

CITY OF LEBANON

FIRST-TIME HOMEBUYERS PROGRAM

PROGRAM PARTICIPANTS:

The City of Lebanon and
First National Bank of Fredericksburg
Fulton Bank
Lebanon Federal Credit Union
Northwest Savings Bank
Sovereign Bank
Yes Financial, LLC

PROGRAM OBJECTIVE:

To increase homeownership in the City of Lebanon by overcoming obstacles faced by low income families purchasing a first home.

ELIGIBLE APPLICANTS:
median

1. Households with income 80% or below income as follows:

1 Person.....	\$35,850
2 Persons.....	\$41,000
3 Persons.....	\$46,100
4 Persons.....	\$51,200
5 Persons.....	\$55,300
6 Persons.....	\$59,400
7 Persons.....	\$63,500
8 Persons.....	\$67,600

The income of all household members is included to determine eligibility.
2. Who have not owned a home for the last three years or who qualify as a "displaced homemaker" or "single parent".
3. With acceptable credit history and the ability to make monthly payments.

ELIGIBLE PROPERTIES:

1. Single dwelling City properties used as primary residence.
2. Sale price cannot exceed \$99,000.
3. In compliance with property maintenance codes, minimum housing standards and HUD Lead Paint regulations. Properties with deteriorated paint are ineligible.

PROGRAM FINANCING:

1. The Buyer contributes three (3) percent as a downpayment. No gifts or grants are counted in the three (3) percent.
2. The City provides downpayment assis-

tance of 17% of the sale price. City funds are non-amortizing deferred payment loans subordinate to the first mortgage of the Bank. City loans will be due and payable upon the sale, transfer or leasing of the property.

3. The Lender provides a 30 year fixed rate mortgage for 80% of the purchase price. The interest rate offered is at or below market rate. The mortgage has no points. Qualifying ratios and application fees are determined by each lender.
4. Closing costs can come from any source but not borrowed. Seller can provide up to 6% of purchase price toward closing cost. Closing cost assistance may be available from the Federal Home Loan Bank. Taxes and insurance may be escrowed.
5. The City provides up to \$4,999 of rehab assistance as a deferred payment loan. No funds are available for lead paint hazard reduction.

PROGRAM PROCEDURE:

1. Applicant contacts the Housing Rehabilitation Office of the Lebanon County Redevelopment Authority for pre-qualification.
2. An approximate mortgage amount is established and a "shopping certificate" issued.
3. Applicant attends homebuyer education and counseling classes.
4. Applicant selects a house and requests an inspection prior to signing an agreement of sale.
5. Applicant meets with Authority staff at which time program is explained in detail and written verifications are obtained for eligibility purposes.
6. Qualified applicant is sent to the Bank for mortgage processing.
7. Applicant is approved by the Bank and the City.
8. Prices for code repair work are received.
9. Closing on financing is held, buyer moves in and repairs are completed.

For further information or pre-qualification, contact the Housing Rehabilitation Office at 273-9326.