



## **First-Time Homebuyer's Down Payment and Closing Cost Assistance Program Guidelines**

### **About This Program**

The Cumberland County Affordable Housing Trust Fund First-Time Homebuyer's Down Payment and Closing Cost Assistance Program provides up to \$5,000 in assistance to qualified first-time homebuyers who have lived or worked in Cumberland County for at least six months and wish to purchase a single-family home in Cumberland County.

A family with a gross household income between 80% and 100% of the County's Median Income may qualify for up to \$3,000 in assistance to be used for down payment and closing costs. A family with a gross household income less than 80% of the County's Median Income may qualify for up to \$5,000 of assistance to be used for down payment and closing costs. This assistance is in the form of a five-year, no interest, and forgivable loan.

Applications will be accepted throughout the year. The number of applicants chosen each year to receive the assistance will depend upon the annual Affordable Housing Trust Fund allocation to the Down Payment and Closing Cost Assistance Program. Funds will be reserved on a first come first served basis and subject to availability.

This program will match the buyers' contributions 3-to-1. For every \$1 the buyer uses to purchase their house, the program will provide \$3 in grant assistance. The match cannot exceed \$3,000 for those households with a gross annual income between 80% and 100% of the County's median income and \$5,000 for those households with a gross annual income below 80%. All of these funds, the buyer's contribution, and the County's assistance must be expended at the settlement and be properly reported on the Closing Disclosure. The settlement agent will return any funds not needed at settlement to the Redevelopment Authority. The buyer may not contribute more than \$30,000 to the purchase of the home. This \$30,000 cap includes buyer's contribution, gift funds and seller assistance. The buyer may not have assets greater than \$30,000 after settlement excluding IRAs, 401(k)s and similar retirement accounts.

A grant agreement will be executed and recorded on behalf of the County of Cumberland in the amount awarded. No interest is charged nor are any monthly payments required to be made by the borrower. This is a forgivable loan; 1/60 of the loan amount will be forgiven each month. After five years of home ownership, the entire award is forgiven and the County's lien will be removed. The buyer is responsible for the recording fee for the release of the grant (\$36). The County of Cumberland, c/o The Redevelopment Authority of Cumberland County, 114 North Hanover Street, Carlisle, PA 17013 must be listed as a second mortgagee on the insurance declaration page for the length of the forgivable loan.

### **Do I Qualify for This Program?**

Persons who meet the following eligibility criteria can apply for assistance through this program:

1. You must be a first-time homebuyer. A **first-time homebuyer** is defined as someone who has never before owned a home or has owned a mobile home but not the land the mobile home is located on, or someone who has lost their home due to a divorce settlement and has not owned a home since (displaced homemaker), or someone who has not owned a home within the last three years.
2. Participants must provide satisfactory evidence of the funds to be matched and these must be the participants' own funds.
3. Participants' household assets must not exceed \$30,000 after settlement.
4. Participants must not contribute more than \$30,000 to the purchase of the home (seller assistance, gift funds and lender assistance are included in this restriction).
5. Applicant must supply a current pre-approval letter from a lender with the application.
6. Participants must have a credit score of 620 or higher to be eligible for assistance. Participant must provide a document(s) from a lender indicating a 620-credit score (or higher).
7. Total gross annual household income cannot exceed the 100% median income guidelines calculated for the current Fiscal Year by the U.S. Department of Housing and Urban Development (HUD).

#### 2025 Current Income Limits

Household Size	1	2	3	4	5	6	7	8
<b>80% AMI</b>	\$59,050	\$67,450	\$75,900	\$84,300	\$91,050	\$97,800	\$104,550	\$111,300
<b>100% AMI</b>	\$73,800	\$84,400	\$94,900	\$105,400	\$113,900	\$122,300	\$130,700	\$139,200

8. The applicant must complete a First-Time Homebuyer's Workshop from a HUD CERTIFIED COUNSELOR or HUD CERTIFIED COUNSELING AGENCY before settlement on his/her home. A certificate of completion must be submitted prior to settlement to qualify for assistance.

#### How Do I Apply?

Persons who wish to apply for funds through this program can obtain an application on [cchra.com](http://cchra.com) or by contacting:

**Redevelopment Authority of Cumberland County, 114 North Hanover Street, Carlisle, PA 17013**

**Cindy Wise at (717)-249-0789 or: [cwise@cchra.com](mailto:cwise@cchra.com)**

#### How Will I Know if I Have Been Selected to Receive Assistance?

Upon being chosen for assistance, an applicant will be notified by mail. Please allow two weeks for the application to be processed. An approval letter will be mailed to the applicant and the approval letter must be signed and returned within two weeks of notification, verifying the applicant's acceptance or rejection of the assistance. Upon acceptance, the applicant has up to six (6) months to close on a

mortgage loan for the purchase of a single-family owner-occupied dwelling home in Cumberland County.

**Property Restrictions:**

Eligible applicants may be assisted by this program to purchase single-family homes of any price. The following restrictions apply to all manufactured and factory-built housing:

The Program will consider loans for properties, which include a manufactured, or other factory-built home providing that, the manufactured home has been built under the Federal Manufactured Home Construction and Safety Standards that were established June 15, 1976. For other factory-built housing, such as prefabricated, panelized, modular, or sectional housing, they must meet local zoning and building codes. In addition, the following criteria apply to both types of housing units:

- A. Home must be defined, deeded, and taxed as fee simple real estate
- B. Wheels, axles, and trailer hitches must be removed when the unit is placed on its permanent site
- C. Home must be permanently affixed to foundation requirements set forth below:
  - a. A foundation that has footings located below the frost line. If piers are used, they must be placed where the unit manufacturer recommends. If state law requires anchors, they must be provided. The foundation must meet local codes and designed by an engineer to meet soil conditions of the site and assume the characteristics of site-built housing.
  - b. A "Floating Slab" foundation may be considered.
- D. The purchase of the land and the unit must represent a single real estate transaction under applicable state law.
- E. The financing must be evidenced by a mortgage, or a deed of trust recorded in the land records. A combination of chattel and real estate mortgage is not acceptable.
- F. An inspection to verify the above criteria will be required, the cost of which will be the buyer's responsibility.
- G. The mortgage amount cannot include the financing of furniture, mortgage life insurance, property damage insurance, or any other form of insurance. However, the financing of kitchen and laundry appliance and carpeting may be included in the mortgage.