase price to be calculated by RAYAC and updated annually using previous year's median home sale price. (2010-\$153,000.00)
Interest Rate	0%
Term	Forgiven over five (5) year period
Property Requirements	<p>York County homes only for County Program; and York City homes only for City Program</p> <ol style="list-style-type: none"> 1. Must be served by existing public water and sewer; 2. Must be located in a borough, village or previously developed area; 3. Must be an existing unit (i.e.; a property, which has been occupied for a period of not less than one year from the date of the agreement of sale) - exception for York Habitat for Humanity, Rural Housing Services and/or participating Community Housing Development Organization (CHDOs) as determined by the County and City. 4. Multi-units and mobile homes not permitted. 5. New Construction not permitted. 6. Flood Plain: not permitted for County loans. City will provide funding for properties located in flood plains provided the buyer obtains flood insurance and names the City as loss payee. 7. Home must be occupied by seller, buyer, or vacant at the time of execution of the Agreement of Sale. NO TENANT CAN BE DISLOCATED AS A RESULT OF THE TRANSACTION.
Housing Quality Standards	<p>A Housing Quality Standard (HQS) inspection will be required, on all homes per HUD, by a County/City certified in- house Rehabilitation Inspector.</p> <ol style="list-style-type: none"> 1. Property must meet minimum Housing Quality Standards. 2. Seller and Buyer should be present for the inspection. 3. If the property was built prior to 1978, it will be deemed ineligible if during the visual inspection deteriorated paint above the de-minimis level is present. It is an automatic fail and ineligible for the program. NO RE-INSPECTION TO OCCUR. 4. Within 48 hours of the completed inspection, the County/City Rehab Inspector will notify CPC, RAYAC, Listing and Selling Agents and/or For Sale By Owner (FSBO), if the property passed or failed the inspection as long as CPC provided Rehab Specialist the proper fax numbers of all parties on the Inspection Request Form. 5. If the property was built in 1978 or after and the property has failed the inspection, the Rehab Inspector will send a deficiency list to CPC and Agents. 6. If the inspector requires that repairs be made, a deficiency list will be distributed and the seller/REALTOR will need to schedule a re-inspection to verify that all work has been completed. 7. In the case of a FSBO the seller and the buyer will be notified of the contents of the deficiency list. The deficiency list will detail repairs needed before settlement. The seller should contact CPC prior to beginning repairs to ensure the buyer qualifies for funding. 8. No fee for the initial, first and second inspection, but on the third re-inspection there is a fee of \$75.00 which will be collected at settlement and added to the HUD-1. Checks are to be made payable to either the County of York or the City of York, whichever applies. 9. Failure to pass the initial inspection or any subsequent re-inspection it may be necessary to delay settlement.

	<p>10. Buyers will also be required to sign a certification that they received a copy of the HUD notice entitled “Watch Out for Lead Paint Poisoning”, if the home was built prior to 1978. CPC will be responsible for having buyers sign this notice and it will be kept in file.</p>
<p>Borrower and Co-Borrower Eligibility</p>	<p>Proof of Residency/Identity - All borrowers and co-borrowers must be a U.S. Citizens with an acceptable government issued photo ID and a valid Social Security number. Permanent resident aliens must have an acceptable green card through the entire affordability period.</p> <p>Must be a First Time Homebuyer which is defined as a person who -</p> <ul style="list-style-type: none"> • has not had an ownership interest in real estate within 3 years preceding application for assistance; • is a single parent; an individual who is unmarried or divorced from a spouse; and has 1 or more minor children for whom the individual has custody or joint custody or who is pregnant. • is a displaced homemaker; an individual who is an adult; has not worked full-time, full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family; and is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment. • has owned a manufactured homes on leased land also qualify as a first time homebuyer. • may have a non-occupying co-borrower but must meet income guidelines as per HUD (just as you would qualify a married borrower and co-borrower) and must meet all other guidelines.
<p>Down Payment</p>	<p>Borrowers must invest at least 3%, or \$1,000.00, whichever is greater, of their own funds towards down payment & eligible closing cost</p> <p>County will provide 2% of sales price towards down payment and the remainder towards eligible closing cost, not to exceed \$5,000.00.</p> <p>Borrower can invest up to 20% of their own seasoned funds towards down payment. No gifts allowed other than ½ of the required 3% or \$1,000.00, whichever is greater.</p> <p>City will provide 2% of sales price towards down payment and the remainder towards eligible closing cost based on the maximum loan amount scale, not to exceed \$7,000.00.</p> <p>2% must go towards the down payment for both County/City</p> <p>*The above buyer’s contribution policies do not apply to households obtaining subsidized financing through York Habitat for Humanity, or Rural Housing Services, or VA.</p>
<p>Contributions to Closing Costs/Gift Rules</p>	<p>The full contribution of the 3% or \$1,000.00, whichever is greater, must either be the buyer’s own funds or the buyer may have one-half of the contribution in the form of an unsecured gift subject to lender approval.</p> <p>County/City will not provide funding to cover more than three (3) total points on any loan.</p>
<p>Credit History</p>	<p>A credit report must be obtained for each file to determine how credit has been paid and is currently being paid.</p>

Eligible Closing Costs
 Eligible closing costs are the one-time costs associated with the sale of the property. Any continuing costs, such as property taxes, insurances and interest are items that a property owner will have to pay as an on-going expense after the property is purchased, and therefore are **NOT** eligible. You will not find the operation cost of housing among the eligible HOME activities. Accordingly, pre-paid expenses should **NOT** be among the closing costs paid by HOME funds in our programs. Per HOME Rule 92.206 and 92.214

Income Limits
 Total gross annual income for household may not exceed Federally established Section 8 income limits (which are subject to change annually), per family size. Income anticipated to be received within the twelve(12) month period immediately following the date of application, is calculated for eligibility. Income includes, but is not limited to overtime, bonuses, tips, earnings on investments, including assets disposed of for less than market value during the two (2) years preceding application. Income of all persons intending to reside in the home must be included.

2011 Income Guidelines

	Number of Persons per Household							
	1	2	3	4	5	6	7	8
Maximum Household Income	\$39,400	\$45,000	\$50,650	\$56,250	\$60,750	\$65,250	\$69,750	\$74,250

Income eligibility determined by CPC and verified by County/City.

- Documentation Requirements**
- Provided from REALTORS to RAYAC-**
- RAYAC Mortgage Processing Cover Letter
 - YHAP Buyer Information Sheet
 - YHAP Finance Addendum to the Agreement of Sale
 - REALTOR’s business card
 - MLS print-out
 - Seller’s Disclosure
 - Inspection forms (both buyer and seller)
 - Ratified and legible Agreement of Sale and all addendums
- *FSBO to deal directly with CPC
- Provided from Lender to CPC-**
- Good Faith Estimate-Cost Illustration-Lender 4pg application
 - Appraisal
 - Approval letter will be sent to Lender acknowledging YHAP approval
 - Lender will submit to settlement agent the down payment and closing cost allowance to show on the HUD-1
 - Commitment letter to show value equal to or greater than sales price
 - Keep CPC updated on settlement date, time and location and any other changes to the loan
- Provided from CPC to County/City-**
- Request for Release of Funds form
 - Transmittal (County only)
 - Processing Worksheet (City only)
 - Application 1003 (County only)

	<ul style="list-style-type: none"> • Application (City only) • Verification of Employment and/or Award Letters (SS,Disability, Pension, Domestic Relations, Alimony, etc) • Previous three (3) years IRS Tax Returns (signed & dated) with all schedules. • W-2s for last three (3) years • Most recent, past 30 days pay-stubs • Verification of assets • Last six (6) months bank statements for all checking, last three (3) months bank statements for all savings, certificates, money market, stocks, bonds, retirement, annuity, pension, life insurance policies, etc, of all household members. • Appraisal from Lender (equal to or greater than sales price) • Flood Certification • Ratified and legible Agreement of Sale and all addendums • YHAP Financing Addendum • YHAP Truth in Lending Disclosure • Commitment Letter from lender • Good Faith Estimate, Cost Illustration, Lenders 4 page application • Lead-based Paint Disclosure • Occupancy Disclosure • IRS Form 4506-T(County only) • Authorization Form • Copy of Drivers License • Copy of Social Security Card • Certificate of Applicant (City only/4 copies) • Eligible Homebuyer Education Certificate <p>Provided from CPC to Rehab Specialist -</p> <ul style="list-style-type: none"> • Inspection Request Form <p>Provided from Rehab Specialist to CPC, REALTORS, and FSBO</p> <ul style="list-style-type: none"> • Results of Home Inspection • Approval or denial Inspection Letter <p>Provided from CPC to County/City, after settlement -</p> <ul style="list-style-type: none"> • YCPC Settlement Cover Sheet • HUD-1 Settlement Sheet • Recorded Indenture w/Exhibit A -Legal Description • Note • Program Agreement • Copy of Lenders 1st Mortgage • Affidavit • Errors & Omissions Statement • Final signed Application • Payment Receipt certifying the borrower(s) received County/City funds • Homeowners Insurance Declaration Page with proper mortgagee clause • A check of all unused funds provided by County/City, if closing cost were less than originally estimated
Remaining Assets	<p>County/City</p> <p>Borrowers are allowed to retain a “reasonable” amount of funds after settlement, but not to exceed \$10,000.00. Funds over \$10,000.00 may be required to be used in the transaction. Retirement, 401K and IRA accounts will NOT be included in the calculation of the assets.</p> <p>*Excess funds (personal funds) cannot be used to reduce the principal mortgage amount below the minimum loan-to-value ratio.</p>

Reserves/Post Closing Counseling	Borrowers with less than three (3) months principal, interest, taxes and insurance (PITI) are required to attend post-purchase counseling with a CPC staff member to review budgeting and home ownership responsibilities at the following intervals after settlement: 6 months and 1 year. This requirement shall be made a part of the mortgage document.
Appraisal	An appraisal from 1 st lender is required in each file prior to our approval to verify the value is equal to or greater than the sales price and that the home has been occupied for at least one year.
Underwriting Procedures	CPC must submit all loan application documentation (including an HQS report) to be reviewed and approved by the County/City prior to funds being requested for settlement.
Amortization	There are no monthly payments required.
Security Instrument	The security for the loan is the property itself. A second mortgage will be recorded against the property in the amount of the assistance. County/City will agree to take third mortgage position in situations where funds from the Federal Home Loan Bank's Affordable Housing Program or similar government/non-profit type programs are used to write down the principal or pay closing costs.
Homeowner's Insurance	<p>Borrower(s) must submit a current homeowner's insurance policy from an A+ rated Home Insurance provider, showing the following mortgagee clause:</p> <p>For County of York properties:</p> <p style="text-align: center;">County of York York County Planning Commission 28 E. Market Street York, Pa 17401-1580</p> <p>For City of York properties:</p> <p style="text-align: center;">City of York Bureau of Housing Services 1 Marketway West-3rd Floor York, Pa 17401</p> <p>A Master Condominium policy is required for all condominiums showing the County or City as mortgagee.</p>
Homebuyer Education Requirements	<ul style="list-style-type: none"> • Household members that are on the recorded deed are required to attend and complete the 8 hour homebuyer class education, and the 2 hour individual education session offered through CPC, prior to entering into an Agreement of Sale. • CPC will provide a certificate of completion at the conclusion of all required education sessions. • The certificate will be valid for two years from the date of issuance. The closing must occur within 2 years of the date of issuance on the certification of completion. • Certificates offered through other agencies are not permitted. (Exception: HAY certificates dated within 2 years of the last certificate issued on 09/30/2010).

Subordination	<p>County Loans</p> <p>The County will not subordinate their lien position if the buyer seeks to refinance the property (except under certain conditions). Contact County of York, Department of Housing and Community Development for details.</p> <p>City Loans</p> <p>The City will not subordinate their lien position if the buyer seeks to refinance the property (except under certain conditions). Contact City of York Bureau of Housing Services for details.</p>
Assumability	These loans are not assumable.
Recapture Terms	<p>Within the first five (5) years following the date of settlement, the amount of assistance shall be repayable in full, less 20% per year that the borrower has lived in the property. Upon one of the following occurrences during the first five years of the loan, a portion of the funds* will be due and payable to the County/City:</p> <ul style="list-style-type: none"> • Sale or transfer of the Real Property, except for transfer between husband and wife; • borrower ceases to occupy the Real Property as borrower’s primary residence • borrower refinances their mortgage obligation on the Real Property (some exceptions allowed). • borrower defaults under either the terms of this Note or the terms of other mortgage obligations of Borrower secured against the Real Property. • if the buyer defaults (sells or moves out of property) before the five years has elapsed. • In all cases where the borrower has submitted incomplete, false or misleading information in connection with the Buyer’s application, assistance, all funds shall be subject to repayment. • The City will send annual monitoring letters confirming primary occupancy. The County will request annual homeowners insurance policies to confirm primary occupancy.
Prepayment Penalty	None
Application Process	See Attached
Lender Participation	Please contact CPC for a current list of participating lenders. Participating Lender Agreement to be renewed annually by RAYAC and the participating lenders.
Administered by	<p>Community Progress Council, Inc. 605 S. George Street, Suite 100 York, Pa 17403 (717) 845-7176 Phone (717) 846-9892 Fax</p>

*PROGRAM REQUIREMENTS ARE SUBJECT TO CHANGE WITH REASONABLE NOTICE.