



REDEVELOPMENT AUTHORITY OF THE COUNTY OF WASHINGTON

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To: ALL APPLICANTS FOR THE WASHINGTON COUNTY HOMEBUYER ASSISTANCE PROGRAM

From: CYNTHIA S. LINVILLE, HOME IMPROVEMENT DIRECTOR

Subject: HOMEBUYER ASSISTANCE PROGRAM GUIDELINES

Message:

Enclosed for your use are the Guidelines of the Homebuyer Assistance Program and a pre-application. This program assists low- and moderate-income persons to purchase and rehabilitate a house in Washington County, Pennsylvania. Please be advised that pre-applications will be received by the Redevelopment Authority BY MAIL ONLY. A letter confirming receipt of your pre-application will be sent to you.

Applicants will be assisted on a first come, first served basis to the extent that funding is available. After your pre-application is received, you will be contacted by the Authority regarding the status of your pre-application. A waiting list will be maintained and eligible applicants will be assisted as funding becomes available. You do not need to reapply if your pre-application is placed on the waiting list.

In accordance with the Fair Housing Act of 1988, the American Disabilities Act of 1990, the Equal Credit Opportunity Act, and Section 504 of the Rehabilitation Act of 1973, as amended; the Redevelopment Authority of the County of Washington does not discriminate on the basis of race, color, religion, sex, handicap, familial status, national origin, marital status, or age.

Also enclosed for your information is a Section 502 Direct Loan pamphlet created by the U.S. Department of Agriculture. If you have any questions regarding this pamphlet, you can contact Jim Rhea at 724-482-4800 Extension 118.

If you have any questions regarding our Homebuyer Assistance Program, you may contact the Home Improvement Department Staff at 724-228-6875.

Sincerely,



Cynthia S. Linville
Home Improvement Director

**HOMEBUYER ASSISTANCE PROGRAM
WASHINGTON COUNTY
PRE-APPLICATION**

Please complete this form and return **BY MAIL** to:
Redevelopment Authority of the County of Washington
100 West Beau Street, Suite 603
Washington, PA 15301

1. Applicant(s): _____
Name Social Security #

_____ Name Social Security #

2. Present mailing address: _____
Street

_____ City State Zip code

3. Home Telephone #: _____ Daytime Telephone #: _____

4. Email Address: _____

5. Current Housing Status: Owner _____ Renter _____

If you are presently a renter, please complete the following information:

Name of Landlord: _____ Phone: _____

Years renting from Landlord: _____

6. Have you ever owned a home? Yes _____ No _____ If yes, when? _____

7. Number of Persons, including yourself, living in your present home: _____

8. Do you understand that you are required to attend a Homebuyer Counseling Class for the Homebuyer Assistance Program? Yes _____ No _____

9. Do you understand that you are required to contribute 3% of the purchase price of the home? Yes _____ No _____

10. Do you understand that you are required to have a satisfactory credit history? Yes _____ No _____

11. Do you understand that you are required to occupy the house as your principal residence? Yes _____ No _____

12. Number of persons, including yourself, that will be living in the home you plan to purchase through the Homebuyer Assistance Program: _____

13. Household Composition & Income: You must list in the chart below the name of every person including children that would live in the house to be purchased and their gross income and source.

	NAME	AGE	MONTHLY AMOUNT OF GROSS INCOME	SOURCE
Ex.	Jane Doe	39	\$ 1,400	employment
1			\$	
2			\$	
3			\$	
4			\$	
5			\$	
6			\$	
7			\$	
8			\$	
TOTAL GROSS INCOME			\$	

14. Did you file an Income Tax Return with the Federal Government last year? Yes ___ No ___
 If yes, what was the amount of annual adjusted gross income you reported? \$ _____

15. Are you a US Citizen or Resident Alien? Yes ___ No ___. You may be required to submit a copy of your Social Security Card, Birth Certificate, and/or Green Card.

In accordance with the Fair Housing Act of 1988, the American Disabilities Act of 1990, the Equal Credit Opportunity Act, and the Rehabilitation Act of 1973, as amended; the Redevelopment Authority of the County of Washington does not discriminate on the basis of race, color, religion, sex, handicap, familial status, national origin, marital status, or age.

NOTE: All financial information is kept confidential and is used only for the purpose of determining eligibility for this program.
WARNING: Section 1001 of Title 18 of the United States Code makes it a criminal offense to make willfully false statements or misrepresentations to any department or agency of the United States as to any matter within its jurisdiction. In addition, if you give false information or fail to report any income, you may have to pay back part or all of the money paid by the government on your behalf, as well as standing a chance of losing your home.

I (We) agree that all information given on this pre-application is correct. I (We) agree that the Redevelopment Authority may obtain and review my (our) credit report(s). I (We) agree that the Redevelopment Authority may provide information contained in this pre-application to Community Action Southwest for the purpose of contacting applicants about credit counseling.

Signature of Applicant(s) _____ Date _____

Signature of Applicant(s) _____ Date _____

WASHINGTON COUNTY HOMEBUYER ASSISTANCE PROGRAM

CONSUMER GUIDELINES FOR HOMEBUYERS

The U.S. Department of Housing and Urban Development (HUD) has made Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) funds available to Washington County and the Redevelopment Authority of the County of Washington (RACW) for projects and activities which principally benefit low-and moderate-income households.

Consistent with the objectives of the HUD Program, RACW has established a program to assist low-and moderate-income households to purchase single family detached affordable housing and to rehabilitate each house that is purchased. When funding is available from additional funding sources, additional financial assistance will be provided to low-income households.

The material that follows fully describes the mechanics of the Program and the procedures that must be followed in order to apply for and receive assistance under this program.

WHAT IS THE PURPOSE OF THE PROGRAM?

First-time homebuyers will be assisted financially by RACW to attain homeownership through two loans that will be made to eligible applicants. The first loan is for down payment assistance, which is used to purchase a house to be occupied as a primary residence located in Washington County. The second loan is for rehabilitation assistance, which is used to make any repairs necessary for the house to meet the International Code Council (ICC) International Property Maintenance Code for existing houses upon completion.

WHO IS ELIGIBLE FOR THE PROGRAM?

Any potential homebuyer who wishes to purchase a house in Washington County for their principal residence is eligible and may apply for assistance, if they meet the following qualifications:

- A homebuyer shall not have owned a house within the past three years unless he/she is a displaced homemaker.
- Annual household income may not exceed HUD's statistical guidelines for low- and moderate-income households.
- Low-income homebuyers must have a satisfactory credit history and the capability to obtain a 71% mortgage from a participating lending institution. We will secure a credit report.
- Moderate-income homebuyers must have a satisfactory credit history and the capability to obtain an 80% mortgage from a participating lending institution. We will secure a credit report.
- Homebuyers must have the capability to provide a 3% down payment at closing.
- Homebuyers must have successfully completed the homebuyer pre-purchase counseling class.
- The value of the house purchased cannot exceed \$152,000 after rehabilitation.

In accordance with the Fair Housing Act of 1988, the American Disabilities Act of 1990, the Equal Credit Opportunity Act, and the Rehabilitation Act of 1973, as amended; RACW does not discriminate on the basis of race, color, religion, sex, handicap, familial status, national origin, marital status, or age.

In accordance with HOME program regulations at 24 CFR Part 92, the assisted property must remain affordable during the affordability period, which is 10 years.

Upon any refinancing, sale or other disposition of the property, or the house does not continue to be the principal residence during the affordability period, RACW will recapture all or some of the HOME subsidy out of the net proceeds from the sale as outlined below. Net proceeds are defined as the sales price minus superior non-HOME loan payments, homebuyers contribution of the initial downpayment and closing costs, and any capital improvement investments made by the owner since the purchase

If the net proceeds are insufficient to repay the entire direct HOME subsidy, the recapture of HOME funds will be equal to the remaining balance of net proceeds, if any.

If excess net proceeds remain after repayment of the superior non-HOME loan, entire direct HOME subsidy, and closing costs, net proceeds will be shared as follows:

Affordability period	RACW share	Homebuyer share
Year 1	100%	0%
Year 2	90%	10%
Year 3	80%	20%
Year 4	70%	30%
Year 5	60%	40%
Year 6	50%	50%
Year 7	40%	60%
Year 8	30%	70%
Year 9	20%	80%
Year 10	10%	90%

After 10 years, there will be no sharing of net proceeds. The homebuyer will keep 100% of the net proceeds.

In the event of the property changing title due to foreclosure, RACW will **not** share any net proceeds from the sale. RACW will retain any remaining net proceeds following payment of the first mortgage. RACW shall have the right to first refusal to buy out the first mortgage from the primary lender in the event of foreclosure.

Upon any refinancing, sale or other disposition of the property following the affordability period, the loan provided by RACW and the additional mortgage assistance loan, where applicable, shall become due and payable immediately. In the event that the lending institution mortgage is paid off in full, the full amount of these loans shall become due and payable within ninety (90) days thereafter.

The loan will be secured by a Mortgage/Note, which will be subordinate to the first bank loan.

+ 4,500	Estimated reasonable closing costs
+ 17,000	RACW loan
\$21,500	Total RACW loan = Closing costs + downpayment

WHEN CAN AN APPLICANT GO TO A LENDING INSTITUTION?

Upon the determination that an applicant has met the credit and income eligibility requirements, a conditional Letter of Eligibility from RACW will be issued to the applicant. This letter may be taken to one of the participating lending institutions. A list of lenders is enclosed. The Letter of Eligibility will state that an applicant is eligible, for a period of six (6) months, to receive downpayment assistance from RACW to purchase a house in Washington County **provided** the applicant successfully completes the homebuyer pre-purchase counseling class, can obtain a conventional mortgage from a lending institution, and provide the required portion of the downpayment. Applicants will be required to meet all of the lending institution=s criteria for obtaining a mortgage. RACW will not assist applicants in meeting the criteria of the lending institution.

WHAT HOUSES ARE ELIGIBLE FOR PURCHASE AND REHABILITATION?

- The house must be a structurally sound, single family detached unit, or a single family unit that is part of a two, three, or four unit building, located in the County of Washington. Condominiums, mobile homes, double wide homes, and newly constructed housing units or housing units under construction will not be considered.
- If a house, being considered for purchase by the applicant, was a rental unit, it must have been vacant for at least 90 days prior to the sale. Rental units not vacant at least 90 days prior to the sale, will not be considered eligible for the program. However, when the applicant is the current tenant, the housing unit will not be required to be vacant for the 90-day period.
- All houses must be able to comply with the ICC International Property Maintenance Code for existing houses and all applicable codes, including state and local codes, after the house is purchased and after home rehabilitation is completed. The unit must also be free from all noted health and safety defects. If these codes and requirements cannot be met after home rehabilitation, the house will not be eligible.
- Houses located in a 100-year flood plain are not eligible.
- The house must meet the criteria established by Section 215 of Title II of the National Affordable Housing Act and the value of the unit may not exceed the Section 203 (b) Property Value Limits after the rehabilitation of the unit is completed. If the housing unit doesn't meet the criteria, it will not be considered for the program.
- RACW will inspect one house prior to purchase to ensure the house meets all of the necessary program requirements and to prepare the work specifications for rehabilitation of the house. RACW reserves the right to reject any and all houses that do not meet the necessary program requirements. If a house is rejected, another will be inspected.

WHEN WILL THE REHABILITATION OF THE PURCHASED HOUSE OCCUR?

The rehabilitation contract documents will be executed on the same day as the closing of the house being purchased or soon after. The rehabilitation of the house will occur in accordance with the contract between the contractor and the homebuyer. HUD regulations require each home to be inspected for lead-based paint