HOME

HOMEBUYER ASSISTANCE PROGRAM

APPLICATION

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

401 Main Street

Johnstown PA, 15901

814-539-2504 ext. 118

CITY OF JOHNSTOWN, PA HOMEBUYER ASSISTANCE PROGRAM (HAP)
INCOME AND PURCHASE PRICE LIMITS

HUD, generally on an annual basis, updates HUD HOME Income Limits and the 95% Value Limits for the purchase of existing properties. These limits usually update in June of the current year and have an effective date. The current limits are as follows:

FY2026 guidelines are as follows based on household size:

1 Person	2 Person	3 Person	4 Person
$48,300	**$55,200**	**$62,100**	**$68,950**
5 Person	**6 Person**	**7 Person**	**8 Person**
$74,500	**$80,000**	**$85,500**	**$91,050**

Source:

https://www.huduser.gov/portal/datasets/home-datasets/files/HOME_IncomeLmts_State_PA_2024.pdf

The purchase value of the single family, dwelling cannot exceed the U.S. Department of Housing and Urban Development's (HUD's) HOME Program 95% value limits for an existing home. The current limit is $219,000 for a single-family dwelling.

CITY OF JOHNSTOWN, PA
JOHNSTOWN HOMEBUYER ASSISTANCE PROGRAM (HAP)

APPLICATION

I. HOUSEHOLD INFORMATION:

Name: _____

Address: _____

_____

Home Phone: _____ Work Phone: _____

Current Housing Status: Own _____ Rent _____

Do You Currently Live in HUD-Assisted Housing? Yes _____ No _____

Have You Previously Owned a Home? Yes _____ No _____

Have You Completed a HUD approved Housing Counseling Course within the Past 12 Months?
Yes _____ No _____

Was there a charge for your Housing Counseling Course? Yes _____ No _____
(If so, please bring verification of the amount that you paid.)

Number of Persons in Household: _____ Gross Annual Household Income: $ _____

Please List All Sources of Household Income Received by Each Household Member (over 18 years of age):

Name of Household Member	Source of Income	Gross Amount Per Pay	Number of Pays Per Year

(Please see the attached Checklist for required verification documents regarding household income and housing counseling.)

Please List All Assets Below, including but not limited to:

- Cash held in savings accounts
- Checking accounts
- Certificates of deposit
- Safe deposit boxes
- Trusts
- Stocks
- Bonds
- Retirement accounts
- Investment property
- Cash surrender of life insurance policies
- One-time receipts such as money received from an estate, etc.

(Do not include necessary personal property, such as vehicles, clothing, and furniture.)

Name of Household Member	Type of Asset	Current Balance	FOR OFFICE USE ONLY: Actual Income from Asset

(Please see attached Checklist for required verification documents regarding assets.)

II. PROPOSED DWELLING:

Dwelling Address:

_____

_____

Current Status of Dwelling: Vacant _____ Occupied _____

Dwelling Type: Single Family Attached _____ Single Family Detached _____

Name of Current Property Owner:

_____

Current Property Owner's Phone Number: _____

Agreed Upon Price for Dwelling: $ _____

Name of Realty Company: _____

Realty Company Telephone Number: _____

Name of Realty Company Contact Person: _____

Will this Dwelling be Your Primary and Principal Place of Residence? Yes, _____ No _____

Name of Mortgage Company/Bank: _____

Mortgage Company/Bank Contact Information:_____

Mortgage Company/Bank Contact Person: _____

III. CERTIFICATION:

I, the undersigned, certify to the best of my knowledge, the above information is true and correct. Any false statements made knowingly and willfully may subject the signer to penalties under Section 1001 and 1010 of Title 18 of the United States Code.

_____ _____

Signature (Head of Household/Applicant) ***Date***

_____ _____

Signature (Co-Applicant) ***Date***

CITY OF JOHNSTOWN, PA
HOMEBUYER ASSISTANCE PROGRAM (HAP)
APPLICATION CHECKLIST

☐ PHOTO ID –

Photo ID for all adults that will reside in the property.

☐ HOUSING COUNSELING –

Homebuyers must earn their Homeownership Counseling Certificate through an approved HUD certified housing counseling agency prior to receiving a final financial assistance commitment for the home purchase. Evidence of having completed HUD approved housing counseling is required. Acceptable forms of documentation are as follows:

- PRE-PURCHASE COUNSELING CERTIFICATE
- LETTER OF COMPLETION (from course instructor/organization)
- CURRENTLY ENROLLED (evidence of enrollment and expected completion)

☐ HOUSEHOLD INCOME INCLUDES AND IS NOT LIMITED TO –

- Head of Household's income (i.e., employee salary; pension; social security; asset income; or other income).
- Income of any adult that will reside in the property (i.e., employee salary; pension; social security; asset income; or other income).

☐ INCOME DOCUMENTATION TO BE SUBMITTED FOR ANY ADULT LIVING IN THE PROPERTY –

- Income Tax Documents: Most current IRS 1040/1040A/1040EZ (signed and filed), Most current W-2 or SSA-1099A-SM Forms.
- Employment Stubs: Please submit the last two months of the most recent and consecutive, pay stubs for any adult that will live in the property.
- Business Income: Recent monthly or annual operating profit-loss statements, if the applicant or any other household member owns a business.
- Other Income Sources Received Regularly: Including Veterans' Administration (VA) payments, unemployment compensation, alimony and child support payments, regular contributions or gifts from organizations or from persons not residing in the dwelling, or any other relevant sources.
- Bank Statements: Please submit last two months of bank statements, most recent consecutive, for any adult that will be living in the property.

☐ LOAN PRE-APPROVAL DOCUMENTATION MUST ALSO BE SUBMITTED –

• A pre-approval letter from mortgage lender.

☐ SALES AGREEMENT (When signed).

PLEASE NOTE: YOUR APPLICATION WILL NOT BE PROCESSED UNLESS ALL REQUIRED DOCUMENTATION IS SUBMITTED WITH THE APPLICATION.

CITY OF JOHNSTOWN, PA

HOMEBUYER ASSISTANCE PROGRAM (HAP)
TERMS AND CONDITIONS

The following are the key terms and conditions of the City of Johnstown's Homebuyer Assistance Program. Please read carefully.

1. The applicant must be a homebuyer purchasing a dwelling as their primary residence. Under the HOME Program's regulations, a qualifying applicant for the HAP must be a low- and moderate-income person, family, or household as defined under HUD's HOME Program Income Guidelines (24 CFR Part 5) for the Johnstown Metropolitan Statistical Area (MSA). Gross household income must be less than 80% AMI. The HOME Income Limits are based on HUD estimates of median family income, with adjustments based on family size. The income guidelines are subject to change. See Exhibit A for current income limits.

2. The dwelling to be purchased must meet the following criteria:

    - The dwelling unit must be located within the corporate limits of the City of Johnstown.
    - It must be in compliance with the minimum property maintenance code for the City of Johnstown HOME Rehab Standards or be capable of being brought up to both jurisdictions' standards prior to occupancy.
    - It must be a: 1) a single family attached or detached residential unit; 2) a single family attached or detached unit occupied by a tenant (an eligible household) who wishes to purchase the unit; or 3) a single family attached or detached unit occupied by a homeowner who wishes to sell the unit to an eligible household.
    - It must not contain evidence of defective paint surfaces (i.e., surfaces upon which paint is cracking, scaling, chipping, peeling or loose) on all intact and non-intact interior and exterior painted surfaces. If the dwelling unit contains defective paint surfaces, the City of Johnstown reserves the right to deny homebuyer assistance through the HAP for the purchase of the subject property until the conditions are corrected.
    - The potential purchaser is responsible for having a pest inspection complete including at a minimum a termite inspection.
    - It will be occupied as the primary and principal residence of the homebuyer during the 5-year period of affordability as referenced in the City's Recapture Provisions of the HOME Program. Rental properties (whether for primary or secondary uses) are not eligible.
    - The purchase of the dwelling unit cannot be financed through a lease purchase agreement, land contract, or seller financing.

3. The HAP requires all applicants to complete a HUD approved certified housing counseling course prior to receiving a final financial assistance commitment for the housing purchase. Evidence of attendance and completion of a HUD certified housing counseling course is required. A list of HUD certified Housing Counseling Agencies that provide housing counseling courses can be obtained from the City. Acceptable forms of evidence include a certificate of completion and/or letter from the course instructor/entity.

4. There is no fee associated with completing the Application. An application is required to be completed by all households interested in participating in the Homebuyer Assistance Program. The Application will assist the City in determining if the household and dwelling unit qualify for the Program. Please see Exhibit "B" Homebuyer Assistance Program (HAP) City of Johnstown Application.

5. The City of Johnstown will provide up to $24,500 as a forgivable loan to eligible and approved applicants to cover the costs associated with reasonable down payment and closing cost expenses. The total amount of assistance provided will be determined on a case-by-case basis. The approved applicant must provide a minimum of $500.00 or three percent (3%) of the total sales amount, whichever is the lesser of the two.

6. Program assistance is provided in the form of a deferred payment, second mortgage loan. The HAP provides a 0% interest forgivable loan with a term of five (5) years. The City will place a lien on the property purchased with HOME assistance funds and the City will subordinate to the first mortgage. The City will not accept a third lien position, except in a hardship case. If after the five (5) - year period of affordability expires, the HAP applicant has maintained ownership and has continued to live in the property assisted through the HAP, the loan is forgiven as a grant. However, if the HAP applicant sells, leases, or transfers the property or fails to use it as their primary and principal residence during the five (5) - year period of affordability, the HAP applicant will be required to repay the appropriate amount of HAP assistance to be determined based on the Recapture Provisions of the HOME Program. Confirm with Johnstown's Community and Economic Development the dates that set the period of affordability.

7. Upon the sale or transfer (voluntarily or involuntarily) of the property before the five (5) - year period of affordability expires, recapture will be triggered and the City will recoup all or a portion of the direct subsidy, limited to net proceeds, to the extent that sufficient funds remain. Confirm with Johnstown's Community and Economic Development the dates that set the period of affordability. Net Proceeds are defined as the sales price minus the superior non-HOME loan repayment minus closing costs related to the sale (but not the original purchase of the unit). From the available net proceeds, the City will distribute the funds as follows: 1. The homeowner will recover the amount of the down payment that the homeowner contributed in cash; 2. The homeowner will recover the cost of documented permanent capital improvements made to the property by the owner since the purchase; 3. From the proceeds remaining after items one and two are paid, the City will recapture up to the full amount of the HOME assistance (the Mortgage Loan Amount), and the remaining amount, if any, will be remitted to the homeowner; and 4. In the event that net proceeds are not sufficient to pay the above, the City will permit the homeowner to recover up to their entire investment (down payment and documented capital improvements) and the recapture requirement will be considered satisfied.

8. During the five (5) - year loan term, the approved applicant must keep the dwelling and related property in compliance with the minimum property maintenance code requirements of the City of Johnstown. Furthermore, the City reserves the right to inspect said dwelling and related property at any time during the five (5) - year period in order to monitor compliance with the property code.
9. The following affordability requirements shall be applied:
    - A 35 percent guideline of monthly housing cost (i.e., mortgage payment of Principal and Interest, estimated property Tax and Insurance – PITI) versus monthly gross income shall be used to analyze affordability.
    - The buyer's total dept to income ratio should not exceed 43%. Total dept includes principal, interest, taxes, and insurance, car loans, student loans, credit cards, etc.
    - Purchase value of the dwelling cannot exceed HUD's HOME Program homeownership value limit for existing HOME units. The homeownership value limit are subject to change. See Exhibit A for current purchase price limits.

I/We understand and agree to abide with the above-referenced terms and conditions.

_____ _____

Applicant's Signature (Head of Household) ***Date***

_____ _____

Co-Applicant's Signature (Spouse or Partner) ***Date***