

# Homebuyer Assistance

Assistance to purchase a home is available to qualifying Applicants through the Fayette County Redevelopment Authority. Assistance is available **based on your income** and varies based on individual need and available funding sources. The exact qualifying income limit will be determined at the time of application, as income limits for the program vary based on the available funds utilized for each individual applicant. Read below to determine if you qualify for the Homebuyer Development Program.



## Assistance Available Based on Income

In order to qualify for assistance, applicants should make **less than the amounts shown** below\*:

Family Size	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
Annual Income Limits	\$46,500	\$53,150	\$59,800	\$66,400	\$71,750	\$77,050	\$82,350	\$87,650

\*Note: These income limits are updated annually by the U.S. Department of Housing and Urban Development (HUD). Potential applicants should check with The Redevelopment Authority of the County of Fayette, Pennsylvania for current income limits as they may be changed without notice. Multiple funding sources may be used, which could effect the limit applicable to each potential homebuyer.

## How do I determine my Income?

All income for **all adult household members** received during a **12-month** period must be counted.

All income sources below **must** be included:

- Gross wages and salaries - before payroll deductions, overtime pay, commissions, fees, tips, and bonuses.
- Net income from the operation of a business or profession including rental of real or personal property.
- Interest, dividends, and other income from family assets.
- Full amount of periodic payments received from Social Security after deductions of Medicare premiums (including social security received by adults on behalf of minors or by minors intended for their own support).
- Payments in lieu of earnings, such as unemployment and disability compensation, workman's compensation, and severance pay.
- Periodic and determinable allowances - such as alimony and child support payments, and regularly recurring contributions or gifts received from person not residing in the dwelling.
- Income received from annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump sum payment for the delayed start of a periodic payment.
- All regular pay, special pay, and allowances of a member of the armed forces who is head of the family of spouse, whether or not that family member lives in the unit.
- Any earned income tax credit to the extent it exceeds income tax liability.

# About the Redevelopment Authority of the County of Fayette

The Fayette County Redevelopment Authority Homebuyer Development Program provides assistance to low- and moderate-income families purchasing single-family homes throughout Fayette County. Since the program's inception in 2001, RACF has provided assistance to over 150 new homebuyers.

### Homebuyer Program Partners:

- Pennsylvania Housing Finance Agency (PHFA)
- U.S. Department of Housing and Urban Development (HUD) | hud.gov
- PA Department of Community and Economic Development (DCED) | newpa.com
- U.S. Department of Agriculture - Rural Housing Service (USDA-RHS) | usda.gov
- Threshold Housing Development, Inc.
- Fayette County Township Supervisors and Boroughs
- Fayette County, Pennsylvania - Board of Commissioners  
co.fayette.pa.us



## The Redevelopment Authority of the County of Fayette

86 West Main Street | Uniontown, PA 15401  
724.437.1547 | TDD/TYY: 800.877.8339  
Fax: 724.437.0731 | racfpa.org

*"Providing the opportunity for families in Fayette County to realize the dream of homeownership"*



The Redevelopment Authority of the County of Fayette, PA is an equal opportunity provider and employer.

# Homebuyer Development Program

*A program administered by the Redevelopment Authority of the County of Fayette, PA*



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## About the Homebuyer Development Program

The Fayette County Redevelopment Authority Homebuyer Development Program provides assistance to low- and moderate-income families purchasing single-family homes throughout Fayette County. Assistance through this program is provided in the form of: Homeownership Counseling, Down-Payment, Closing Cost, Gap Financing, and Home Rehabilitation Assistance.

## Program FAQs

### How much do I have to pay?

There are no up-front application fees for the program. During the pre-purchase counseling process, the Redevelopment Authority will work with applicants to identify the resources that will be required at closing. Ideally, homebuyers in the Program will contribute at least 3% of the property purchase price toward down-payment and / or closing costs. A \$1,000 program participation fee will be charged, however, it is not paid up front by the homebuyers. This fee will be included as part of the closing costs for the home.

### How do potential homebuyers apply?

Potential homeowners should initially inquire about the Program by calling the Redevelopment Authority at 724-437-1547 ext. 204. After establishing that the applicant is income eligible to receive assistance and is eligible to obtain a mortgage, the Redevelopment Authority will enroll them into a Homeownership Education Course. Program participants must successfully complete the pre-purchase counseling course and receive a completion certificate prior to any final closing.

## Who qualifies for assistance?

To be eligible through the Program, applicants must:

- Complete an initial assessment application through the Redevelopment Authority and qualify as low- or moderate-income according to limits established by the US Department of Housing and Urban Development.
- Qualify to receive a mortgage through an acceptable lending Institution.
- Complete a Homeownership Education Course.
- Be single individuals OR families of two or more persons related by blood, marriage, adoption, guardianship or domestic partnership, that may include individuals (under 18yrs) being domiciled with a parent or another person having legal custody.
- Depending on the funding source used, may be required to be a *First-Time Homebuyer*, meaning an individual or married couple who have not owned a home for three years prior to application.
- Not have been a prior participant in the Redevelopment's Homebuyer Development Program.
- RACF will not discriminate against any applicant for assistance loan based on age, ancestry, color, creed, physical or mental disability, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation, or sex.
- No member of the County Commissioners or the Redevelopment Authority, and officials or executive employees of the County or Authority, nor any other person who exercises policy or decision-making responsibilities in connection with the planning and implementation of the program shall directly or indirectly be eligible for this program. Exceptions to this policy can be made only after public disclosure and formal approval by the Redevelopment Authority.

## What properties are eligible?

Properties eligible to be purchased through the program must meet the following criteria:

- The property must be located within Fayette County.
- The property must be a single-family (one unit) attached or detached dwelling. Mobile homes and manufactured homes are not eligible.
- Tenant-occupied properties are not eligible for unless:
  - 1) the tenant occupying the property is also the purchaser of the property, or
  - 2) the home is vacant for a minimum of 90 days at time of purchase.
- The property must be in compliance with all applicable codes and housing quality standards prior to closing.
- Purchase price cannot exceed 95% of the area median home value for Fayette County, as approved by HUD, which is currently \$157,000 for an existing home (adjusted annually).
- Ownership is able to be obtained in a fee simple manner and there are no other title or lien issues with the property.
- For properties constructed prior to 1978, additional inspection for lead-based paint hazards will be required. Subsequent abatement may be required prior to closing.
- The applicant must, as a condition of the Redevelopment Authority's loan, maintain homeowner's insurance on the property for the life of the loan and add the Redevelopment Authority as a loss payee on the policy.
- Properties located within a 100-year flood plain as identified by FEMA are not eligible for loans from the program unless flood insurance is obtained. Insurance will be required to be maintained for the life of the loan. The insurance policy must name the Authority as loss payee.

**The Redevelopment Authority serves as the principal agency in Fayette County responsible for community development and single-family affordable housing activities.**

## How the program works

In addition to providing down-payment and closing cost assistance, the Redevelopment Authority's Homebuyer Development Program may also provide limited rehabilitation or gap-financing assistance.

Below is how a typical transaction may work:

- Potential homebuyer applies to the program.
- The applicant is determined to be income eligible to receive assistance.
- The applicant pre-qualifies for a mortgage from a qualifying lending institution to determine how much the applicant afford.
- The Redevelopment Authority enrolls the applicant into a Homeownership Education Course.
- The applicant begins their home search in the determined price range.
- Once a home is selected, the Redevelopment Authority works with the selected lender to perform an inspection and determine if the home meets current property maintenance codes and housing quality standards.
- The applicant selects a home with a purchase price of \$80,000 that is in need of \$5,000 of repairs.
- The appraised value of the property at closing is \$85,000.

*In this situation, the closing-costs would equal approximately \$5,800 and the costs to bring the property up to code is \$5,000. Adding these costs to the purchase price, the total cash required for this transaction is \$90,800. Under the Fayette County Homebuyer Development Program, funding for this transaction would come from the following:*

- \$68,000 from the primary lending institution for a permanent mortgage (80% of the appraised value/purchase price of the home).
- \$2,400 from the Buyer for down-payment (3.00% of purchase price of \$80,000)
- \$20,400 loan (0% deferred) from the Redevelopment Authority to cover closing cost and gap-financing.

**CONTACT RACF TODAY to apply if you think you qualify: CALL: 724.437.1547, x204 | TDD/TYY: 800.877.8339 ~ OR ~ VIST our Website for more information: racfpa.org**

