



a private, non-profit social service agency

Mortgage Department
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Bucks County First Time Homebuyer Program PARTICIPATION ELIGIBILITY CRITERIA

Residency

- 1) Six months residency in Bucks County will be required for at least one of the adults; or,
- 2) Alternatively, one of the adults has had continuous employment of a minimum of one (1) year at a place of work located in Bucks County; and/or,
- 3) The residency requirement is waived if one or more of the adults is in active military service.

Previous Ownership

- 1) Applicant cannot have been a homeowner in the past three (3) years.
- 2) Cannot have an interest in any other real estate.
- 3) This program can only be used one time per adult.

Location of House Being Purchased

The property being acquired with program assistance must be located in Bucks County.

Age

The program shall be available to individuals age 18 or older.

Income and Assets

Applicants shall provide accurate information on their income and assets, and eligibility shall be subject to the following:

- 1) Income verification: minimum of two years of income statements and one month of recent pay stubs.
- 2) Maximum value of assets (cash, accounts, investments) post closing: six (6) months of principal, interest, taxes, and insurance (PITI).
- 3) Retirement assets: excluded if part of an employer sponsored program. Otherwise, retirement assets can not exceed two (2) times the purchase price of the home.
- 4) Reserves: Minimum of liquid assets. Minimum one (1) month PITI.
- 5) Borrower's Contribution: Borrower's will be required to contribute a minimum of 3 percent of the purchase price (except for VA loans).

Maximum Eligible Purchase Price

- (1) The maximum purchase price is one that is affordable to the income earned by a qualified homebuyer.
- (2) The purchase price may not in any event exceed \$261,000.00 for existing housing and \$311,000.00 for new construction.

First Loans Allowed

- (1) Any fixed interest rate mortgage with a term of 15 years or longer.

First Loans Specifically not Allowed

- (1) No-Doc Loans or "Stated Loans."
- (2) Variable Rate Loans (except for U.S.D.A. Rural Housing 502 Direct Loan, as long as the transaction meets all other program criteria).
- (3) Interest only Loans
- (4) Subprime Loans

Financial Fees Allowable

- (1) Reasonable and customary nonrecurring fees associated with obtaining a first loan including *but not limited to*:
 - (a) points (maximum of three points)
 - (b) title insurance
 - (c) appraisal
 - (d) credit check
 - (e) mortgage recording fees
 - (f) application processing fee

Housing to income and debt to income ratios

Combined debt-to-income ratios will not to exceed 33/41 (based on total household income regardless of who is on the loan)

Escrow

Escrow will be required for the payment of taxes and property insurance.

Maximum Loan to Value Ratio

The maximum loan-to-value ratio shall not exceed 100 percent (except for VA Loans).

LOAN TERMS

Interest

Zero percent interest for the term of the loan.

Term

The loan will have no fixed term. However, it shall be due and payable the sooner of

- 1) the sale of the property;
- 2) the transfer of legal or equitable title to the property; or,
- 3) the taking of additional debt.

Additional Requirements

Borrower shall maintain this property as their primary residence until debt is repaid to the lender.

Maximum Loan

The maximum loan shall be \$10,000.

Loan Position

Accept second (at the time of first mortgage); first is preferred.

Principal Payment

Principal balance is deferred. The principal is due and payable in full under the terms described above.

Subordination

- 1) To improve the Terms of the Debt: Subordination will be allowed to improve interest terms of the first mortgage. An increase of up to three percent of the amount of mortgage balance being refinanced will be allowed to assist with the payment of reasonable transaction costs (e.g., points, title insurance), for as long as such increase would not exceed the original amount of debt at the time the property was first purchased. Furthermore, the transaction cannot involve a disbursement of cash to the homebuyer, either before, or after the transaction is completed.
- 2) To Maintain the Condition of the Property: subordination to additional debt will be allowed to allow for the payment of improvements associated with maintaining the property in good condition.
- 3) Prohibited Subordinations: Subordination will not be permitted if the transaction would involve a transfer of title, sale of property, or an increase in the amount of debt, or if the improvements involve the expansion of the house in any form.

Loan Security

The loan assistance shall be secured by a lien on the property repayable to the Bucks County, First-Time Homebuyer Program.

Insurance

Borrower will provide a fire insurance policy, including extending coverage, with respect to the mortgaged premises naming the County of Bucks as a third mortgagee, in an amount not less than the amount of the loan.

Inspections and Certifications

- a. Property inspection by a certified home inspector
- b. Appraisal: Required to be conducted by a state certified real estate appraiser
- c. Radon test – optional
- d. Lead paint disclosure (if property was built prior to 1978)
- e. Flood certification
- f. Certifications are not required if they are conditions of the first mortgage.

EXCEPTIONS

Exceptions to the program will be considered on a case by case basis. Requests for exceptions shall be submitted in writing outlining the full case, specific hardship, and reasoning in support of the same. A response shall be provided in writing by the Department Director within 10 days of receipt.

2016 Income limits for participation in the County’s First Time Homebuyer Program (applicants’ income must be below the income state below based on household size). Counseling is a requirement to participate in the county program. Clients may attend workshops and counseling, even if they are ineligible, or choose not to participate in the county program. Counseling is offered free of charge.

Family Size	Maximum Income
1	56,300
2	64,300
3	72,300
4	80,300
5	86,800
6	93,200
7	99,600
8	106,000