

**HOME BUYER LOAN PROGRAM
ELIGIBILITY REQUIREMENTS**

June 01, 2018

1. The borrower and any co-borrowers must be "first time buyers" who have not owned a home within the last 3 years. If a borrower previously jointly owned a home with a former spouse (and are now divorced), s/he must be removed from the prior deed and released from the note and mortgage. The borrower and co-borrowers may not have an ownership interest in any other real estate or business other than a business that is their primary source of income. Non-occupant co-borrowers are not permitted.
2. *The borrower and any co-borrowers must complete LHOP's Home Buyer Course prior to entering into a Sales Agreement.* There is a non-refundable \$25.00 tuition fee due at registration for each person expected to complete the course. Completion of the course does not guarantee Home Buyer Loan eligibility or the availability of funds. Borrowers who completed training more than 2 years prior to the date of the Sales Agreement must repeat the course.
3. The borrower and any co-borrowers must occupy the home as their primary residence on a permanent, year-round basis within sixty (60) days of closing.
4. The most recent permanent address of borrower and co-borrower must have been within Lancaster County.
5. Borrower and any co-borrowers must meet with a qualified Budget Counselor for an individual meeting prior to settlement. Borrower must contact TABOR Community Services at 717-358-9364 to schedule this meeting.
6. Properties to be purchased must be located within the County of Lancaster and the most recent occupant must have been the property owner (or the current tenant) to be considered for a Home Buyer Loan. In the case of two-unit properties, this requirement will apply to the unit to be occupied by the borrower. Please contact LHOP with any questions.
7. Manufactured homes qualify provided the lot is included in the purchase and the unit is attached to a permanent foundation.
8. The purchase price cannot exceed \$200,000.00 existing homes and new construction properties. Sales Agreements must include an executed LHOP Addendum. Funds are subject to availability and will be distributed as stated on a LHOP Commitment Letter.
9. LHOP's Home Buyer Loan funds may be used for down payment, eligible closing costs and are available only in combination with qualified first mortgage loan products offered by LHOP's Partnership Lenders (see listing attached). The borrower must meet the lender's eligibility and underwriting requirements for the specific primary mortgage product desired as well as LHOP's Home Buyer Loan underwriting requirements as per LHOP's Home Buyer Loan Policies & Procedures. LHOP's Loan Applications must be submitted by Lenders within 20 days of the full execution of the Agreement of Sale. Incomplete applications will not be accepted. **For specific Home Buyer loan underwriting requirements such as minimum credit score and maximum debt to income ratios allowance, please refer to the Home Buyer Policies & Procedures posted on our website, www.lhop.org, or contact LHOP at 717-291-9945.**
10. **ALL PROPERTIES-** A satisfactory whole house inspection and wood destroying insect infestation inspection must be completed by a qualified inspector. Properties must also comply with the requirements of 24 C.F.R. Part 35 (Lead-Based Paint Poisoning Prevention in Certain Residential Structures); therefore, the Home Inspection must record any evidence of lead-based paint issues in dwellings built prior to 1978 to determine the possible need for additional evaluation and/or remediation. The borrower must accompany the inspector during the inspection. A satisfactory final inspection will be required. Major defects must be corrected as a condition to receiving the Home Buyer loan. A major defect is any existing condition that will adversely affect the health and safety of the borrower or any major system or structural component in immediate need of repair or replacement. All applicable documentation must be forwarded to LHOP within 15 days of the full execution of the Agreement of Sale.
11. **PROPERTIES LOCATED OUTSIDE OF LANCASTER CITY LIMITS ONLY-** A Uniform Physical Condition Standard (UPCS) inspection will be conducted on all homes by a county certified rehabilitation specialist/inspector as required by HUD for federally-assisted housing.
 - ✓ **Property must meet the minimum Uniform Physical Condition Standards**
 - ✓ **If the property was built prior to 1978 homebuyers will be required to sign a certification that they have received a copy of the HUD notice entitled "Protect Your Family from Lead in Your Home".**
 - ✓ **The Rehab Specialist will notify LHOP whether the property has passed or failed the inspection. If repairs are required, a deficiency list will be included showing the repairs needed before settlement. LHOP must notify all parties involved in the transaction.**
 - ✓ **In the property was built prior to 1978, and during the visual inspection, deteriorated paint above the de-minis level is present, the property owner will have the option at his/her own expense to stabilize the deteriorated paint by employing trained or supervised workers using Lead Safe Work Practices and obtaining the required Lead Based Paint Clearance report. Otherwise, the property will be deemed ineligible for the program.**

- ✓ **When he all repairs sited on the rehab specialist report are completed, the seller/selling agent will need to schedule a re-inspection with the Rehab Specialist to verify that the completed work is acceptable.**
- ✓ **There will be no fee for the re-inspection, but there is a fee of \$85.00 for the second and subsequent re-inspection. The fee is charged to either the buyer or seller and must be added to the Final Closing Disclosure and collected at settlement.**
- ✓ **Failure to pass the initial inspection or any subsequent re-inspection may make it necessary to delay settlement.**

12. A satisfactory property appraisal must be completed by a lender-approved, certified appraiser prior to closing.
13. LHOP will charge an Origination Fee of \$35.00, effective for all contracts submitted after 3/1/2018.
14. The borrower's required contribution must be verifiable funds on deposit in the borrower's account(s) prior to closing. Borrowers may retain a cash reserve after closing of no more than \$7,500.00 and no less than the equivalent of one month's PITI payment.
15. Assistance may be provided for the purchase of foreclosures, provided required repairs can be completed within sixty (60) days of closing and funds sufficient to pay for repairs are escrowed at closing.

16. **Properties located in Lancaster City & County- Must Qualify for Income As Defined in #17.**

17. The projected gross household income expected to be received over the next 12 months, may not exceed the following limits. Please note that the limits are based on total household members.

1 member	\$51,700	5 members	\$79,800
2 members	\$59,100	6 members	\$85,700
3 members	\$66,500	7 members	\$91,600
4 members	\$73,800	8 members	\$97,500

Income will be calculated for all "adult household members" including the borrower, any co-borrowers, the spouse of the borrower or any co-borrowers, and any other adults over the age of 18 who are expected to reside in the home, except documented full-time students. If a borrower is married, but separated, the spouse's income may be excluded if the separation can be clearly documented by a filing for divorce, a spousal support order, or other convincing evidence that the borrower has maintained a separate residence for at least one year.

18. To be included as a household member, a minor or full-time student must be a legal dependent of at least one of the adult household members and must reside in the home as their primary residence.
19. Eligibility income will generally be determined based on the gross income received by all adult household members from all income sources for the four (4) week period immediately preceding the date of the primary loan application, projected forward for the next 12 months. LHOP may consider alternative methods of determining eligibility income where it can be clearly demonstrated that the household member's income for this period is not representative of their typical earnings history.
20. The maximum Home Buyer loan amount and related requirements are as follows:

Maximum Loan Amount:	8% of Purchase Price with a maximum of \$5,000.00
Minimum Contribution from Borrower's own funds:	1% of purchase price or a minimum of \$1,000 (whichever is greater)
Minimum Primary Mortgage:	90% LTV
Maximum Combined Loan to Value Ratio:	108% CLTV

21. The Home Buyer loan is provided at 0% interest with no monthly payments required. Loan repayment is due in full upon sale or transfer of the property or in the event the borrower ceases to occupy the home as their primary residence. The loan is secured by a second mortgage lien and LHOP must be listed as an additional insured on the Homeowner's Insurance policy. In the event the borrower desires to refinance their primary loan, LHOP will consider, at its sole discretion, subordinating the Home Buyer loan to a new primary loan, **on a case-by-case basis** and according to LHOP's Subordination Policy. A subordination fee of \$250 will apply.
22. The Home Buyer loan amount determination is based on an assessment of acceptable costs required to close and the availability of funds from other sources, including borrower's liquid cash assets, gifts, seller contributions, and primary mortgage proceeds. Loan funds may not be used to pay off current debt obligations as may be required for borrower to qualify for the primary loan.
23. Recording fees are the responsibility of the borrower and may be included in the Home Buyer loan amount. There is no application fee for the Home Buyer loan.

24. Borrower and co-borrowers must be U.S. citizens, permanent resident aliens or non-permanent resident aliens with a valid Social Security Number and eligible to work in the US. Please contact LHOP for specific requirements.
25. Borrower is encouraged to attend LHOP's Post Closing Class at least once during the first eighteen months of home ownership. This course provides skills and tips so that participants will have the foresight to successfully maintain their homes and finances.
26. Program Requirements are subject to change with reasonable notice.

LHOP Partnership Lenders

B B & T
(717) 471-6618

Ephrata National Bank
(717) 733-4181

First National Bank
(717)925-3710

Fulton Bank, N.A.
(717) 291-2499

First Citizens Community Bank
(717) 293-4238

M&T Bank
(717) 213-3101

Mortgage Network
(717) 892-1900

Northwest
(800) 572-6972 ext 18805

Orrstown Bank
(717) 475-6471

PNC Mortgage, LLC
(717) 396-7538

RMS Mortgage
(717) 925-2350

Santander Bank
(717) 393-0705

Stearns Lending
(717) 951-3943

USDA Rural Development
(717) 272-3908

Wells Fargo
(717) 299-6801