

**Act 137**

**FIRST TIME HOMEBUYERS PROGRAM**

**Guidelines**

**I. Eligibility:**

- Participants must complete housing counseling sessions (certificate is required);
- Participants must obtain **“pre-qualification”** from Neighborhood Housing Services of Lackawanna County;
- Participants must have verified annual gross household income **at or below 100% median income** currently established for Lackawanna County (Effective 2/13/08). See below:

| No. in Household: | 1      | 2      | 3      | 4      | 5      | 6      | 7      |
|-------------------|--------|--------|--------|--------|--------|--------|--------|
| Gross Income:     | 38,300 | 43,800 | 49,200 | 54,700 | 59,100 | 63,500 | 67,800 |

**II. Program Details**

- The FTHB program will offer down payment subsidies of 15% of the mortgaged loan with 5% required from participant’s resources. Please note that all program participants will be required to certify the availability of funds for **required minimum 5% downpayment**. Those contributions shall not be borrowed or encumbered funds (i.e., funds the program beneficiary must repay to a third party).
- The **15% down payment** of the FTHB subsidies will be secured as an **interest-free loan**. Any sale or transfer of the property will subject the seller to full repayment within the first 10 years from the closing date. The loan will be forgiven after the 10 year period.
- **Closing cost subsidies** will be in the form of a **grant**, not to exceed **\$1,200**.
- The maximum purchase price for a home is \$150,000 and the liquid asset limit will be capped at \$25,000. Participants will have **90 days** from the date of the Act 137 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.
- 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 manufactured home (i.e. mobile home).