



**DELAWARE COUNTY HOMEOWNERSHIP FIRST REVITALIZATION PROGRAM
CHESTER COMMUNITY IMPROVEMENT PROJECT**

Letter to Realtor

April 29, 2021

To Whom It May Concern:

_____ has successfully completed first time homebuyer pre-purchase counseling offered by our agency. We intend to provide financial assistance in an amount not to exceed \$5,000 towards down payment and/or closing costs to enable the purchase of a first home. Financial assistance is contingent upon compliance with the Delaware County Homeownership First requirements and Agreement of Sale requirements identified below.

DELAWARE COUNTY HOMEOWNERSHIP FIRST REQUIREMENTS:

- 1. INCOME ELIGIBILITY:** Verification of income eligibility for the Program is applicable for a six-month period. A new income eligibility determination conducted by the housing counselor will be required if more than six months has transpired from the initial verification to the estimated date of closing.
- 2. ELIGIBLE PROPERTIES:** Homes purchased can be new or existing single-family, residential owner-occupied houses (detached, twin, townhouse, row house or condominium) which are located within Delaware County and have a maximum sales price of \$220,000. All homes purchased must comply with the U.S. Department of Housing and Urban Development (HUD) Housing Quality Standards (HQS). **Please note that renter occupied properties, duplexes and properties that are located in and pay property taxes to Chester City, Haverford Township or Upper Darby Township are not eligible.**
- 3. HOUSING QUALITY STANDARDS (HQS):** Federal law requires that all properties assisted through the Homeownership First Program must meet the HUD HQS property standards. A home inspection conducted by a certified home inspector is required for all properties. In addition to the home inspection report, the home inspector must complete the HUD Housing Choice Voucher Program HQS Inspection Form. The full home inspection report and HUD Housing Choice Voucher Program HQS Inspection Form must be submitted to the housing counselor for review and approval. All HQS failing items must be corrected by the seller with seller funds prior to settlement. In some cases, there may be a discrepancy between the home inspection report and the HUD HQS Inspection Form. After review of both documents, the housing counselor may require the seller to address any home inspection issues that are not identified on the HUD HQS Inspection Form but have been identified in the full home inspection report and are deemed to affect the compliance of the property with HUD HQS property standards.
- 4. FINANCING:** All fees must be reasonable and are subject to review and approval of the housing counselor. All lender commitment letters, pre-approvals and loan estimates must be submitted to the housing counselor for review at least 10 business days prior to closing. The first mortgage must be at



or below market rates (30-year treasury rate + 200 basis points) with no more than 3 points charged by the lender and have a maximum of 5% down payment or 95% LTV. In addition, the front-end ratio cannot exceed 35% and the **back-end ratio cannot exceed 45%**.

AGREEMENT OF SALE REQUIREMENTS:

THE FOLLOWING ITEMS MUST BE INCLUDED IN ANY AGREEMENT OF SALE IN ORDER FOR THE CLIENT TO RECEIVE THIS ASSISTANCE:

1. PROPERTY INSPECTION CONTINGENCY

The following example incorporates Delaware County's Homeownership First Program requirements into a standard home inspection addendum. If you are using a different format, please make certain that all information in bold italics is included in the addendum.

Within ten (10) days of the execution of this Agreement of Sale, Buyer shall, at Buyer's expense, have the following inspections/certifications completed by a certified professional contractor or home inspection service that is a full member in good standing of a national home inspection association as defined in the Pennsylvania Home Inspection Law (Act 114). All home inspectors must document compliance by providing the nonprofit and Buyer with an executed "Pennsylvania Home Inspector Compliance Statement".

- √ General Property Inspection
- √ **U.S Department of Housing and Urban Development (HUD) Housing Choice Voucher Program Housing Quality Standards (HQS) Inspection.**
- √ The Home Inspector must provide a current certificate of insurance to the Buyer prior to executing a contract for inspection services.

Seller agrees that all HQS failing items shall be corrected, prior to settlement with seller funds; otherwise, this Agreement of Sale is NULL and VOID and all deposit money will be returned to the Buyer.

2. FUNDING CONTINGENCY

Please add this to the special clauses section of the Agreement of Sale:

"This Agreement of Sale is contingent upon the Buyer receiving financial assistance from Chester Community Improvement Project, acting as agent for the County of Delaware."



3. VOLUNTARY ACQUISITION NOTICE CONTINGENCY

Please add this to the special clauses section of the Agreement of Sale:

“The Voluntary Acquisition Notice shall be deemed incorporated and made part of the Agreement of Sale.”

Please note that the Voluntary Acquisition Notice must be signed by the seller as part of the execution of the Agreement of Sale. This Letter to the Realtor along with the Voluntary Acquisition Notice and the Agreement of Sale must each be executed together on the same date or the agreement will be rejected.

4. MORTGAGE CONTINGENCY

The Agreement of Sale is contingent upon the Buyer obtaining a mortgage at or below market interest rate (30-year treasury rate + 200 basis points) with no more than three 3 points charged by the lender.

5. APPRAISAL CONTINGENCY

This Agreement of Sale is contingent upon the seller agreeing to adjust the sale price to the appraised value, IF the appraised value is lower than the sale price. If the seller chooses not to adjust the sale price to the lower appraised value, then this Agreement is null and void. The buyer shall have the option of proceeding with this Agreement without Homeownership First Program financial assistance.

6. TIME CONTINGENCY

The Agreement of Sale shall allow a minimum of sixty (60) days from the date of the Agreement to the date of settlement.

7. LEAD BASED PAINT CONTINGENCY

The following language must be incorporated into the Agreement via an addendum.

This Agreement of Sale is contingent upon compliance, by all parties, with the following:

If the property was built prior to 1978, a visual inspection for “defective paint surfaces”, defined as, any intact and non-intact interior and exterior painted surfaces of a residential structure on which the paint is cracking, scaling, chipping, peeling, or loose, must be conducted as a component of the home inspection. If “defective paint surfaces” are identified, this Agreement of Sale is NULL and VOID and all deposit money shall be returned to the Buyer. The only exception is when the defective paint surfaces are localized in one small area (less than 2 square feet within the unit and less than 20 square feet on exterior surfaces) and the Seller agrees, at their expense, to have that area tested for lead based paint by a certified lead based paint inspector or risk assessor. If the paint is determined to contain no lead or an amount of lead below the HUD prescribed levels, then the seller may, at their expense, repair the defective paint surfaces prior to settlement. A re-inspection of the property shall be conducted by the home inspector prior to settlement to ensure that any and all HQS failing items, including defective paint surfaces, are properly corrected.



If there is an indication of lead but the amount is below the HUD prescribed levels, the Buyer may purchase the home only after signing a waiver releasing Chester Community Improvement Project, the County of Delaware and the Seller, from any and all liability. The Seller must, prior to any lead-based paint inspection, submit documentation to the Buyer and to Chester Community Improvement Project regarding the certification of the lead based paint inspector/risk assessor to be used by the Seller. In addition, the Seller must provide all results of the lead-based paint test(s) to both the Buyer and Chester Community Improvement Project.

All Agreements of Sale must be submitted to Chester Community Improvement Project for review to ensure the above listed contingencies are included in form and substance. You may fax the Agreement to our offices at (610) 876-3449. Responses to submissions will occur within a forty-eight (48) hour time period.

Please feel free to contact us at (610) 876-8663 if you have any questions regarding the Delaware County Homeownership First Program requirements or would like to obtain a copy of the HUD Housing Choice Voucher Program HQS Inspection Form.

Sincerely,

Annette Pyatt
Executive Director

**THIS LETTER DOES NOT CONSTITUTE A BINDING COMMITMENT TO PROVIDE FINANCING, IT EXPRESSES CHESTER COMMUNITY IMPROVEMENT PROJECT'S INTENT TO PROVIDE ASSISTANCE SHOULD SUCH FUNDS BE AVAILABLE AND THE CLIENT MEETS ALL PROGRAM REQUIREMENTS.
THIS LETTER WILL EXPIRE ON July 27, 2021.**

Buyer(s)	Date
Buyer(s)	Date
Seller(s)	Date
Seller(s)	Date



VOLUNTARY ACQUISITION NOTICE

Dear _____:

(Buyer) _____ is interested in acquiring property you own at

(Address) _____ for a proposed project, which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD).

Please be advised that (Buyer) _____ does not have authority to acquire your property by eminent domain. In the event you and the buyer cannot reach an amicable agreement for the purchase of your property, we will not pursue this proposed acquisition.

The buyer is prepared to offer you (\$) _____ to purchase your property. We believe that this amount represents the current market value of your property. Please contact the buyer at your convenience if you are interested in selling your property.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance.

If you have any questions about this notice or the proposed project, please contact

(Agency Contact Person) Larry Douglas (Title) Housing Program Manager,
(Address) 23 East 5th Street 2nd Floor, Chester, PA 19013 (Phone) 610-876-8663.

Sincerely,

April 27, 2021

Annette Pyatt
Executive Director

Date

Received By:

Buyer _____

Date _____

Buyer _____

Date _____

Seller _____

Date _____

Seller _____

Date _____