



	<h2>YORK HOMEBUYER ASSISTANCE PROGRAM</h2> <p>Program Description - This program is designed to provide down payment & closing cost assistance to moderate/low 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>The County and City is operating a first-time homebuyer program in cooperation with the Realtors Association of York & Adams County (RAYAC) and administered by the Housing Alliance of York (HAY).</p> <p>Designed to utilize a wide array of mortgage products offered by the secondary mortgage market, the Rural Housing Services, the Veteran’s 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 “A” paper, government-backed mortgage products or with mortgages granted through the USDA and Habitat for Humanity.</p>									
<p>Program Code</p>	<p>YHAP</p>									
<p>Eligible States</p>	<p>Financing available for York, Pennsylvania only.</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</p> <p>Up to \$5,000.00</p>	<p style="text-align: center;">City Properties</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Property Sales Price</u></th> <th style="text-align: left;"><u>Closing Cost Allowed</u></th> </tr> </thead> <tbody> <tr> <td>Less than \$40,000</td> <td>Up to 8% of sales price</td> </tr> <tr> <td>\$40,001-\$60,000</td> <td>Up to 7% of sales price</td> </tr> <tr> <td>\$60,001 and up</td> <td>Up to 6% of sales price</td> </tr> </tbody> </table>	<u>Property Sales Price</u>	<u>Closing Cost Allowed</u>	Less than \$40,000	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
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<p>Maximum LTV/CLTV</p>	<p>98%/ *some exceptions do apply such as VA, Habitat for Humanity, and Rural Housing.</p>									
<p>Maximum Purchase Price</p>	<p>95% of median purchase price to be calculated by RAYAC and updated annually using previous year’s median home sale price. (2009-\$159,900.00)</p>									
<p>Interest Rate</p>	<p>0%</p>									

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(county only); 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 Housing Initiatives Corporation. 4. Multi-units and new construction not permitted. 5. Mobile Homes: 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 plain 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>HQS inspection required, on all homes per HUD, by a County/City certified in-house Rehabilitation inspector.</p> <ol style="list-style-type: none"> 1. Seller should be present. 2. Must meet minimum Housing Quality Standards. 3. Property will be deemed ineligible if during the visual inspection deteriorated paint above the de-minimis level is present. No Re-inspection to occur. 4. Within 48 hours of the completed inspection, the County/City will notify RAYAC and HAY if the property passed or failed. If deteriorated paint above de minimis levels are found in pre-1978 homes, it is an automatic fail and ineligible for the program. NO RE-INSPECTION TO OCCUR. 5. If it has failed, the Rehab inspector will send a deficiency list to HAY and RAYAC; involved parties will be informed by RAYAC of the contents of the deficiency list. 6. In the case of a For Sale by Owner 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 and/or Realtor should contact the Housing Alliance of York prior to beginning repairs to ensure the buyer qualifies for funding. 7. If a list of repairs are required by the inspector on post-1978 homes, the seller and/or realtor will have to schedule a re-inspection to affirm all work was completed as required. 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. Should the property fail to pass the re-inspection, it may be necessary to delay settlement. 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. HAY will be responsible for having buyers sign this notice and copies will be kept in file.

<p>Borrowers and Co-Borrowers Eligibility</p>	<p>Proof of Residency/Identity - Must be a U.S. Citizen with an acceptable government issued photo ID and a valid social security number. Permanent resident alien must have an acceptable green card.</p> <p>Must be a First Time Homebuyer -</p> <ul style="list-style-type: none"> • A person not having had an ownership interest in real estate within 3 years preceding application for assistance; • or who 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. • or who 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. • Those who have owned 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>Borrower must invest at least 3%, or \$1,000.00, whichever is greater, of their own funds towards down payment & closing cost</p> <p>County will provide 2% towards down payment and up to 6% of the sales price towards closing cost, not to exceed \$5,000.00.</p> <p>City will provide 2% of the property sales prices towards the down payment and closing cost based on the maximum loan amount scale. (See maximum loan amount section)</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.</p>
<p>Contributions to Closing Costs/Gift Rules</p>	<p>The full contribution 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. Additional unsecured funds may be gifted to the borrower to write down mortgage principal 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>N/A</p>

Income Limits

Total gross annual income for household may not exceed Federally established Section 8 income limits, 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.

2009 Income Guidelines

# of Persons Per Household	1	2	3	4	5	6
Maximum Income	\$37,650	\$43,000	\$48,400	\$53,750	\$58,050	\$62,350

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

<p>Documentation Requirements</p>	<p>Provided from RAYAC to HAY -</p> <ul style="list-style-type: none"> • 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 <p>Provided from HAY to County/City-</p> <ul style="list-style-type: none"> • Request for Funds • Processing Worksheet • Application (city only) • Verification of Employment • Previous three (3) years IRS Tax Returns (signed & dated) with all schedules. • W-2's for last three (3) years • Most recent, last two (2) pay-stubs • Verification of Assets • Last six (6) months Bank Statements for all checking, savings, certificates, money market, stocks, bonds, retirement, annuity, life insurance policy’s, etc, of all household members. • Ratified and legible agreement of sale and all addendums • YHAP Financing Addendum • Commitment Letter from Lender • Truth in Lending Disclosure • Good Faith Estimate • Lead-based Paint Disclosure • Certificate of Applicant (City only/4 copies) • Homebuyer Education Certificate <p>Provided from HAY to Rehab Specialist -</p> <ul style="list-style-type: none"> • Inspection Request Form <p>Provided from Rehab Specialist to RAYAC and HAY</p> <ul style="list-style-type: none"> • Results of Home Inspection <p>Provided from HAY to County/City, after settlement -</p> <ul style="list-style-type: none"> • Hud-1 Settlement Sheet • Receipt certifying the borrower(s) received County funds • Errors & Omissions statement • Homeowners Insurance Policy w/proper mortgagee clause • Recorded Mortgage Indenture • Note • Appraisal (city only) • Affidavit of Occupancy • A check of all unused funds provided by County, if closing cost were less than originally estimated
<p>Remaining Assets</p>	<p>County/City Borrower(s) 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 put back into the deal. Retirement, 401K and IRA accounts will NOT be included in the calculation of the asset’s. *Excess funds (personal funds) cannot be used to reduce the principal mortgage amount.</p>

Reserves/Post Closing Counseling	County - Borrowers with less than three (3) months PITI are required to attend at the Housing Alliance of York 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	Appraisal from lender required in each file
Underwriting Procedures	Loan submitted by the Housing Alliance of York to be reviewed and approved by a County/City Financial Specialist and an approved inspection (HQS) report by the Rehab Specialist, before requesting funds for settlement.
Amortization	No Payment; Deferred
Security Instrument	The security for the loan is the property itself and is secured by a recorded second mortgage. 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 to write down loan principal.
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>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 education , offered through the Housing Alliance of York, prior to settlement. • Certification is required, which is provided by HAY upon completion • Certificate is valid for 2 years • Certificates through other agencies are not permitted.

<p>Subordination</p>	<p>County Loans</p> <p>Not permitted. However, excepted circumstances for which a subordination would be considered are(provided there is sufficient equity):</p> <ul style="list-style-type: none"> • to secure a lower interest rate of an existing mortgage without increasing the current loan balance • to borrow loan dollars for exceptional circumstances such as medical and catastrophic expenses. • Debt consolidation is not an exception and not permitted. <p>Documents required:</p> <ul style="list-style-type: none"> • Letter of Request • Title Search • Appraisal • Commitment Letter providing all terms <p>Approval from Loan Committee is required</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>
<p>Assumability</p>	<p>Not permitted</p>
<p>Recapture Terms</p>	<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 occurrence of one or more of the following:</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 buyer defaults (sells or moves out of property) before the five years has elapsed, the percentage due is prorated from the date of the original settlement to the same date of the month of sale. The dollar amount is divided by sixty (60) months in order to calculate the amount per month, and the monthly amount is then multiplied by the number of months elapsed to determine the amount of forgiveness by the obligee tot he obligor. The difference between the original amount of the loan and the amount of the forgiveness is the amount to be repaid by the obligor to the obligee. • 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. • City to send a letter each year with an insert return that the participant mails back to ensure they still occupy the property and are within their agreement.
<p>Prepayment Penalty</p>	<p>None</p>
<p>Application Process</p>	<p>See Attached</p>
<p>Lender Participation</p>	<p>See your Participating Lender Agreement or contact RAYAC. Agreement to be renewed annually by RAYAC and the participating lenders.</p>

Administered by	Housing Alliance of York 35 S. Duke Street York, Pa 17401 (717) 854-1541 Phone (717) 845-7934 Fax
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Application Process

All buyers seeking funding from the County/City of York for the York Homebuyers Assistance Program (YHAP) are required to complete a YHAP Buyer Information Sheet. Buyers that are working with a REALTOR should advise their REALTOR to contact RAYAC at least 55 days prior to settlement with all required documents.

The Information sheet, as well as the following listed documents should be forwarded to Realtors Association of York and Adams County (RAYAC) by the REALTOR:

- 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
- YHAP Finance Addendum to the agreement of sale

The above documents are then forwarded to the Housing Alliance of York (HAY) by RAYAC. If any of the forms are missing or incorrect HAY is to contact RAYAC to follow-up. HAY contacts the buyer to set up an initial appointment and completes the full YHAP intake application. Note: For sale by owner applications are the only applications that HAY will accept directly in their office. HAY will be responsible for determining eligibility for use of County/City funds.

*REALTORS should advise applicants to bring the following information to their appointment: (failure to provide information on a timely basis could delay case approval)

1. Previous 3 years of Federal Income Tax Returns (signed and dated), and all schedules (1040,1040A, 1040EZ), including W2's.
2. Pay stubs for the past 2 weeks, plus documentation of income from all other sources, such as support, interest, dividends, pensions, disability payments, etc. for ALL household members. It should be noted that the County/City programs use a method of calculating income, which may differ from the methods used by lenders. Specific questions regarding this matter should be addressed to HAY.
3. Verification of Deposit for all checking, savings, money markets, certificate accounts to include the last 6 month average and documentation of income of all other assets for ALL household members. Including but not necessarily limited to retirements accounts, annuity accounts, life insurance policies, stocks, bonds, etc.

HAY will use these documents and third party documentation to determine eligibility under the YHAP income guidelines for County/City funds.

The client(s) will also be advised to provide HAY with the lender's Commitments Letter and Truth in Lending Statement as soon as they are received. In addition, the buyer will need to provide HAY with the proposed date of settlement and the name and address of the settlement agent. The buyer should also notify their hazard insurance carrier to name the County/City as a Loss Payee on their homeowners' insurance policy. (Refer to guidelines)

Once eligibility has been determined, HAY will fax an inspection request to the County/City with all necessary contact information. Rehab Specialist will call the buyer's agent to schedule an inspection. If no response is received within the 48 hours the Rehab Specialist will contact HAY. HAY in turn will make all necessary calls including notifying RAYAC .

Once the inspection process has been completed and only if the property has passed the inspection. HAY will complete a YHAP Processing worksheet and forward this document to the County/City to request a release of funds. Other documentation/information forwarded at this time may include: Agreement of Sale, MLS listing and the Estimate of Settlement Costs. The request for funds needs to be submitted to the County/City at least fifteen (15) working days prior to the projected settlement date. The City will review documents and send an approval letter to HAY when satisfied with all documents. The County will review documents and email an approval to HAY when satisfied with all documents. After this, the check will be ordered for settlement.

The County/City will then draft a check to cover the amount of funds being committed to the buyer. Checks will be made payable to the buyer and/or HAY. The County/City checks will be forwarded to HAY. In the event settlement costs are less than the amount of payment released by the County/City, the difference shall be refunded to the County/City at settlement.

HAY will prepare the necessary documents required to secure the County/City loan. A representative of HAY will take the checks and security instruments to settlement and will obtain copies of the final settlement sheet; a receipt certifying that the buyers received the County/City payment; the buyers affidavit certifying intended occupants of the property; an errors and omissions statement; and proof of hazard insurance. The security documents will be completed and executed at settlement. The settlement agent will be asked to file the security instruments.

HAY will retain a client case file, which shall include documents as required by the County/City of York.

HAY will forward a copy of the security instruments, lender's commitment letter, proof of hazard insurance coverage, final settlement sheet, receipt of payment and refund of funds advanced, if applicable, and related documents to the County/City.

In the event the applications are rejected, a letter will be relayed to the buyer detailing the reason for rejection. Buyers will be advised of their right to appeal the HAY's decisions by contacting the appropriate representatives of the County/City. The letter will also be forwarded to County/City by HAY for their files.