



Pike County First-Time Homebuyer Program Program Overview

This project was financed by a grant from the federal Department of Housing and Urban Development, under the administration of the Commonwealth of Pennsylvania, Department of Community and Economic Development.

Revised April 4 2024

Overview of the Program

Pike County's First Time Homebuyer Program was created to assist low- to moderate-income households purchase their first home. This program is funded by a Community Development Block Grant (CDBG) from the federal Department of Housing and Urban Development, under the administration of the Commonwealth of Pennsylvania, Department of Community and Economic Development.

The Pike County First-Time Homebuyer Program provides loans to eligible first-time buyers of Pike County homes. These loans provide up to fifty percent (50%) of down payment to help with the cost of the house and closing costs. We secure the investment in our communities by placing a lien on the property for 5 years or until the property is sold. For each year you stay in your home, 20% of the loan is forgiven. The loan is completely forgiven if the homebuyer stays in the house for at least 5 years.

Your annual household income cannot exceed 80% of the median income for Pike County as determined annually by HUD. You must complete a HUD certified/affiliated Homebuyer Education Counseling Program from an accredited agency before closing.

Assisted buyers should make reasonable and meaningful contributions to their home purchase in terms of both up-front investments and monthly payment without being overburdened by their monthly payment or left without cash reserves after closing.

Pike County anticipates providing assistance to at least 15 first-time homebuyers.

Each assisted household will meet the following criteria as well as all other relevant state and federal regulations as described in the local underwriting policy:

- Purchasers must have income below 80% of the area median
- Participants must not have owned a home for the past three (3) years
- The home must be the participant's primary residence
- Applicants must be a U.S. Citizen or legal resident
- Participating households must present a certificate documenting that they have participated in eight (8) hours of first-time homebuyer counseling before closing
- The home must be located in Pike County
- The home must not be located in a floodplain

Eligible applicants are served on a first-come, first-served basis. Applications will be processed in the order they are received until funds are exhausted. Eligible applicants are served on a first-come, first-served basis. Applications will be processed in the order they are received until funds are exhausted. Home Buyers will receive 10% of the purchase price. Matching their down payment and applying remaining funding of the 10% towards closing cost and principal reduction.

The loan-to-value (LTV) ratio of all debt to be secured by the property shall be between 95 and 100% of the sales price.

Homebuyer Counseling

NeighborWorks Northeastern Pennsylvania's mission is to "revitalize neighborhoods and create opportunities for individuals and families to improve their lives through quality housing and financial guidance." This mission closely aligns with the Pike County First Time Homebuyer Program. Through a joint collaboration with Pike County, NeighborWorks Northeastern Pennsylvania will administer the program to ensure the targeted populations (80% of AMI) have access to funds which will promote low- to modest-income households to homeownership.

NeighborWorks Northeastern Pennsylvania will offer all applicants education services through their HUD and PHFA accredited housing counseling programing, with their certified HUD housing counselor(s). The education curriculum incorporates homebuyer workshops and Financial Capabilities Coaching, which encompasses budgeting, credit, savings planning, homeownership sustainability, and foreclosure prevention education. Requiring all applicants to complete homebuyer education and counseling ensures homebuyers have access to affordable and sustainable homeownership.

These services will ensure that recipients are receiving funding amounts which take into consideration their personal financial needs while acting as a prevention to homeownership instability.

Pike County recognizes the importance of homeownership stability as a revenue source for the county, communities, schools, and tax base, communities, schools, and tax base. Pike County First Time Homebuyer Program will alleviate the cost burden and lower the overall borrowed amount to encourage continued investment into Pike County.

The Pike County First Time Homebuyer Program will Affirmatively Further Fair Housing by offering program funds to all persons regardless of race, color, religion, nationality, sex, and age. The program will better align with modern financial products to encourage area professionals to utilize funds and assist homebuyers in becoming sustainable homeowners.

Program Management

Pike County First Time Homebuyer Program will be administered by Pike County Human Services. Pike County will market the program to potential applicants and community partners. NeighborWorks Northeastern Pennsylvania will provide education services. NeighborWorks Northeastern Pennsylvania will collaborate with all parties vested in the homebuying transaction to promote collaboration and continuity of program requirements. This program operates on a first-come, first-served program basis, and is contingent on the availability of funds.

Pike County Human Services staff will:

- Review pre-applications and confirm eligibility of program applicants
- Provide pre-application information to NeighborWorks Northeastern Pennsylvania
- Oversee application process
- Program oversight
- Compliance with HUD guidelines
- Provide funding (processing checks in a timely manner)
- Maintain files
- Reporting

NeighborWorks Northeastern Pennsylvania staff:

- First point of contact for clients after warm hand off from Pike County Human Services
- Provide at least eight (8) hours of first-time homebuyer counseling of beneficiaries – either in person, virtually, or a combination of both
- Maintain attendance and/or participation records for all participants
- Ensure that counseling services meet criteria established in 24 CFR Part 214 and all other relevant federal and state regulations
- Provide all participants who complete eight (8) hours of first-time homebuyer counseling with a certificate of completion

Pre-Application

An online pre-application is available at: <https://pikecounty.iotform.com/240665589492067>

Applicants will receive a copy of their application via email. They will have the option to save their application and continue it later.

Upon request, assistance with completing an application will be provided by scheduling an in-person appointment with the Office of Human Services staff.

If requested, the application will be provided in languages other than English.

Income Eligibility

Income Eligibility	
Household Size	Income Limit
1-Person	\$53,850
2-Person	\$61,550
3-Person	\$69,250
4-Person	\$76,900
5-Person	\$83,100
6-Person	\$89,250
7-Person	\$95,400