

# Housing Authority of the City of Pittsburgh

## Homeownership Program

### Minimum Eligibility & Steps to Becoming a Homeowner

#### Minimum Eligibility

- If Tenant/ Buyer is currently an HACP Public Housing or Housing Choice Voucher Program (Section 8) resident they are eligible to participate in the Homeownership Program.
- If Tenant/ Buyer is currently not an HACP Public Housing or Housing Choice Voucher Program (Section 8) resident and wishes to enter the Homeownership Program they must receive a letter of homeownership eligibility from the Occupancy Department prior to entering into the Homeownership Program.
  - Upon completion of participation steps one through three, please contact the Homeownership Program at 412-456-5062 to schedule an appointment with our Occupancy Department staff.
- Tenant/ Buyer must be a first-time homebuyer
- Tenant/ Buyer must purchase a home within the City of Pittsburgh
- One or more adults in the household must have a minimum annual income of \$17,000 year and must be working full-time (30 hours per week for at least one year)
- Families with elderly or disabled head of households are must have a minimum annual income of \$17,000 but are not required to work full-time (30 hours a week for at least a year)
- Tenant/ Buyer must attend and complete a homeownership counseling program

#### Steps to Purchase Your Home

**STEP 1: *Enroll in a Homeownership Education Class.*** Tenant/ Buyer must enroll in a mandatory eight-hour education class held at: Urban League of Pittsburgh, 610 Wood Street Pittsburgh, PA 15222. To do so, call Paulette Tarrant of the Urban League of Pittsburgh at 412-227-4815; fax: 412-471-6199; email:

ptarrant@ulpgh.org. Upon completion of the class, you will receive a certificate; you are to provide the Homeownership Program a copy of this certificate.

**STEP 2: *Obtain a financial credit score at the Urban League of Pittsburgh.*** In addition to taking the education class, Tenant/ Buyer should meet with an Urban League credit counselor to obtain their financial credit score and review their finances. If a tenant's credit score is below 620, Urban League will aid the tenant to help them restore their credit with credit counseling and credit restoration.

**STEP 3: *Obtain a mortgage pre-approval letter and closing cost estimate.*** Upon completion of Step 2 which includes Tenant/ Buyer completing a Homebuyer Education Class, having their finances in good order, and a credit score of 620 Tenant/buyer is referred to a local bank lender. Tenant/Buyer is to make a mortgage pre-approval application to determine if they qualify for a mortgage. The Lender will provide a mortgage pre-approval letter which states how much money the bank is able to loan to the Tenant/ Buyer in the form of a mortgage. The lender will also provide a closing cost estimate which will detail the cost associated with obtaining the mortgage. HACP requires tenant buyers to request a mortgage pre-approval letter and closing cost estimate that reflects the highest amount of mortgage they are eligible to receive from the lender. The assistance amount will be determined using the closing cost estimate provided by the Lender and income and family composition as verified by HACP.

**STEP 4: *Submit your Homebuyer Education certificate, mortgage pre-approval letter, and corresponding closing cost estimate to the Homeownership Program contact information below.*** If you are not a currently an HACP Public Housing or Housing Choice Voucher Program (Section 8) resident please contact the Homeownership Program so that an appointment with the Occupancy Department can be arranged. You must receive a letter of Homeownership Eligibility from the Occupancy Department prior to entering into the Homeownership Program.

HACP Homeownership Program  
200 Ross Street, 6th Floor  
Pittsburgh, PA 15219-2068  
Phone: 412-456-5062, Fax: 412-456-5259  
Email: [DeAnna.Vaughn@hacp.org](mailto:DeAnna.Vaughn@hacp.org)

**STEP 5: *HACP will provide you with a Homeownership Program Eligibility Letter.*** This letter will advise you of your estimated closing cost assistance amount of up to \$8,000 and estimated soft second mortgage amount of up to \$52,000. HACP's soft second mortgage is a forgivable mortgage with no monthly payment

provisions and a term of only 10 years. If Tenant/ Buyer is eligible for a soft second mortgage they must utilize the full amount of your pre-qualified first mortgage prior to applying the soft second mortgage to increase their purchase capacity when placing an offer to purchase a home. It is the responsibility of the Tenant/ Buyer to inform their Realtor of this requirement.

**STEP 6: *Shop to purchase your home. Before the tenant/buyer makes an offer to purchase a home, please contact HACP's Homeownership Program at 412-456-5000, ext. 2301.*** While shopping to purchase a home please keep in mind that the HACP requires the Tenant/Buyer to provide the sales contract and closing cost estimate of the home that they wish to purchase to be reviewed prior to making the offer i.e. prior to full execution. The sales contract should include a contingency clause providing the purchaser is not obligated to pay for any necessary repairs as cited within the home inspection and/or appraisal report and include any soft second mortgages not provided by HACP if applicable. The closing cost estimate should reflect accurate monthly property taxes and include any soft second mortgages and/or closing cost assistance not provided by HACP.

- ***The Homeownership Program will review Tenant/ Buyer's offer before it is submitted to the seller.*** Upon review of the offer and closing cost estimate corresponding to the selected home the Homeownership Program will provide a Homeownership Approval Letter for the selected property advising of the approved second mortgage and closing cost assistance amount.
- ***Sales Agreement and Seller Certification Form***  
HACP may not approve a home for sale if HACP has been informed by HUD that seller is debarred, suspended, or subject to limited denial of participation. HACP may deny approval of seller for any reason stated above. HACP can provide the Seller Certification Form upon request.

**STEP 7: *The tenant/ buyer makes an offer to purchase a home with a sales agreement.*** Once the sales agreement is fully executed i.e. signed by both the tenant/buyer and the seller(s) there are typically 10 days allotted for the tenant/ buyer to complete the following:

- ***Complete a home inspection by an independent professional.*** They must provide a copy of the inspection report to both the tenant/buyer and to HACP typically within the first 10 days of the offer being accepted. Items cited within the inspection report as "Poor" or "Fail" must be repaired by owner prior to closing. Tenant/ buyer is not permitted to pay for any necessary repairs that may be uncovered upon inspection. HACP will

reimburse the buyer for the cost to obtain an independent property inspection.

- ***Meet with your Lender to make a mortgage application.*** Your Lender will provide you with disclosures to sign which includes 1.) The Uniform Residential Loan Application 2.) Loan Estimate. These disclosures will be used to determine the amount of financial assistance you will receive from the Homeownership Program. You are to fax mail or email these disclosures to the Homeownership Program as listed in STEP 4. HACP will not issue assistance funds without receipt of these documents. The maximum amount of closing cost assistance is \$8,000 for homeowner's insurance, home warranty, and closing costs. You the tenant/buyer must pay the prepaid city, county and school taxes due at closing. Also the Tenant/buyer is required to pay at least 1% of the purchase price from their own reserve funds. For example: if your home purchase price is \$50,000 you will have to pay \$500 of your own money towards the settlement cost associated with the purchase of the home.

***STEP 8: You will have a loan closing upon completion of your purchase process.*** When your mortgage application gets approved by the lender a loan closing will be scheduled where you will sign the final documentation to purchase your home and receive the keys to your new home. The closing company, also known as a settlement company and/or the lender will provide the Tenant/ Buyer with a settlement statement, also known as a Closing Disclosure or CD form approximately 10-5 days before your closing. Please remember to bring photo identification such as a driver's license to the closing and you must use a cashier's check to pay your portion of the settlement cost – cash, money orders, and personal checks are not accepted. It is the buyer's responsibility to have all utilities put in their name as of the date of closing.