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## First Time Homebuyer Assistance Program

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### Guidelines

#### I. Eligibility:

- ✓ Participants must complete a Homebuyer Education Workshop (certificate is required)
- ✓ Participants must obtain "pre-qualification"
- ✓ Participants must have verified annual gross household incomes **below median income** currently established for Lackawanna County (**Effective 4/1/18**). See below:

No. in Household:	1	2	3	4	5	6	7	8
Gross Income	\$46,500	\$53,100	\$59,700	\$66,300	\$71,700	\$77,000	\$82,300	\$87,600

#### II. Program Details:

- ✓ The FTHB program will offer down payment and closing cost subsidies. Please note that **all program participants** will be required to certify the availability of funds for down payment. Those contributions shall not be borrowed or encumbered funds (i.e., funds the program beneficiary must repay to a third party).
- ✓ The **down payment and closing cost subsidies** will be secured as a **property lien** not exceeding **\$7,500.00** (\$6,500.00 max for down payment, \$1,000.00 max for closing costs). Any sale or transfer of the property will subject the seller to repayment within the first 5 years from the closing date. The amount to be repaid will decrease each year; for example, if the property is sold in the second year, 3/5 of the remaining loan would be owed upon transfer or sale of the property. The loan will be forgiven after the 5 year period.
- ✓ The maximum purchase price for a home is **\$150,000** and the liquid asset limit will be capped at **\$25,000**. Participants will have **120 days** from the date of the FTHB approval to find a home.
- ✓ The home purchased by the FTHB program participant must meet prevailing local housing codes. The chosen house must be inspected by a **certified housing inspector**. If the house selected is sub-standard, the buyer must be prepared to either remedy the deficiencies outside of closing or secure financing to ensure that **at or immediately following occupancy** (i.e., within sixty (60) days of closing) the deficiencies are rectified.
- ✓ The home purchased must be within the County of Lackawanna. Lackawanna County must be placed as 2<sup>nd</sup> mortgage on all homeowner's insurance documents.
- ✓ Home purchased must be a **first** home for program participants (i.e., buyers must not have owned a home for at least three years). Also, the home purchased must become the **primary residence** of the applicant(s).
- ✓ The home to be purchased **must be a single family structure** (i.e., Single family unit, townhouse, condominium, modular unit, or 1/2 of a separately deeded duplex). Home to be purchased **cannot** be a mobile home.
- ✓ Checks take **at least 2 weeks** to be cut and cannot be paid retroactively. Please plan your closing date accordingly.

Revised 4/6/18 – subject to change

More information can be found on our website at [www.lackawannacounty.org/index.php/planning-and-economic-development](http://www.lackawannacounty.org/index.php/planning-and-economic-development)