

YORK HOMEBUYER ASSISTANCE PROGRAM (YHAP)
FINANCING ADDENDUM TO THE AGREEMENT OF SALE

Realtors Association of York & Adams Counties

901 Smile Way, York, PA 17404

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The Agreement of Sale, this addendum, and the YHAP Application MUST be submitted to the Realtors Association of York & Adams Counties, more than 55 days prior to any projected settlement date.

NOTE: Use of this form is restricted to Buyers/Sellers who are using the services of a Realtor who is a member of RAYAC

DATE: ____/____/____ PROPERTY: _____ SALE PRICE: \$ _____

SELLER: _____ BUYER: _____

DATE OF AGREEMENT: ____/____/____ PROPOSED SETTLEMENT DATE: ____/____/____

It is understood and agreed that the above Agreement of Sale shall be endorsed as follows:

1. The property being purchased within York County is located in the City of York [] Yes [] No
2. The sale of the subject property is conditioned upon purchaser obtaining one of the York Homebuyer Assistance Program mortgage loans as listed below: (check one of the following)

- (a) _____ **The Buyer is applying for only a City forgivable loan of 2% of the purchase price and closing costs in the following amounts:**
8% of the sale price for homes purchased for less than \$40,000
7% of the sale price for homes purchased between \$40,001 to \$60,000
6% of the sale price for homes purchased for \$60,001 and above
City loans will be forgiven over a five (5) year period at 20% per year.
The remainder of the purchase price, down payment, and closing costs shall be from Buyer's personal resources or through participating commercial lenders. The Buyer is required to contribute 3% of the sales price or \$1000, whichever is greater, to down payment and/or closing costs. One-half (1/2) of the Buyer's contribution may be in the form of an unsecured gift.

NOTE: As part of its closing cost assistance, the City will not provide funding for more than 3 points including loan origination fees, discount points, or interest buy downs.

NOTE: The York Homebuyer Assistance Program will only be used in conjunction with "A" paper, government backed mortgage products or with mortgages granted through USDA and Habitat for Humanity. All participating lenders are required to have a contractual agreement with RAYAC.

- OR (b) _____ **The Buyer is applying for only a County loan of 2% of the property purchase price and up to 6% of the property price for closing costs. However, the maximum amount of any County loan for down payment and closing costs shall not exceed \$5000.** The Buyer is required to contribute 3% of the sales price or \$1000, whichever is greater, to down payment and/or closing costs. One-half (1/2) of the Buyer's contribution may be in the form of an unsecured gift. County loans will be forgiven over a five (5) year period at 20% per year.

Within the first five years following the date of settlement, the entire amount of the County's assistance shall be repayable, in full, upon occurrence of one or more of the following:

- 1) Sale or transfer of the Real Property, except for transfers between husband and wife;
- 2) Borrower ceases to occupy the Real Property as Borrower's primary residence;
- 3) Borrower refinances their mortgage obligation on the Real Property; and/or
- 4) Borrower defaults under either the terms of this Note or the terms of other mortgage obligations of Borrower secured against the Real Property.

NOTE: As part of its closing cost assistance, the County will not provide funding for more than 3 points including loan origination fees, discount points, or interest buy downs.

NOTE: County funds are restricted to properties that are at least one year old and have previously been occupied; have public water and sewer; are located in a borough, village or a developed area; and exclude mobile homes.

NOTE: The York Homebuyer Assistance Program will only be used in conjunction with "A" paper, government backed mortgage products or with mortgages granted through USDA and Habitat for Humanity. All participating lenders are required to have a contractual agreement with RAYAC.

3. Seller and Buyer agree that if Buyer is applying for York City or York County financial assistance to purchase this home, the property must pass a Housing Quality Inspection prior to settlement. The Housing Alliance of York shall order the inspection. If the property does not pass and if Seller refuses to make the required repairs before settlement then this Agreement shall be null and void. **The Seller is cautioned to contact the Housing Alliance of York to determine if the Buyer qualifies for City/County funding prior to beginning required repairs.**

Seller's Initials

Buyer's Initials

4. The Seller and Buyer acknowledge that the property is being purchased with Federal financial assistance; that the property will not be taken by eminent domain; and that the estimated fair market value of the property is the amount offered by the Buyer and accepted by the Seller.

Seller's Initials

Buyer's Initials

