

Housing Authority of the City of Pittsburgh Homeownership Program

Eligibility and Steps to becoming a Homeowner

Tenant Minimum Eligibility Requirements

- Must be a current HACP Public Housing or Housing Choice Voucher Program (Section 8) resident;
- Must be in either HACP public housing or receiving Section 8 Voucher assistance or you have received a letter of eligibility from the HACP Occupancy Department before you are eligible to receive Homeownership Program benefits;
- Must be a first-time home buyer;
- Homes purchased through the program must be single-family homes located within the City of Pittsburgh;
- Must have a minimum annual income of \$17,000 year; and,
- Must be working full-time (30 hours week for at least one year), this goes for any HACP resident including senior citizens and persons with disabilities.

Homeownership Program – Steps to Purchase Your Own Home

STEP 1: Enroll in a Homeownership Education Class. Tenants must enroll in a required 8-hour education class held at:

Urban League of Pittsburgh
610 Wood Street
Pittsburgh, PA 15222

To enroll in the class, call Jack Lewis, Homeownership Program Manager, at 412-456-5000, ext. 2301.

If you are not currently a HACP public housing tenant or you are not on Section 8, you must apply for and receive a letter of eligibility from the HACP Occupancy Department. To do so, you need to apply for Public Housing or Section 8 at our Occupancy Department, who can be reached at: 412-456-5030, or at:

100 Ross Street, 4th Floor
Pittsburgh, PA 152193

STEP 2: Obtain a financial credit score at the Urban League of Pittsburgh. While the Public Housing or Section 8 tenant is taking the Urban League education class, they should simultaneously meet with an Urban League credit counselor to obtain their financial credit score and review the tenant's finances.

To do so, call Paulette Tarrant of the Urban League of Pittsburgh at 412-227-4815; fax: 412-471-6199; email: ptarrant@ulpgh.org.

Before you can proceed to Step 3, a bank or mortgage lender requires a minimum tenant financial credit score of at least 620.

If a tenant's credit score is below 620, the tenant is provided credit counseling and credit restoration.

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. Upon completion of Step 2 which includes completing Urban League Education class and obtaining a tenant credit score of at least 620 along with having their finances in good order, then the tenant/buyer is referred to banks such as First Niagara Financial Group, Huntington Bank, ESB Bank or Dollar Bank where the tenant/buyer will make an application to determine if they qualify for a Mortgage Pre-Approval letter. Provided below is a list of potential lenders.

Potential Lenders Include:

Wells Fargo Home Mortgage

Contact: Lisa A. Wilds
412-298-5581, cell
724-942-9530, office
877-302-6183, fax
lisa.a.wilds@wellsfargo.com

First Niagara Financial Group

11 Stanwix Street
Pittsburgh, PA 15222
Contact: Patricia Markus
412-378-8614
412-522-3503, cell
585-397-1487, fax
patricia.markus@fnfg.com

Dollar Bank

3 Gateway Center
First Floor, East
Pittsburgh, PA 15222

Contact Person:

Terri Stefanko, Mortgage Officer, Residential Lending
2700 Liberty Ave., Pgh., PA 15222

[412-925-6507](tel:412-925-6507)

tstefanko842@dollarbank.com

ESB Bank

Jonathan Newell
Assistant Vice-President
724-934-8988
jnewell@esbbank.com

PNC Mortgage

Jason Frye
Mortgage Loan Officer
120 Fifth Ave., Pgh., PA 15222
412-762-8873
jason.frye@pncmortgage.com

The banks will provide the tenant/buyer with a mortgage pre-approval letter and the letter will state the mortgage amount that a lender is willing to provide the tenant/buyer. Essentially, the Mortgage Pre-approval letter states how much money the bank is able to loan the tenant/buyer for a home mortgage.

STEP 4: Submit your mortgage pre-approval letter to the HACP Homeownership Program. Make sure your mortgage pre-approval letter includes your Gross Annual Income that was used by the bank or lender to determine the home loan amount you qualify for.

When a tenant/buyer receives their Mortgage Pre-approval letter from the bank, tenant/buyer is to fax or mail a copy of their mortgage pre-approval letter to:

HACP Homeownership Program

Jack Lewis
200 Ross Street, 6th Floor
Pittsburgh, PA 15219-2068
Phone: 412-456-5000, ext. 2301
Fax: 412-456-5259
Email: jack.lewis@hacp.org

STEP 5: Shop to purchase your home. Tenant/buyers who have received a mortgage pre-approval letter are financially qualified homebuyers shopping to purchase a home within the City of Pittsburgh. Before the tenant/buyer makes an offer to purchase a home, please talk to Jack Lewis of the Homeownership Program, available at 412-456-5000, ext. 2301.

Sales Agreement and Home Inspection:

1. The home must be inspected by an independent professional and selected by the buyer. The independent inspector must provide a copy of the inspection report to both the buyer and to HACP. Items cited within the inspection report as "Poor" or "Fail" must be repaired by owner prior to closing. HACP shall have discretion to disapprove the unit for assistance under the homeownership option.
2. A contingency clause must provide that the purchaser is not obligated to pay for any necessary repairs cited as home deficiencies within the inspection report.
3. The seller is required to pay for any necessary repairs as cited within the inspection report.
4. HACP will reimburse the buyer for the cost to obtain an independent property inspection.

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 6: The tenant/buyer makes an offer to purchase a home with a sales agreement. Once the sales agreement is signed by both the tenant/buyer and the seller(s) of the home, the tenant/buyer is to fax or mail the signed sales agreement to the Homeownership Program, as listed in STEP 4.

Once the Homeownership Program receives your signed sales agreement, together we will guide you through the few remaining steps.

Tenant/Buyer Closing Costs

Once you the tenant/buyer have a signed sales agreement, what closing costs are you the tenant/buyer responsible for paying?

Section 8 Tenant/Buyers Closing Costs Obligations

The maximum amount of financial assistance is \$7,000 for homeowner's insurance, home warranty, and closing costs assistance. This benefit is for both public housing and Section 8 buyers.

1. If you are a **Section 8 tenant/buyer**, you must pay at least a **1% down payment** of the sale price of your home. For example: if your home purchase price is \$50,000, you will have to pay \$500 for closing costs.
2. **You the tenant/buyer must pay the prepaid City, County and School taxes due at closing.** The closing company, also known as a settlement company, will provide you with a settlement statement, also known as a HUD-1 form. The closing company will provide you with a HUD-1 form approximately 3-5 days before your closing. The closing day is the day you sign the agreements to purchase your home. The HUD-1 statement will list in detail the amount of prepaid City, County, and School taxes you will pay at closing.
3. You, the Section 8 tenant/buyer, may be required to pay private mortgage insurance (PMI) that may be required by the lender.
4. The Housing Authority Homeownership Program may pay other closing costs for you the tenant/buyer up to a maximum amount of financial assistance of \$7,000 for homeowner's insurance, home warranty and closing costs assistance.

Please remember:

Bring photo identification such as a driver's license to the closing and you must use a cashier's check to pay your down payment and prepaid City, County, and School taxes. You cannot use personal checks at closing.

It is the buyer's responsibility to have all utilities put in their name as of the date of closing.