

**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.

2012 Income limits								
Family Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Low Income	31,150	35,600	40,050	44,500	48,100	51,650	55,200	58,750
Median Income	35,200	40,250	45,300	50,300	54,350	58,450	62,400	66,400

(note: Income Limits will be adjusted each year to meet HUD income levels for that year)

- C. Use Requirement – The applicant must reside in and use the property as his/her principal place of residence. To be eligible, 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 at least 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 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 – Creditworthiness 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 or a comparable training program in order to be eligible for the program.
- I. The Applicant must acquire good and marketable fee simple title to the property for which assistance is to be provided. No assistance will be provided for transactions involving articles of agreement, installment agreements, land contracts or similar arrangements in which the buyer does not immediately acquire title to the real estate.

II. Use of funds:

- A. Funds may be made to eligible applicants for the following purposes:
 - 1. Broker fee is not to exceed 3 % of the 1st mortgage amount.
 - 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. Any transfer of the property during the five-year period from the date of the mortgage shall require that the money be repaid in full immediately to the Affordable Housing Trust. In the event of a refinancing 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 by the Affordable Housing Fund Board.**
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 the Social Security Administration listing ssi payments for a full year.
 - B. Complete Home Ownership Institute training and provide a certificate of completion.
 - C. Provide a commitment letter from the qualified lending institution or mortgage broker that maintains a business office within 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 Applicant's debt to gross income ratio may not exceed 28 percent.
5. Applications will be accepted year round as funding is available; all assistance is subject to the availability of funds. 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, along with a certificate of insurance for the property including the County of Venango as an insured as its interests may appear.

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.*