

**Venango County Affordable Housing
Down Payment & Assistance Pilot Program
Rules and Procedures**

I. Eligibility:

- A. Applicant – Any legal resident of Venango County who meets the income, use, location and residency requirements as hereinafter provided.
- B. Income Requirements – Total income of all members of the household cannot exceed 100% of the Median family income for Venango County and it cannot be below the Low-Income maximum as adjusted annually. The applicant must qualify as of the date of initial application to the Venango County Affordable Housing Fund Board. The application shall expire after one year from date of submission.

MARCH 2008 INCOME LIMITS								
FAMILY SIZE	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
Low Income	28,850	32,950	37,100	41,200	44,500	47,800	51,110	54,400
Median Income	36,100	41,200	46,400	51,500	55,600	59,700	63,900	68,000

- C. Use Requirement – The applicant must reside in and use the property as his/her principal place of residence. Applicant property can only be a single family residence. The property must meet the minimum property maintenance standards as certified by the lender.
- D. Location Requirement – The property to be purchased must be located within Venango County.

- E. Residency Requirement – Priority will be given to those applicants who have established Venango County residency for six months. This should be demonstrated by proof of utility bills, rent receipts, or driver’s license. All applicants must be United States Citizens.

- F. Down Payment – The applicant shall contribute a minimum of two (2%) percent of the purchase price of the property from their own sources. The applicant must show proof of deposit of the minimum of the 2 percent deposit homeowner contribution. If the sale is by private owner, the buyer’s attorney shall hold the applicant’s required two percent portion in escrow.

- G. Credit History – Credit worthiness shall be determined by the participating lender. The applicant must have an acceptable credit history and the ability to make monthly mortgage payments on the property he/she expects to buy. Applicants must provide a pre-approval commitment from a lending institution.

- H. Mandatory Home Owner Training – Applicants must obtain a certificate of completion from the Affordable Housing Board’s Home Ownership Institute in order to be eligible for the program.

II. Use of funds:

- A. Funds may be made to eligible applicants for the following purposes:
 - 1. Down Payment Assistance Grant.

 - 2. Grants including but not limited to closing costs, radon testing, property inspections, and wood infestation.

 - 3. Prepaid expenses at closing:
 - a. Real Estate Taxes.
 - b. Insurance.
 - c. Interest
 - d. Escrow for taxes and insurance.
 - e. Sewage and water testing
 - f. appraisal

4. Funds shall be distributed in the following manner:
 - a. The maximum amount of any mortgage shall be \$5,000 or 10% of the purchase price, whichever is less. Anything in excess of \$5,000 is the homeowner's responsibility. The affordable housing trust funds are a deferred loan. A five-year lien will be placed on the property with no forgiveness during that period. If at any time during of the five-year period from the date of the mortgage, any transfer of the property shall require that the money be repaid to the Affordable Housing Trust. In the event of a refinance of any prior indebtedness, a request for subordination shall be evaluated on a case-by-case basis.

III. Application Procedure:

1. Applications shall be made to the Venango County Affordable Housing Fund Board.
2. **Closing date must be a minimum of 60 days from the date the application is received.**
3. An interview is scheduled to review the program and timeframes required for eligibility.
4. To determine eligibility, the applicant must provide the following:
 - A. Proof of income for all household members. Acceptable forms are: a minimum of 3 payroll check stubs, a minimum of 3 direct deposit statements, a printout verifying child support for a period of one year, W-2 forms, tax returns, 1099 forms, a letter from social security listing ssi payments for a full year.
 - B. Complete Home Ownership Institute training.
 - C. Provide a commitment letter from the qualified lending institution that does business in Venango County.
 - D. The applicant must show proof of the 2 percent minimum contribution prior to distribution of grant.
 - E. Copy of a certified appraisal.

- F. The debt to gross income credit ratio may not exceed 28 percent.
5. Applications will be accepted year round as funding is available. The Venango County Affordable Housing Fund Board shall meet on an as needed basis to review applications.
 6. The Affordable Housing Fund Board shall recommend to the Venango County Board of Commissioners to approve any loan or grant made under this program.

IV. Purchase Limits:

1. Grants or loans shall not be authorized for any purchase for which the appraised value of the property is less than the agreed upon purchase price of the property.
2. Construction Contracts for newly constructed dwellings shall be firm and shall contain no escalator clause of any kind.

V. Settlement:

Settlement arrangements shall be made by the lender, applicant, and the County.

A disbursement statement must be provided to Venango County Regional Planning Commission within 15 days following closing.

Notice of Non-Discrimination – *The Venango County Affordable Housing Fund Program is conducted in a manner which shall not discriminate on the basis of race, color, creed, national origin, religion, ancestry, sex, age, handicap or familial status.*