



	<h2 style="text-align: center;">YORK HOMEBUYER ASSISTANCE PROGRAM GUIDELINES AND RULES</h2> <p>Program Description - This program is designed to provide down payment & closing cost assistance to low/moderate income households in York County and York City, Pennsylvania. The assistance is in the form of a zero interest 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 Direct Loan 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 Direct Loan 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 program, 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 style="text-align: center;">County \$1,000.00</p>	<p style="text-align: center;">City \$1,000.00</p>

Maximum Loan Amount	County Properties Up to \$5,000.00	City Properties 2% of sales price toward down payment and eligible closing costs based on: <table border="0"> <thead> <tr> <th data-bbox="992 338 1230 363"><u>Property Sales Price</u></th> <th data-bbox="1263 338 1409 394"><u>Closing Cost Allowed</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="992 401 1230 426">Less than \$40,000.00</td> <td data-bbox="1263 401 1409 457">Up to 8% of Sales Price</td> </tr> <tr> <td data-bbox="992 464 1230 489">\$40,001-\$60,000</td> <td data-bbox="1263 464 1409 520">Up to 7% of Sales price</td> </tr> <tr> <td data-bbox="992 527 1230 552">\$60,001 and up</td> <td data-bbox="1263 527 1409 583">Up to 6% of Sales price*</td> </tr> </tbody> </table> *Not to exceed \$7,000.00	<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*
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Minimum Loan-To-Value (LTV) (on first mortgage)	80.01% County / 95% City (Some exceptions apply such as VA, Habitat for Humanity, and Rural Housing Services)									
Maximum Purchase Price	Purchase price may not exceed 95% of median purchase price as determined and published by HUD annually. 2015 HOME Homeownership Value Limits effective 04/13/15: \$157,000 for existing homes and \$239,000 for new construction									
Interest Rate	0%									
Term	Forgiven over five (5) year period									
Property Requirements	York County homes only for County Program; and York City homes only for City Program 1. Must be served by existing public water and sewer; 2. Must be a single residential dwelling located in York County or York City. New construction offered for sale is considered an eligible property. A 1976 or newer mobile/manufactured home built by Federal Building Codes on a permanent foundation will also be considered an eligible property 3. Multi-units and pre 1976 mobile/manufactured homes, or mobile/manufactured homes not built by Federal Building Codes are not permitted . 4. 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 of York as loss payee. 5. Home must be occupied by seller, buyer, or vacant at the time of <u>execution of the Agreement of Sale</u> . NO TENANT CAN BE DISPLACED AS A RESULT OF THE TRANSACTION.									

Housing Quality Standards

A Uniform Physical Condition Standard (UPCS) inspection will be required, on all homes per HUD, by a County/City certified in-house Rehabilitation Specialist/Inspector.

1. Property must meet minimum Uniform Physical Condition Standards.
2. 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.
3. Within 48 hours of the completed inspection, the County or City Rehab Specialist will notify CPC if the property passed or failed the inspection. CPC will then notify all parties involved in the transaction.
4. If the property was built in 1978 or after and the property has failed the inspection due to deteriorated paint, the Rehab Specialist will send a deficiency list to CPC.
5. If the inspector requires that repairs be made, a deficiency list will be distributed and the Seller/Selling Agent will need to schedule a re-inspection to verify that all work has been completed.
6. 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.
7. No fee for the initial or first re-inspection, but on the second and subsequent re-inspection there is a fee of \$85.00, charged to either buyer or seller, which will be added to the HUD-1 and collected at settlement. Checks are to be made payable to the County of York or the City of York, whichever applies.
8. Failure to pass the initial inspection or any subsequent re-inspection may make it necessary to delay settlement.
9. Buyers will 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.

Borrower and Co-Borrower Eligibility

Proof of Residency/Identity - All borrowers and co-borrowers must be U.S. Citizens with an acceptable government issued photo ID and a valid Social Security number. Permanent resident aliens must have a valid Permanent Resident Card (Green Card) through the entire affordability period of five (5) years.

Must be a First Time Homebuyer which is defined by HUD as -

- an individual and his or her spouse who have not owned a home during the three (3) year period prior to purchase of a home using YHAP assistance. May also include an individual who:
 - is a displaced homemaker - an adult who 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.
 - is a single parent - an individual who is unmarried, divorced, or legally separated from a spouse (*copy of court filing and support/custody agreement required*); and has one or more minor children for whom the individual has custody or joint custody, or is pregnant.
 - has owned a dwelling unit whose structure is not permanently affixed to a permanent foundation.
(Manufactured or mobile home on leased land)

* Buyers may have a non-occupying co-borrower but must meet income guidelines as determined annually by HUD 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 toward down payment & eligible closing costs.*</p> <p>County will provide up to \$5,000 in down payment and closing cost assistance. 2% of the eligible funding, based on sales price, toward down payment and the remainder toward eligible closing costs (does not include pre-pays).</p> <p>City will provide 2% of sales price toward down payment. Closing costs based on home sale price scale below. Not to exceed \$7,000 in total assistance (does not include pre-pays).</p> <table border="0"> <tr> <td>Sale price less than \$40,000.00</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> </table> <p>**Not to exceed \$7,000.00</p> <p>2% of sales price must go toward the down payment for both County and City.</p> <p>Borrower can invest up to 20% of their own seasoned funds toward down payment for the County program and 5% of their own seasoned funds toward down payment for the City program.</p> <p>*The above buyer's contribution policies do not apply to households obtaining subsidized financing through York Habitat for Humanity, Rural Housing Services, or the Veterans Administration (VA).</p>	Sale price 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**
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<p>Contributions to Closing Costs/Gift Rules</p>	<p>The full contribution of 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. Buyer may also have a gift for up to three (3) months of reserve.</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. If date of credit report reviewed at time of one-on-one homebuyer counseling is six (6) months or more old from time of application by Borrower for YHAP funds, a second credit report will need to be provided to CPC by applicant.</p>						

<p>Eligible Closing Costs</p>	<p>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 ongoing expense after the property is purchased and are NOT eligible. See 24 CFR, Part 92.206 and 92.214.</p>																														
<p>Income Limits</p>	<p>Total gross annual income for the household may not exceed federally established HOME Investment Partnership Program 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 using the Part 5 ** (Section 8) definition of annual income. Income includes, but is not limited to wages, overtime, bonuses, tips, commissions, business income, periodic payments from social security, pensions, annuities, unemployment or disability benefits, child and/or spousal support or other cash contributions, as well as interest and dividends from bank accounts or other investments, including assets disposed of for less than market value during the two (2) years preceding application. <u>Income of all persons intending to reside in the home must be included.</u></p> <p style="text-align: center;"><u>2014 Income Guidelines</u> Effective - June 1, 2015</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2"></th> <th colspan="8">Number of Persons per Household</th> </tr> <tr> <th colspan="2"></th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> <th>7</th> <th>8</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">Maximum Household Income</td> <td></td> <td>\$39,400</td> <td>\$45,000</td> <td>\$50,650</td> <td>\$56,250</td> <td>\$60,750</td> <td>\$65,250</td> <td>\$69,750</td> <td>\$74,250</td> </tr> </tbody> </table> <p style="text-align: center;">**Found in the HUD Technical Guide for Determining Income and Allowances for the HOME Program as determined by CPC and verified by County/City.</p>			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
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Maximum Household Income		\$39,400	\$45,000	\$50,650	\$56,250	\$60,750	\$65,250	\$69,750	\$74,250																						
<p>Documentation Requirements</p>	<p>Provided from REALTORS to CPC</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 • Copy of earnest check • Keep CPC updated on settlement date, time, and location <p>*FSBO to deal directly with CPC</p>																														

Provided from Lender to CPC-

- Good Faith Estimate-Cost Illustration-Lender's Application
- Appraisal
 - Approval letter will be sent to Lender acknowledging YHAP approval
 - Settlement sheet will be submitted to lender and settlement company showing YHAP-approved down payment and closing cost allowance for the HUD-1
- Commitment Lett4er
- Truth in Lending (TIL) statement
- 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
- Processing Worksheet
- YHAP application
- Credit Report
- Buyer Information sheet
- Student Eligibility Checklist
- Buyer Income and Asset Questionnaire
- Verification of Employment and/or Award Letters (SS, Disability, Pension, Child Support/Domestic Relations, Alimony, etc.)
- IRS Form 4506-T(If needed to obtain IRS transcripts)
- Previous two (2) years' IRS Tax Returns (signed & dated) with all schedules.
- W-9 Form (County only)
- W-2s for last two (2) years
- Most current consecutive two (2) month period of pay-stubs
- Verification of assets
- Last three (3) consecutive months' bank statements for all checking, savings, certificates (CD's), and money market accounts; most recent broker statement for mutual funds, stocks, bonds, retirement, annuity, life insurance policies, etc., for all household members
- Disposed Asset Certification
- Appraisal from Lender (equal to or greater than sales price)
- Flood Certification
- Ratified and legible Agreement of Sale and all addendums
- YHAP Financing Addendum
- Commitment Letter from lender
- Good Faith Estimate, Cost Illustration, Lender's Application
- Lead-based Paint Disclosure
- Authorization Form
- Copy of Driver's License for all household members over 18 years of age
- Copy of Social Security Card for all household members
- Homeowner's Insurance Policy Information

	<ul style="list-style-type: none"> • Flood Insurance Policy Information (city only, if applicable) • 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 • MLS and YHAP Buyer & Seller signed Inspection Forms <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"> • Settlement Cover Sheet • HUD-1 Settlement Sheet • Recorded Indenture w/Exhibit A - Legal Description • Note • Program Agreement - County only • Copy of Lenders 1st Mortgage • Affidavit • Errors & Omissions Statement • Payment Receipt certifying the borrower(s) received County/City funds • Homeowner’s Insurance Declaration Page with proper mortgagee clause • Flood Insurance (if applicable) for City Program with proper mortgagee clause • A check of all unused funds provided by County/City, if closing cost were less than originally estimated
<p>Remaining Assets</p>	<p>County/City 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 remaining assets. However, <u>all</u> assets are included in the determination of gross annual household income. *Excess funds (personal funds) cannot be used to reduce the principal mortgage amount below the minimum loan-to-value ratio.</p>
<p>Reserves/Post Closing Counseling</p>	<p>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: Six (6) months and one (1) year. This requirement shall be made a part of the mortgage document.</p>

Appraisal	An appraisal from lender is required in each file prior to our approval to verify the value of the home is equal to or greater than the sales price.
Underwriting Procedures	CPC must submit all loan application documentation to be reviewed and approved by the County/City prior to funds being requested for settlement.
HOME Agreement	CPC will review and execute the HOME Agreement with the Buyers prior to settlement. A signed HOME agreement along with a verified and signed income calculation worksheet will be required prior to any funds being released.
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: and Borrower(s) must submit a current Flood Insurance Policy (if applicable) for the City Program from an A+ rated Flood Insurance provider showing the following mortgagee clause for City of York</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 101 South George Street York, Pa 17401</p> <p>A Master Condominium policy is required for all condominiums showing the County or City as mortgagee.</p>

<p>Homebuyer Education Requirements</p>	<ul style="list-style-type: none"> • Household members that are going on the recorded deed are required to attend and complete the HUD Certified 8 hour homebuyer education class, and the 2 hour individual education session offered through CPC. • 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.
<p>Subordination</p>	<p>County Loans</p> <p>The County will not subordinate its lien position if the buyer seeks to refinance the property (except under certain conditions). Contact County of York, York County Planning Commission, Housing Division for details.</p> <p>City Loans</p> <p>The City will not subordinate its 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>These loans are not assumable.</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 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	Community Progress Council, Inc. 160 Roosevelt Ave., 3 rd Floor York, PA 17401 Phone: (717) 845-7176 Fax: (717) 855-2154

**PROGRAM GUIDELINES AND RULES ARE SUBJECT TO CHANGE WITH REASONABLE NOTICE.*

YORK HOMEBUYER ASSISTANCE PROGRAM

APPLICATION PROCESS

All buyers seeking funding from the County/City of York for the York homebuyer Assistance Program (YHAP) are required to complete the required Homebuyer Education classes and the one-on-one counseling sessions. Buyers that are working with a REALTOR should advise their REALTOR to contact the Community Progress Council (CPC) at least 55 days prior to settlement with all required documents.

The following listed documents should be forwarded to CPC by the REALTOR:

- * Realtor's business card
- * MLS print-out
- * Seller's Disclosure
- * Inspection forms (both buyer and seller)
- * YHAP Buyer Information Sheet
- * Ratified and legible Agreement of Sale and all addendums
- * YHAP Finance Addendum to the agreement of sale

If any of the forms are missing or incorrect CPC is to contact REALTOR to follow-up. Note: For sale by owner applications are the only applications that CPC will accept directly in their office. CPC will be responsible for determining eligibility for use of County/City funds.

The client(s) will be advised to provide CPC with the lender's commitment letter, cost illustration, GFE, 4 page application, and truth in lending statement as soon as they are received. In addition, the buyer will need to provide CPC with the proposed date of settlement and the name and address of the settlement agent/attorney. The buyer should also notify their Homeowners hazard insurance carrier to name the County/City as loss payee on their homeowners' insurance policy. (Refer to York Homebuyer assistance Program Rules)

CPC will fax an inspection request form to the County/City Rehab Specialist 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 CPC. CPC in turn will make all necessary calls.

Once the inspection process has been completed and only if the property has passed the inspection. CPC will forward the required documentation to the County/City to request the check for settlement. 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 County/City will review documents and send an email of their approval along with the HOME Program Agreement to be reviewed and executed by buyers prior to the release of funds. After this, CPC shall issue the approval letter to the applicant(s) and schedule a time to review and sign the HOME Agreement.

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 CPC. The County/City checks will be released to CPC for settlement at the time an executed HOME Program Agreement is received. 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.

CPC will prepare the necessary closing documents required to secure the County/City loan. A representative of CPC 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; proof of hazard insurance; and proof of flood insurance for CITY, if applicable. The security documents will be completed and executed at settlement. The settlement agent will be asked to file the security instruments. CPC is responsible in following up on the recorded mortgage making sure the COUNTY and CITY receive the original recorded Indenture in a timely fashion.

CPC will retain a client case file, which shall include documents as required by the County/City of York for a period of five (5) years from the date of expiration of the affordability period.

CPC will forward the Mortgage and Exhibit "A", Note, signed HUD-1 Settlement Sheet, Affidavit, Errors & Omissions form, Copy of initial check, Homeowners Insurance Policy and Flood Insurance Policy with proper mortgagee clause, receipt of payment form and any unused funds provided by the COUNTY or CITY, in the form of a check, if applicable 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 CPC's decisions by contacting the appropriate representatives of the County/City. The letter will also be forwarded to County/City by CPC for their files.