

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 should complete a HUD Approved Homebuyer Education 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 Homebuyer Loan eligibility or the availability of funds. Applicants who completed training more than 2 years prior to the date of the Sales Agreement must repeat the course.
3. Eligible Fees and Costs. Participants may be charged a reasonable fee for homebuyer education and counseling. Participants must provide their certificate of completion at the end of all required education sessions. The closing must occur within two (2) years of the date of issuance on the certificate of completion.
4. 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 and intend to stay in the home for at least five years.
5. Borrower and any co-borrowers must meet with a qualified Housing Counselor for an individual counseling session prior to settlement. Borrower must contact York Housing Opportunity Center (YHOC) at 717-827-4334 to schedule this meeting.
6. Property to be purchased must be a single-family residence located within the County or City of York, occupied by the seller, the homebuyer, or vacant for 3 months prior to the execution of the agreement of sale. No multi-family units are allowed, and no tenant may be displaced because of the transaction. Special conditions apply to homes located in a flood zone. Manufactured homes may qualify provided the lot is included in the purchase, the home is on a permanent foundation, and it meets HUD Manufactured Home Construction & Safety Standards (MHCSS).
7. The purchase price cannot exceed \$162,000.00 for existing homes and \$228,000.00 for new construction properties. Sales Agreements must include an executed YHAP Addendum. Funds are subject to availability and will be distributed as stated on Commitment Letter.
8. YHAP's Homebuyer Loan funds may be used for down payment and eligible closing costs and are available only in combination with qualified first mortgage loan products offered by YHAP'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 YHAP's Homebuyer Loan underwriting requirements as per YHAP's Homebuyer Loan Policies & Procedures. YHAP's Loan Applications must be submitted by Lenders within 5 days of the full execution of the Agreement of Sale. Incomplete applications will not be accepted. **For specific Homebuyer Loan underwriting requirements such as minimum credit score and maximum debt to income ratios allowance, please refer to the Homebuyer Policies & Procedures posted on our website, [www.lhop.org/york.opportunity/center](http://www.lhop.org/york.opportunity/center), or contact LHOP at 717-827-4334.**
9. **Inspection Requirements:** 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 minimum Uniform Physical Condition Standards.
  - ✓ If the home 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".
  - ✓ Within 48 hours of the completed inspection, the Rehab Specialist will notify Administrator 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. Administrator will then notify all parties involved in the transaction.
  - ✓ If the property was built prior to 1978, and during the visual inspection, deteriorated paint above the de-minimis level is present, the property owner will have the option at his/her own expense to stabilize the deteriorated paint by employing properly 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.

- ✓ If the property was built after 1978 and the property has failed the inspection due to deteriorated paint or for any other reason, the Seller will have the opportunity to self-correct the condition.
- ✓ When all repairs are complete, the Seller/Selling Agent will need to schedule a re-inspection with the Rehab Specialist to verify that the completed work is acceptable.
- ✓ There is no fee for the initial or first re-inspection, but there is a fee of \$85.00 for the second and subsequent re-inspection. The fee is charged to either buyer or seller and must be added to the Final Closing Disclosure and collected at settlement. Checks are to be made payable to the County of York or the City of York, respectively.
- ✓ Failure to pass the initial inspection or any subsequent re-inspection may make it necessary to delay settlement.

In addition to the HUD-required UPCS inspection, a satisfactory whole house inspection and wood destroying insect infestation inspection must be completed by a qualified inspector. The Homebuyer must accompany the inspector during the inspection. Major defects must be corrected as a condition of the loan. A major defect is any condition that will adversely affect the health or safety of the Homebuyer, or any major system or structural component in immediate need of repair or replacement. A satisfactory final inspection will be required.

10. A satisfactory property appraisal must be completed by a lender-approved, certified appraiser and submitted to LHOP's York Housing Opportunity Center at least 20 days before closing.
11. 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.
12. 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.

<b>1 member</b>	\$41,650	<b>5 members</b>	\$64,250
<b>2 members</b>	\$47,600	<b>6 members</b>	\$69,000
<b>3 members</b>	\$53,550	<b>7 members</b>	\$73,750
<b>4 members</b>	\$59,450	<b>8 members</b>	\$78,500

13. 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. 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 legal spousal support order, or other convincing evidence that the borrower has maintained a separate residence for at least one year.
14. 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.
15. Eligibility income will generally be determined based on the gross income received by all household members from all income sources for the eight (8) 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.
16. The maximum Homebuyer loan amount and related requirements are as follow;

**York County:**

Maximum Loan Amount: 2% of the sale price toward down payment, and the remainder of the approved loan toward eligible closing costs (does not include escrows or pre-pays). Loan amount cannot exceed \$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

**City of York:**

Maximum Loan Amount: Sale price less than \$40,000: Not to exceed 8% of sales price

Sale price \$40,001 to \$60,000: Not to exceed 7% of sales price

Sale price \$60,001 or more: 6% of sales price, not to exceed \$7,000

Note: Cap breakdown; 2% of the sale price toward down payment, and the remainder of the approved loan toward eligible closing costs (does not include escrows or pre-paid(s)).

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

17. A minimum middle credit score of 620 is required. Only on a case-by-case basis, YHOC may consider at its discretion, applications from borrowers who may have less than a 620-credit score which have strong, compensating factors. If a borrower has less than three opened (traditional) trade lines, YHOC may require additional satisfactory non-traditional trade line documentation. Contact LHOP's York Housing Opportunity Center for more specific information.
18. No Credit Score – A minimum of three open trade lines with a satisfactory 12-month payment history is required in the event that the borrower doesn't have a traditional credit score. Rent payment history, utilities, cell phone, car insurance (if paid in monthly installments), are acceptable examples of these required trade lines.
19. YHOC will allow a maximum PITI ('FRONT END') debt-to-income ratio of up to 33% of the borrower's monthly gross income and a maximum ('BACK END') total debt-to-income ratio of up to 43% of the borrower's monthly gross income. Debt-to-income ratios are based on YHOC Income Calculation Method.
20. **If borrower exceeds the 33/43 ratios, please contact LHOP's York Housing Opportunity Center immediately before taking a Homebuyer Loan application.** On a case by case basis, YHOC at its sole discretion, may consider higher debt-to-income ratios if the borrower has at least two of the following compensating factors:
  - ✓ Three months reserves of PITI payments from their own funds documented at the time of their loan application;
  - ✓ Credit Score of 700 or higher;
  - ✓ Monthly housing payment savings (PITI vs. RENT) of greater than \$100;
  - ✓ Stable employment history (i.e., at least 2 years at the same employer);
21. The Homebuyer loan is provided at 0% interest with no monthly payments required. Prorated loan repayment is due upon sale or transfer of the property or in the event the borrower ceases to occupy the home as their primary residence within five years. The loan is secured by a second mortgage lien and County / City must be listed as an additional insured on the Homeowner's Insurance policy.
22. The Homebuyer 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 Homebuyer loan amount. There is no application fee for the Homebuyer 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 meeting the standards of a 5-year clearance date from the day of settlement. Please contact York Housing Opportunity Center for specific requirements.
25. Borrower's not having 3 months PITI reserves after closing must attend the York Housing Opportunity Center post-closing homebuyer education course within 6 months and 12 months of closing. 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.

#### **YHOC Partnership Lenders**

**1<sup>st</sup> Preference Mortgage Corporation**  
**BB&T**  
**Citizens Bank**  
**Fairway Independent Mortgage Corporation**  
**First National Bank**  
**Fulton Bank**  
**GMH Mortgage Services LLC**  
**Guaranteed Rate**  
**Habitat for Humanity**  
**Home Point Financial**

**M&T Bank**  
**Mortgage Network**  
**Movement Mortgage**  
**Northwest**  
**Orrstown Bank**  
**People's Bank**  
**PHFA**  
**RMS**  
**Stearns**

**Union Home Mortgage**  
**USDA**  
**York Traditions Bank**

