



# CITY OF WILLIAMSPORT HOME BUYER ASSISTANCE PROGRAM

The City of Williamsport offers an opportunity to eligible households interested in becoming HOMEOWNERS! A program enhancing homeownership prospects for eligible households is CURRENTLY available.

This program can provide up to 20% of a home purchase price as 0% interest, deferred repayment **gap financing**.

## Homebuyer – GAP Program Quick Facts

### The Applicant (the buyer)

- The applicant (including income from all household members) must be income eligible (see the Household Income limits below), meet credit and banking requirements, but need our funds to make the sale work.
- The applicant must obtain first mortgage financing from an accredited financial institution and seek the maximum funding reasonably available from all other sources, including personal assets, before City funds are committed. If you *cannot* obtain a first mortgage because of *credit issues*, please contact an approved HUD or PHFA counselor. Counseling agencies can offer independent advice, often at little or no cost to you.
- The applicant must contribute an amount equal to *at least 4%* of the purchase price for associated costs.
- An approved applicant must attend an approved homebuyer or pre purchase homebuyer or counseling class
- The Home must become and REMAIN your Primary Residence.

### The Home

- The home must be located within the City of Williamsport Corporate City limits,
- The home must be a single family home. Rental properties are excluded from the program.
- The home must be in good condition, with **no** peeling or chipped paint, have a sound roof and wall structure, have no visible hazards or safety violations, have at least one smoke alarm per floor, handrails on all steps, and have a minimum 100-amp electrical service with GFCI in bath, kitchen & exterior. The major systems must have a useful life of at least five years. The Community Development Office will make a walkthrough inspection to verify these minimum standards but we recommend you have an accredited Home Inspection firm conduct a thorough inspection.
- The property must have a sale price that is affordable to the applicant and does not exceed the value limit for Williamsport set by HUD. Seller's assists will be considered but are sometimes not acceptable.
- The property must **become and remain** the buyer's **primary residence** for the life of the city lien.

### The City Program

- City funds provide second mortgage “**G A P**” financing. A financing gap can occur when the home you want to buy costs more than you can reasonably afford and more than your lender is able to commit to you. City funds can **help fill the gap**. City funding cannot exceed 20% of the purchase price of the house.
- City gap funds are offered as a 0% interest, deferred re-payment loan. Payment on the city funds is due 25 to 30 years after the purchase, **or** if the property is sold **or** transferred anytime during the required period, **or** if the property is no longer the buyers primary residence. No monthly payment is required.

### CURRENT ANNUAL INCOME

Annual Income is annualized gross income of a household. Gross monthly income is monthly gross pay; and any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Administration compensation, net rental income, etc.,; and other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments).



### EXAMPLE OF PROGRAM PARTICIPATION

Property purchase price: \$80,000  
 Bank Commitment: \$63,000 (maximum affordable to this buyer)  
 The GAP is: \$17,000 plus closing costs

The program can help fill the **GAP** with a maximum amount of \$16,000, which is 20% of the purchase price. In this example, the buyer would have to contribute \$1,000 plus 4% of the \$80,000 sale price, or \$4,200, for purchase and costs such as deposit, fees, insurance, inspections,...)

### HOUSEHOLD INCOME ELIGIBILITY 2018

Household size	1 person	2 persons	3 persons	4 persons	5 persons
Maximum income	\$37,350	\$42,700	\$48,050	\$53,350	\$57,650

Call City Hall 570-327-7513 or visit City Web Site at <http://www.cityofwilliamsport.org> to apply.

*The Housing creates jobs and a demand for local products. HUD housing programs provide a **big bang** for just 3% of the federal budget. WE bring affordable homes, home repair programs and homelessness services to our community. **Please voice support for these programs!***