



FIRST TIME HOME BUYER PROGRAM GUIDELINES

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

401 Main Street
Johnstown PA, 15901
814-539-2504 ext. 118

FIRST TIME HOME BUYER
PROGRAM GUIDELINES

The City of Johnstown has identified the need to expand home buyer assistance as an objective in various planning documents such as the Comprehensive Housing Affordability Strategy, the Enterprise Community Strategy, and its Consolidated Plan. The City has developed a program entitled, “First Time Home Buyer Program” designed to assist first time home buyers with the purchase and rehabilitation of an existing single-family home within the City’s corporate limits. Local lending institutions have offered to participate in the program by providing first mortgage loans to eligible, credit-worthy applicants.

Objectives of the Program:

- To assist eligible first-time home buyers, purchase and single-family home within the City of Johnstown and perform renovation activity with the use of the City’s rehabilitation loan funds.
- To stimulate the sale of existing houses in the City of Johnstown in a way that makes the transaction affordable to low- and moderate-income buyers.
- To assist renters in their transition to home ownership.
- To encourage residency in the City of Johnstown.
- To stabilize and enhance the local tax base.
- To create affordable housing partnerships with local lending institutions.
- To create safe, decent affordable housing that meets housing code standards, lead-based paint safe housing standards and energy improvements. The rehabilitation funds may also be used to meet the city’s sewage compliance certification.
- To assist eligible first-time home buyers with eligible closing cost fees.

Program Requirements:

In order to qualify for the First Time Home Buyer Program, applicants must meet certain eligibility requirements as follows:

- Household income must not exceed the maximum allowance as established by the U.S. Department of Housing and Urban Development (HUD), Section 8 income limits. Below are the latest household income limitations, which are subject to change based on HUD’s public notifications.

Household Income Limits Summary for FY 2025

Household Members:	1	2	3	4	5	6	7	8
Maximum Income:	\$47,250	\$54,000	\$60,750	\$67,500	\$72,900	\$78,300	\$83,700	\$89,100

The residential property to be purchased must be located within the Johnstown City limits. City limits include:

- **Roxbury**
- **Moxham**
- **Hornerstown**
- **Walnut Grove**
- **Woodvale**
- **Prospect**
- **Minersville**
- **Cambria City**
- **Morrellville**
- **Coopersdale**
- **Oakhurst**

FIRST TIME HOME BUYER
PROGRAM GUIDELINES

- All utilities must be turned on prior to inspection and remain on throughout participation with the program.
- The applicant must agree to own, occupy, and maintain the residential property for a term of ten (10) years.
- The applicant may not own or have owned in the previous three (3) years, other residential real estate.
- The applicant must meet the primary lenders' standards for creditworthiness. Minimum credit scores do apply.
- The applicant must contribute a minimum down payment of 3%-5% (depending on lender requirements) of the total cost of the property.
- This program does not participate with Sheriff Sale Homes.

The applicant may also apply for the closing cost assistance grant of up to \$3,000, however they must be prepared to pay certain prepaid costs such as:

- **Appraisal Fee**
- **Homeowner Insurance**
- **Escrow Property Taxes**

Program Guidelines:

The First Time Home Buyer Program is designed to provide a source of financing that makes homes affordable to income eligible buyers and to assist in making needed repairs to the property. This is accomplished by the lending institution agreeing to provide a maximum mortgage loan equal to 80% of the appraised value of the property at a discounted interest rate. The City's deferred second mortgage, not to exceed \$22,000, will be available to the borrower in making needed repairs to the property. The repair work may include, but is not limited to, roof replacement, new windows and doors, wiring, furnace replacement porch repairs, vinyl siding, energy improvements and lead-based paint renovations.

The City's \$22,000 rehabilitation loan is a deferred mortgage loan at 0% interest for a term of ten (10) years. If the borrower owns, occupies, and maintains the property throughout the specified lien period, the City's loan funds will be fully satisfied, and the City's mortgage will be discharged from record. If the property is sold prior to the eligible ten (10) year term, the actual amount of repayment will be determined and due in full upon closing of sale. Forgiveness of the City's loan funds will not be made if the borrower fails to maintain the property or if the owner vacates the property.

Radon testing is mandatory. If test results indicate the need for mitigation, such mitigation must also be completed. The program will cover the costs of both testing and any required mitigation. All radon-related requirements must be satisfied prior to the rehabilitation of the residence.

The City's \$3,000 closing cost assistance loan is a deferred loan at 0% interest for a term of five (5) years. If the borrower owns, occupies and maintains the property throughout the specified lien period, the City's loan funds will be fully satisfied, and the City's lien will be discharged from record. If the property is sold prior to the eligible five (5) year term, the full amount of the borrowed funds will be due and payable upon closing of sale. Forgiveness of the City's loan funds will not be made if the borrower fails to maintain the property or if the owner vacates the property.

FIRST TIME HOME BUYER
PROGRAM GUIDELINES

Program Procedures:

- A prospective first-time home buyer may obtain an application from the Department of Community and Economic Development, office of Residential Development.
- Select one of the partnership lenders of your choice. Contact the identified bank representative to apply for a mortgage loan.
- Return the application to the Residential Development office with all required documentation and preapproval letter as noted in these guidelines. Our office is located at City Hall, Room 204, 401 Main Street, Johnstown, Pennsylvania 15901. You can reach our office by dialing 814-539-2504.
- Once pre-approved by your selected lender, you can begin the search for your new home. When you have selected a home and agreed on a purchase price with the seller, enter into a signed sales agreement. Be sure to have your Realtor contact this office prior to preparing your sales agreement.
- Provide a copy of the sales agreement to your lender and the City's Residential Development Office.
- The City will schedule the required property inspection in order to determine what renovation activity is required. All utilities must be on and functioning and must remain on throughout participation with the program. A preliminary work write-up and cost estimate will be prepared by the City's housing inspector and made available to the Residential Development Officer. If the property inspection is passed, a lead-based paint Risk Assessment and Paint Testing will be requested with a State Licensed Inspector.
- Once the lead report is reviewed, a final work write-up and cost estimate will be prepared for the borrower to review and approve. The final approved work write-up will be provided to your lender who will schedule the property appraisal based on the "as sits" improvement value.
- The loan closing date will be scheduled by your lender or the assigned closing agent. A city representative will contact the buyer to have the lien agreement signed for the Closing Cost Assistance prior to closing.
- The homeowner will select their choice of contractors from a list of approved firms, to submit a bid on the renovation activity. The lowest responsible bidder will be awarded the contract work.
- All payments to the contractor will be approved by you as the new owner of the property. All work will be monitored by our housing inspector who will also work closely with the homeowner until all contract work is complete.
- Radon testing is mandatory. If test results indicate the need for mitigation, such mitigation must also be completed. The program will cover the costs of both testing and any required mitigation. All radon-related requirements must be satisfied prior to the rehabilitation of the residence.

Required File Documentation:

The First Time Home Buyer applicant must provide a complete application and a copy of all household income to the City of Johnstown, Residential Development Officer. Income will include the following:

- Wages from employment
- Signed Employment Verification Release Form
- Taxable Interest Income
- Alimony
- Business Income (or loss) Capital gain (or loss)

FIRST TIME HOME BUYER
PROGRAM GUIDELINES

- Taxable amount of pension and annuity payments
- Taxable amount of social security payments
- Unemployment compensation payments
- Additional information may be required upon request

Re-cap of Procedures:

The following steps are a review on how *to* get started under the First Time Home Buyer Program:

- Select one (1) lender identified in the City's program guidelines. Contact the loan officer to schedule an appointment to apply for the mortgage loan.
- Once you have been approved by your lender, begin to search for your new home.
- Once you have selected a home, contact of the sales agreement (pre-approval) to your lender and City Hall with your application (see next step).
- Complete the City's loan application and return it, along with proof of income, to the Residential Development Office at City Hall.
- The City will schedule an inspection and advise your lender of the results. At this point, the lender you selected, and the City will work closely with you to finalize the purchase of your new home. Please allow 45-60 days for closing.
- If you have any questions or require assistance in completing the application, please contact our office at 814-539-2504.

FIRST TIME HOME BUYER
PROGRAM GUIDELINES

LOCAL PARTICIPATING LENDING INSTITUTIONS

1st Summit Bank

Julie A. Mikolich
600 Main Street
Johnstown, Pa 15901
jmikolich@1stsummit.com
814-535-3551

Somerset Trust

Sherry Desort
1416 Scalp Ave
Johnstown, Pa. 15904
814-262-4802
sdesort@somersettrust.com

Melissa Marchewka
151 Main Street
Johnstown, Pa. 15905
724-317-6874
mmarchewka@somersettrust.com

NorthWest Bank

Mark Miller
475 Theatre Drive
Johnstown, Pa. 15904
814-266-6096
Mark.Miller@northwest.com

Amber Smith
1918 Minno Drive
Johnstown, Pa. 15905
814-255-6841
Amber.Smith@northwest.com

Ameriserv Bank

Mike Cotchen
Mortgage Loan Originator
216 Franklin Street
Johnstown, PA 15901
814-533-5459
1-800-837-
kreighard@ameriserv.com

First Commonwealth Bank

Zaine Tomkowski
1541 Menoher Blvd
Johnstown, Pa 15905
ZTomkowski@fcbanking.com

***Banks are requiring applicants to have at least 650 credit score**

FIRST TIME HOME BUYER
PROGRAM GUIDELINES

CHECKLIST FOR FIRST TIME HOME BUYER PROGRAM

Select & Contact (1) lender identified in the City's Program Guidelines. Once you obtain your pre-approval from the lender:

_____ IRS Form 1040 Adjusted Gross Income

Most recent pay stub(wages), Taxable interest income, alimony, business income (or loss), capital gain (or loss), taxable amount of pension and annuity payments, taxable amount of social security payments and or unemployment compensation payments.

_____ Full Copy of Signed Sales Agreement

_____ Signed Employment Verification Release Form

Note: Applications submitted without the above documentation will not be processed.

FIRST TIME HOME BUYER
PROGRAM GUIDELINES

VERIFICATION FOR EMPLOYMENT

<p>CITY OF JOHNSTOWN COMMUNITY AND ECONOMIC DEVELOPMENT 401 MAIN STREET JOHNSTOWN, PA 15901 (814) 539-2504 EXT: 118</p>	<p>This section must be completed by an authorized representative. AUTHORIZATION: Federal regulations require us to verify employment income for all members of the household applying for participation in the HOME Program which we operate. This information will be used only to determine the eligibility status. We ask for your cooperation with supplying this information.</p>
<p>This verification is being requested for (Employee name and address)</p>	<p><u>Employment Profile</u></p> <p>Hire Date: _____</p> <p>Occupation: _____</p> <p>Yearly Salary: _____</p> <p>Overtime pay rate: _____</p> <p>Probability and date of pay increase: _____</p> <p>Does employee have access to retirement acct? <u>YES</u> or <u>NO</u></p> <p>If <u>YES</u> specify the amount: \$ _____</p>
<p>RELEASE: I hereby authorize the release of the requested information to the City of Johnstown.</p> <p>Signature: _____</p> <p>Date: _____</p>	<p>Authorized Representative</p> <p>Signature: _____</p> <p>Date: _____</p> <p>Title: _____</p> <p>Phone: _____</p>

WARNING: Title 18, Section 1001 of the U.S. Code States that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.

FIRST TIME HOME BUYER
PROGRAM GUIDELINES

Acknowledgment of Receipt:

I certify that I have received and reviewed the guidelines for the City of Johnstown First Time Homebuyer Program.

Name: _____

Signature: _____

Date: _____