



ALLEGHENY COUNTY
Economic Development

Coordinating Success

Dennis M. Davin, Director

FIRST TIME
HOMEBUYER
PROGRAM

Allegheny County Economic Development
425 Sixth Avenue, Suite 800
Pittsburgh, PA 15219

2007 Series UU & 2007
Series VV
June, 2007

CLOSING COST
and
DOWNPAYMENT
ASSISTANCE

Allegheny County Economic Development/Residential Finance Authority

**ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST & DOWNPAYMENT ASSISTANCE
GUIDELINES**

**OPERATED
IN CONJUNCTION WITH THE**

**ALLEGHENY COUNTY RESIDENTIAL FINANCE AUTHORITY
SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM**

**2007 SERIES UU (Non-AMT)
2007 SERIES VV (AMT)
(GNMA and Fannie Mae Mortgage-Backed Securities Program)**

June 1, 2007

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ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

PROGRAM SUMMARY

Purpose

One of the goals of Allegheny County Economic Development (the "Department") is to enable potential first-time homebuyers to more easily purchase a home. Since 1982, the Department, through the Allegheny County Residential Finance Authority (the "Authority"), has realized this goal through the Single Family Mortgage Revenue Bond Program. Over 8,250 families in Allegheny County have benefited by our "below market rate" first-time homebuyer mortgage program.

Single Family Mortgage Revenue Bond Program

Allegheny County Economic Development wishes to continue its programs to assist first-time homebuyers, particularly lower income households. The Closing Cost and Downpayment Assistance Program (the "Program") provides cash directly to qualified mortgagors to be used to pay a portion of the Borrower's downpayment and closing costs in the origination of FHA-insured and PMI insured Home Mortgages, as applicable. The Program is being administered in conjunction with the Authority's Single Family Mortgage Revenue Bond Program, 2007 SERIES UU and 2007 SERIES VV (the "Bond Program").

A contract has been executed between the Department and the Authority. A *"Lender's Letter of Understanding and Acceptance"* will also be executed between the Authority and lending institutions invited to participate in the Closing Cost and Downpayment Assistance Program. The "Home Mortgage Purchasing Period," as defined by the Bond Program's *Origination, Servicing and Administration Agreement*, will determine the period during which mortgage applications may be accepted, processed and closed under the Program. The Authority will act as the "pass-through," disbursing the Closing Cost and Downpayment Assistance proceeds from the Department in the form of a deferred payment loan from the Authority to be secured by a Second Mortgage.

Up to thirteen lending institutions will participate in the Program (see Exhibit A). There is no specific amount of funding available for Closing Cost and Downpayment Assistance allocated to the lending institutions for the Program; therefore, monies will be available until they are fully exhausted. However, Lenders will be required to notify the Department on a monthly basis regarding the amount of funds utilized and committed under the Program (see Exhibit B). We expect that each Lender will aggressively market the Program.

Program Requirements

1. Note to Lenders: Please send borrower name and address of the property to purchase to Cassie Brandon as soon as you are aware of the borrower's interest and qualifications for the Closing Cost and Downpayment Assistance Program.
2. Type: FHA insured, PMI insured 30 year mortgages only, as applicable.
3. Downpayment in accordance with FHA guidelines and Fannie Mae Guides, as applicable.
4. Must be a **first-time homebuyer** (Cannot have owned a home in the last three years).
5. Must have an **executed sales agreement** at time of application with the Lender.
6. Must provide at least **last three years income tax returns** to Lender.
7. Must provide a **Certified Tax Return** for the most recent tax year.
8. Must **meet FHA and Fannie Mae underwriting requirements, as applicable**.
9. No Prepayment Penalties.
10. Must serve as the Mortgagors' primary residence within 60 days of closing. Vacation and second homes are ineligible.
11. Must be a single family residence. Condominiums, townhomes and mobile homes permanently affixed to a borrower's individually owned lot are eligible. Houses that include rental space or commercial space are ineligible.
12. For houses built pre-1978, the house must pass the Lead-Based Paint Visual Assessment OR borrower must make provisions to have lead hazards repaired, See Exhibits J and K.

There will be two (2) levels of Closing Cost and Downpayment Assistance available to eligible Borrowers:

- i) those Mortgagors **between 61% and 80%** of the median income of Allegheny County (adjusted for family size) may be eligible to receive one-half of the required Closing Costs and Downpayment; and
- ii) those Mortgagors **at or below 60%** of the median income of Allegheny County (adjusted for family size) may be eligible to receive three-quarters of the required Closing Costs and Downpayment.

Mortgagor Income

Mortgagor Income means (i) for purposes of determining the qualifications of Mortgagors under the income limitations of the Program, "family income" as determined by the Secretary of the Treasury of the United States pursuant to the Internal Revenue Code (the "Code") and (ii) for purposes of determining compliance by Mortgagors with FHA underwriting criteria, current "household income" determined in substantially the same manner in which such determination is made in connection with other loans originated pursuant to FHA guidelines. Mortgagor Income shall be the sum of the current gross monthly income of the Mortgagor or Mortgagors who reside or intend to reside at the Residence together with the anticipated gross monthly income of all persons in the household 18 years of age or over, but exclusive of the income of any co-signer of a Note who does not reside or intend to reside therein, as evidenced by documentation satisfactory to the respective Lender, multiplied by 12. "Gross monthly income" is the sum of current monthly gross pay. "Gross monthly income" includes any additional income from investments, pensions, Veterans Administration (VA) compensation, part-time employment, net bonuses, dividends, interest, current over-time pay, net rental income, royalties, etc., and other income (such as alimony and child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts or from business activities or investments), calculated in accordance with the Income Computation Worksheet.

Information with respect to gross monthly income may be obtained from available loan documents executed during the 4-month period ending on the date of the closing of the mortgage, provided that any gross monthly income not included on the loan documents must be included by the issue in determining gross monthly income. The income to be taken into account in determining the gross monthly income is the income of the mortgagor (or mortgagors) and any other person who is expected both to live in the residence being financed and be secondarily liable on the mortgage.

At the time of application, the loan officer will determine for the applicant the appropriate amount of Closing Cost and Downpayment Assistance based upon the following tables. (Household income includes income of the mortgagor and income of any other person who will **both** live in the residence and be secondarily liable on the mortgage).

INCOME LIMITS		
Family Size	60% Median Income Limit	80% Median Income Limit
1	\$24,300	\$32,400
2	\$27,780	\$37,050
3	\$31,260	\$41,650
4	\$34,740	\$46,300
5	\$37,500	\$50,000
6	\$40,320	\$53,700

Purchase Price Limits: **\$294,750** (Existing & New Construction)

Maximum Mortgage Amount: **\$248,900** (FHA Home Mortgages)

Closing Cost and Downpayment Assistance is available throughout Allegheny County **except** in the City of Pittsburgh.

Closing Cost and Downpayment Assistance (except prepaid, escrow items and mortgage insurance premiums) will be provided in the manner described above. **No match is required.** The amount necessary will be calculated in accordance with FHA and Fannie Mae underwriting guidelines, as applicable.

A second lien (in the form of a Second Mortgage) in the amount of the Closing Cost and Downpayment Assistance will be placed on the property for a period of **5 years** with no graduated forgiveness. Only at the end of the fifth year will the mortgage be forgiven.

Note: See Affordability Requirements if other Allegheny County sources are for other mortgages.

Pre-Purchase Credit Counseling (Homebuyer Education Counseling) is a requirement of closing. A Certificate of Completion must be submitted to the Lender to be made a part of the Borrower's loan file. An acceptable Certificate of Completion may be obtained by the Borrower from the following organizations:

Venues for Pre-Purchase Credit Counseling/Homebuyer Education Classes		
Organization Name	Program Name	Phone Number
Dollar Bank	<i>N/A</i>	412-261-4940
The Urban League of Pittsburgh, Inc.	<i>Homebuyer Education Program</i>	412-227-4192
Garfield Jubilee Association, Inc	<i>PHFA Homebuyer Education Program</i>	412-665-5200
Neighborhood Housing Services	<i>N/A</i>	412-281-9773
Fair Housing Partnership	<i>N/A</i>	412-391-2535x 206

Please note that the services offered by Dollar Bank, the Urban League of Pittsburgh, Inc., the Garfield Jubilee Association, Inc. and the Fair Housing Partnership are provided free of charge. The Borrower will be responsible for the payment of fees associated with those services provided by Neighborhood Housing Services and other acceptable agencies.

Marketing

Each lending institution will be expected to aggressively market the program. The Department requires affirmative marketing of the low-income households targeted by this program. The Department will provide program brochures for distribution by the Lenders.

Underwriting

The restrictions placed upon the Lender regarding applications are stated in the guidelines. It is the Lender's responsibility to apply pertinent underwriting requirements. In the event there is any question concerning how the Program Guidelines may affect underwriting requirements, please do not hesitate to contact the Department for assistance.

Issuance of Funds

A check will be provided in the amount of the deferred payment loan. The Authority shall make available a check made payable to both the mortgagor(s) and the Closing Agent, representing the Lender, one (1) business day prior to the date of closing (see Exhibit C).

Applicable Federal Regulations

ACRFA will be utilizing American Dream Downpayment Initiative (ADDI) funding to support the Closing Cost and Downpayment Assistance Program. ADDI is administered as part of the HOME Investment Partnership Program (HOME) via Allegheny County and is funded by the U.S. Department of Housing and Urban Development.

Property Standards: The property that the borrower is purchasing utilizing Closing Cost and Downpayment Assistance must meet local code requirements and local Housing Quality Standards.

Lead-Based Paint: The Lead Safe Housing Rule (24 CFR Part 35) is applicable. Sections of importance are Subpart A: Disclosure, Subpart K: Acquisition and Subpart J: Rehabilitation. Compliance with these standards are addressed in Exhibits J and K.

Federal Nondiscrimination Requirements: The requirements of this subpart include: Nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; and drug-free workplace (§92.350 of the HOME Rules, 24 CFR Part 92). Conflict of Interest Provision (24 CFR 85.36, 24 CFR 84.42 and §92.356 of the HOME Rules) are applicable.

Affordability Requirements: The period of affordability for Closing Cost and Downpayment Assistance will be five (5) years (as specified in the attached mortgage and note documents) **except** for the case where other (and additional) federal funding has been utilized in the construction or sale of the home. In many cases, the borrower will receive a second mortgage from a public entity such as Allegheny County Economic Development, Redevelopment Authority of Allegheny County, Allegheny County Housing Authority or McKeesport Housing Corporation. Please ask the seller (especially in the case of non-profit or for-profit developer) if there is other federal funding involved.

Fair Return on Investment Policy: This is an Exhibit to the Mortgage and Note that is to be explained to the borrower, signed by the borrower and recorded with the mortgage and note. This provides the borrower with information regarding the terms and conditions should they sell the house before the period of affordability has expired.

Flood Insurance: A copy of the flood insurance policy for all properties within the 100-year flood plain will need to be provided to ACRFA.

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
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EXHIBIT A
PARTICIPATING LENDERS

Allegheny Mortgage Corporation

Oak Park Mall
2001 Lincoln Way
White Oak, PA 15131
Linda A. Johnston, President
Contact: Terry Johnston
412-672-8710

Allstate Financial Services, Inc.

One Forestwood Drive
Pittsburgh, PA 15237
Raymond T. Dietz, President
Contact: Richard R. Spracia
412-369-9500

American Home Mortgage

4100 William Penn Highway, Suite 39
Monroeville, PA 15146
Contact: Cynthia Best
412-788-2076 x100

Countrywide Home Loans, Inc.

8521 Fallbrook WH-99
West Hills, CA 91304
Mike Awadis, Vice President
Mortgage Revenue Bonds
Contact: Tom O'Neill
847-545-3748
5439 Babcock Blvd., #106
Pittsburgh, PA 15237
412-364-9646
1742 Mossie Blvd.
Monroeville, PA 15146
412-856-5090

Dollar Bank

Three Gateway Center, 1 East
Pittsburgh, PA 15222
Mona Generett, V.P., Community Development
412-261-8261

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Howard Hanna Mortgage Services

119 Gamma Drive
Pittsburgh, PA 15238
Kevin Laird, Manager, Secondary Marketing
412-967-9000 Ext. 219

JP Morgan Chase Bank, N.A.

2835 East Carson Street, Suite 208
Pittsburgh, PA 15203
Contact: Joanne Fiorenza, Asst. Vice President
215-579-9066 x212

National City Mortgage Company

116 Allegheny Center Mall
IDC 46-6-110
Pittsburgh, PA 15212
Contact: Bobbi Passmore
412-442-3417

Omega Financial Services, Inc.

900 Washington Avenue
Carnegie, PA 15106
A. Patrick Beattie, President
412-429-9000

Wells Fargo Home Mortgage

MAC M7480-021
2581 Washington Road, Suite 231
Pittsburgh, PA 15241
Contact: James L. Wright, Jr.
610-892-9254

West Penn Financial Service Center, Inc.

1800 Smallman Street
Pittsburgh, PA 15222
John J. Amrhein, President
412-391-3200 Ext. 111



ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

EXHIBIT B

LENDER'S MONTHLY REPORT OF COMMITMENT AND DRAWDOWN

This report must be submitted to the Department at the following address:

Cassie Brandon, Program Coordinator
Allegheny County Economic Development
425 Sixth Avenue, Suite 800
Pittsburgh, PA 15219

COMMITMENT STATUS/ESTIMATED REQUEST FOR FUNDS

The following information must be provided by the **fifth** Business Day of each month and should contain information as of the last day of the previous month. This report must also contain an estimate of the funds needed for closings likely to occur within the next thirty (30) days:

A. STATUS	At or Below 60% AMI	61% to 80 % AMI
1. Number of Loans Closed:	_____	_____
2. Number of Loans in Process:	_____	_____
3. Amount of Assistance Used:	\$ _____	\$ _____
4. Amount of Assistance in Process:	\$ _____	\$ _____

REQUEST RECONCILIATION

B. Cumulative amount requested from previous months: \$ _____
(Line 7 of last month's report)

C. Amount requested for the next month of _____, 200__: \$ _____

NOTE: This amount should represent funds needed for closings anticipated during the next month **and** any necessary adjustments for excess funds resulting from prior requests or insufficient funds from previous months. **Failure to request the proper amount of funds needed for the closings anticipated may jeopardize availability of funds for your closings.**

D. Amount requested to date: \$ _____ (Line 5 + Line 6)

8. The loans closed are listed on Exhibit B, page B-3 attached hereto.

LENDER: _____
Prepared by: _____
Phone: _____
Date: _____

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

EXHIBIT B (continued)

The following is a cumulative list of closed loans being provided to the Allegheny County Economic Development as verification of the deferred payment loans awarded under the Program.

(Note: Lenders may substitute this page with their own format of loans closed under the Program)

C. CLOSING COST AND DOWNPAYMENT ASSISTANCE LOANS CLOSED:

BUYER's NAME	ADDRESS (of Home to be Purchased)	DEFERRED PAYMENT LOAN AMOUNT	CLOSING DATE

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

EXHIBIT C

**LENDER REQUEST TO THE ALLEGHENY COUNTY ECONOMIC DEVELOPMENT FOR
CLOSING COST AND DOWNPAYMENT ASSISTANCE**

This Exhibit C and all required attachments should be submitted at least ten (10) business days prior to the scheduled closing date at the following address:

Cassie Brandon, Program Coordinator
Allegheny County Department of Economic Development
425 Sixth Avenue, Suite 800
Pittsburgh, PA 15219

Attached hereto are **copies** of the following documentation which are being presented to the Allegheny County Residential Finance Authority pursuant to a Request for Reimbursement under the Closing Cost and Downpayment Assistance Program:

_____ Mortgage Application/Credit Analysis Worksheet.

_____ Sales Agreement

_____ Housing Counseling Certificate

_____ Certified Tax Return (use IRS Form #4506 to request the certified copy) for the most recent tax year.
(The \$39.00 fee is reimbursable by ACRFA)

_____ **EXHIBIT D Lender's Certificate of Borrower Eligibility**

_____ **EXHIBIT E Borrower's Affidavit of Eligibility**

_____ **EXHIBIT F Mortgagor's Income Affidavit**

_____ **EXHIBIT G Borrower Profile**

_____ **EXHIBIT H Co-Signor's Income Affidavit (if applicable)**

_____ **EXHIBIT J Lead-Based Paint Visual Assessment Form** (required for all houses built pre-1978)

The documentation provided with this Request verifies the eligibility of the mortgagor(s) and property listed below:

NAME OF MORTGAGOR: _____

PROPERTY ADDRESS: _____

Number and Street _____

Municipality/Zip Code _____

AMOUNT REQUESTED/CLOSING AGENT/PLACE OF CLOSING

The Allegheny County Residential Finance Authority (the "Authority") shall make available a check made payable to both the mortgagor(s) and the closing agent, representing the Lender, one (1) business day prior to the closing which is scheduled for the following date and time:

Please send the check to the following person and address:

Name of Lender/Closing Firm _____

Address: _____

Attention: _____

Phone: _____

Request is hereby Signed and Executed by:

Lender _____

Lender's Representative _____

(Include Title and Phone Number) _____

Date _____

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

EXHIBIT D

LENDER'S CERTIFICATE OF BORROWER ELIGIBILITY

The undersigned, _____, as an officer of _____, and as the agent of Allegheny County Economic Development, hereby certifies, with respect to the origination of a home mortgage to _____ (the "Borrowers") to be secured by a Mortgage on the real property located at _____ (the "Residence"), as follows:

1. The Residence is located within Allegheny County, Pennsylvania and outside the City of Pittsburgh.
2. To the best of my knowledge, the Borrowers intend to occupy the Residence as their principal place of residence within sixty (60) days after the closing of the Home Mortgage, and thereafter to maintain the property as their principal residence and the Borrowers do not intend to use the Residence as investment property or as a recreational home, or use more than fifteen percent (15%) of the total Residence in a trade or business which would qualify them for a deduction for expenses on business use of Residence under the Internal Revenue Code.
3. All of the land included with the Residence reasonably maintains the basic livability of the Residence, and such land is not reasonably suitable to be subdivided.
4. The Residence is a single family residence which definition includes as eligible properties condominiums, townhomes and mobile homes permanently affixed to a borrower's individually owned lot. A Residence including rental space or commercial space is ineligible.
5. The purchase price does not exceed those limits specified in the Program Guidelines for the Allegheny County Residential Finance Authority (the "Authority") Bond Program:
 - (a) The purchase price of the Residence is \$_____
 - (b) The appraised value of the Residence is \$_____

- (c) To the best of my knowledge, neither the Borrower(s) nor anyone on his/their behalf has made or cancelled any debt of the Seller and neither the Borrower(s) nor any one on his/their behalf has made or will make any payment, other than the amount shown in (a), to the Seller of the Residence or to any other person on behalf of the Seller, except for lease payments as follows: specify term of lease, payment schedule, i.e. monthly, and payment amount.
 - (d) To the best of my knowledge, said lease payment (if any) is not in excess of the fair rental value of the Residence.
 - (e) To the best of my knowledge, the Residence as sold will be substantially complete and will contain all appropriate fixtures and other architectural appointments.
 - (f) To the best of my knowledge, the Residence as sold meets applicable minimum health, zoning and occupancy standards.
6. I understand that this Home Mortgage may not be made to any Borrower who has had a present ownership interest in a Principal Residence, including factory-made housing permanently affixed to real property, any time during the three year period immediately prior to the closing of this Home Mortgage. I have examined the federal income tax returns of each Borrower for this period and have determined that the Borrowers did not claim deductions for taxes or interest on indebtedness with respect to real property constituting the Borrowers' Principal Residence, or, if such tax returns were unavailable or inconclusive, I am satisfied that the Borrowers no such interest.
7. As evidenced by the HUD 1 Settlement Statement, the Borrowers have not paid more than the usual and reasonable settlement costs including, but not limited to, title and transfer costs, title insurance, survey fees and the usual and reasonable financing costs including, but not limited to, credit reference fees, legal fees, appraisal fees, points (but not paid by the Seller even if borne by the Borrowers through a higher purchase price), or other costs of financing the Residence that do not exceed the usual and reasonable costs that would otherwise be paid by the Borrowers.
8. I shall record, at the Borrowers' expense, in the Office of the Recorder of Deeds of Allegheny County, Pennsylvania, a Second Mortgage in favor of the Authority in a form satisfactory to both the Authority and Allegheny County Economic Development and in the amount of the Closing Cost and Downpayment Assistance.

I will deliver the fully executed Note, Fair Return on Investment and the originally recorded Second or Third Mortgage to Allegheny County Economic Development.

9. BORROWER HOUSEHOLD AND INCOME

- (a) The current total annual household income of the Borrowers is \$_____ and,
- (b) The household size of the Borrowers is _____.

10. CLOSING COST AND DOWNPAYMENT ASSISTANCE

- (a) The FHA or Fannie Mae, as applicable, minimum downpayment required of Borrowers is \$_____. Therefore, the Borrowers are entitled to receive Downpayment Assistance in the amount of \$_____ representing either 50% ___ or 75% _____ of the required downpayment.
- (b) The FHA or Fannie Mae, as applicable, approved closing costs **excluding escrows, prepaid items and the Mortgage Insurance Premium** for this Home Mortgage total \$_____. Therefore, the Borrowers are entitled to receive Closing Cost Assistance in the amount of \$_____ representing either 50% ___ or 75% _____ of the required closing costs.
- (c) The Borrowers are entitled to a deferred payment loan in the amount of \$_____

11. The Borrowers have met the conditions and requirements of the Program. The Closing Cost and Downpayment Assistance Deferred Payment Loan shall be used for 50% ___ or 75% ___ of the required downpayment and 50% ___ or 75% ___ of the eligible FHA or Fannie Mae, as applicable, closing costs (excluding the escrows, prepaid items and Mortgage Insurance Premium).

12. LENDER AUTHORIZATION

DATE: _____
NAME: _____
TITLE: _____
LENDER: _____

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

EXHIBIT E

BORROWER'S AFFIDAVIT OF ELIGIBILITY

(A duly executed document including execution by a Notary Public)

As applicants for an FHA insured Home Mortgage or PMI Insured Home Mortgage, as applicable, to be originated by the

Lender _____,

I/We _____

are qualified as first-time homebuyers to receive Interest Rate Subsidy (if applicable), Closing Cost and Downpayment Assistance from the Allegheny County Residential Finance Authority pursuant to the requirements of the Program in purchasing a single family dwelling to be my/our Principal Place of Residence.

1. The Residence to be financed with the proceeds of this Program is located in Allegheny County, Pennsylvania, outside the City of Pittsburgh. The address of this Residence is:
_____.
2. I/We will occupy this Residence as my/our Principal Place of Residence within sixty (60) days of the Closing of the FHA Insured Home Mortgage or PMI Insured Home Mortgage, as applicable, and thereafter, maintain the Residence as my/our personal Residence. I/we have not entered into an arrangement to lend, sell, assign or transfer the Residence.
3. I/We will not use the Residence in a trade or business which qualifies me/us to deduct any portion of the cost of the Residence as a home business expense on my/our federal or Pennsylvania income tax returns, and in any event will not use more than fifteen percent (15%) of the total Residence in a trade or business use.
4. I/We will not use the Residence as an investment property and will not receive any income from the Residence or the land being purchased with the Residence except incidentally as follows:
Specify the incidental use: _____

5. I/We will not use the Residence as a recreational home.
6. All of the land being purchased with the Residence reasonably maintains the basic livability of the Residence, and I/we have no intention of subdividing such land or otherwise selling it apart from the Residence.

7. I/We have **not** had a present ownership interest in a Principal Residence, which definition includes factory-made housing permanently affixed to real property (i.e. mobile home), at any time during the three-year period immediately prior to the Closing of this Home Mortgage.

Note: Property received through inheritance may not preclude an applicant from utilizing this Program. Ask the Lender to consult with the Department to determine eligibility under these circumstances.

8. I/We have entered into a Sales Agreement with the Seller. Attached hereto are copies of the Sales Agreement and all other pertinent agreements entered into between me/us and the Seller.

(a) The Sales Price of the Residence is \$_____.

(b) Neither I/We nor anyone on my/our behalf has made any payment other than the amount shown as the Purchase Price to the Seller of the Residence or to any other person on behalf of the Seller, nor have I/we cancelled any debt of the Seller or any person related to the Seller.

(c) The Residence is/is not located on leased land. If the Residence is located on leased land, the payments required to be made thereunder are set forth as follows: (specify name of Lessee, term of the Lease, and amount of monthly payment):

9. **BORROWER INCOME AND HOUSEHOLD SIZE**

The current total annual income of the Borrower(s) including me/us which is shown in Exhibit F entitled Mortgagor's Income Affidavit is \$_____. Furthermore, all information included in Exhibit F is true and correct.

The total number of persons in the Borrowers' household including me/us is _____. Accordingly, I/we meet the Program Requirements for a household of my/our size.

10. **CLOSING COST AND DOWNPAYMENT ASSISTANCE**

(a) My minimum FHA or Fannie Mae, as applicable, Required Downpayment Amount is \$_____.

(b) My/Our minimum required Closing Costs (excluding any escrows, prepaid items and Mortgage Insurance Premium) are \$_____.

(c) I/We am/are entitled to a deferred payment loan in the amount of \$_____. I understand that the deferred payment loan will be secured by a Promissory Note and Second Mortgage, recorded with the Allegheny County Recorder of Deeds, which shall be satisfied only upon the Borrower's residence in the property for five (5) consecutive years.

11. **PRINCIPAL RESIDENCY REQUIREMENT**

I/We understand that by selling, transferring or otherwise conveying my/our interest in the property for any reason before the first day of the sixth year, I/We must repay the entire amount of the deferred payment loan.

If all or any part of the property conveyed herein or any interest in it is sold or transferred (or if a beneficial interest in the Mortgage is sold or transferred and Mortgagor is not a natural person) without Mortgagee's prior written consent, Mortgagee may, at its option, require immediate payment in full of all sums secured by the Second Mortgage. I/We shall notify the servicer of my/our mortgage loan of any change in address.

I understand that compliance with this requirement does not relieve me from compliance with the Principal Residency Requirement of the Bond Program, which requires me to maintain my home as my principal place of residence until my mortgage loan is satisfied.

12. **DEFERRED PAYMENT LOAN FORGIVENESS REQUIREMENT**

One hundred percent (100%) of the Deferred Payment Loan will be forgiven on the first day of the sixth year from the date hereof. If MORTGAGOR does not sell or transfer all or any part of the property of interest in it for a full five (5) years from the date of this instrument, the full Deferred Payment Loan is forgiven. If MORTGAGOR sells or transfers all or any part of the property or interest in it within said five (5) year period, any portion of the sale price in excess of the stated first mortgage amount shall be paid to MORTGAGEE to the extent of the total of Deferred Payment Loan, and any remaining amount of the Deferred Payment Loan is forgiven.

13. I hereby certify that all the information submitted to _____ (the "Lender") and contained herein and in connection with my/our application for Closing Cost and Downpayment Assistance is true and correct.

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

EXHIBIT F

MORTGAGOR'S INCOME AFFIDAVIT

NAMES OF MORTGAGORS:

The information requested in this Affidavit must be provided with respect to all Mortgagors expected to have a present interest in the Residence being financed pursuant to the Closing Cost and Downpayment Assistance Program (the "Program").

The information below must be provided to determine your eligibility under the Program's income guidelines and will not substitute for loan underwriting purposes. The Internal Revenue Code and U.S. Department of Housing and Urban Development require that certain sources of income must be included when determining income eligibility which are not required for mortgage loan underwriting purposes. Therefore, the Mortgagors must complete this form in addition to the Residential Mortgage Loan Application.

For each source of income itemized below, specify the total of all such **monthly** income for all Mortgagors under the Mortgage Loan application. The calculation of monthly income shall **include** all wages and salaries, overtime pay, commissions, fees, tips and bonuses before payroll deductions, net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness); interest and dividends; the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts; payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay; the maximum amount of public assistance available to the above persons; periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the dwelling; and all regular pay, special pay and allowances of a Member of the Armed Forces (whether or not living in the dwelling) who is the head of the household or spouse; and any earned income tax credit to the extent that it exceeds income tax liability.

The calculation of monthly income shall **exclude** casual, sporadic or irregular gifts; amounts which are specifically for or in reimbursement of medical expenses; lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlement for personal or property losses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only the extent used for such purposes; special pay to a serviceman/woman head of the family who is away from home and exposed to hostile fire; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged for the allotments; payments received pursuant to participation in ACTION volunteer programs; and income from the employment of children (including foster children) under the age of 18 years.

MORTGAGOR'S INCOME AFFIDAVIT (continued)

Mortgagor Income means (i) for purposes of determining the qualifications of Mortgagors under the income limitations of the Program, "family income" as determined by the Secretary of the Treasury of the United States pursuant to the Code; and (ii) for purposes of determining compliance by Mortgagors with FHA or Fannie Mae underwriting criteria, as applicable, current "household income" determined in substantially the same manner in which such determination is made in connection with other loans originated pursuant to FHA guidelines and the Fannie Mae Guides, as applicable. Mortgagor Income shall be the sum of the current gross monthly income of the Mortgagor or Mortgagors who reside or intend to reside at the Residence, but exclusive of the income of any co-signer of a Note who does not reside or intend to reside therein, as evidenced by documentation satisfactory to the respective Lender, multiplied by 12. "Gross monthly income" is the sum of current monthly gross pay and includes any additional income from investments, pensions, Veterans Administration (VA) compensation, part-time employment, net bonuses, dividends, interest, current over-time pay, net rental income, royalties, etc., and other income (such as alimony and child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts or from business activities or investments), calculated in accordance with the Income Computation Worksheet.

Information with respect to gross monthly income may be obtained from available loan documents executed during the 4-month period ending on the date of the closing of the mortgage, provided that any gross monthly income not included on the loan documents must be included in determining gross monthly income. Mortgagor Income shall be the sum of the current gross monthly income of the Mortgagor or Mortgagors who reside or intend to reside at the Residence (as defined in the Origination Agreement), together with the anticipated gross monthly income of all persons in the household 18 years of age or over, but exclusive of the income of any co-signer of a Note (as defined in the Origination Agreement) who does not reside or intend to reside therein, as evidenced by documentation satisfactory to the respective Lender, multiplied by 12.

MORTGAGOR'S INCOME AFFIDAVIT (continued)

The undersigned Borrowers, intending to be legally bound, hereby represent and warrant that my/our Sources of Income are as follows:

SOURCE OF INCOME	MONTHLY INCOME AMOUNT (If not applicable, indicate N/A)	
Gross Income	\$ _____	
Overtime	\$ _____	
Part-Time Employment Income	\$ _____	
Bonuses	\$ _____	
Dividends, Interest, Royalty or Trust Income	\$ _____	
Business activity or Investment Income	\$ _____	
Net Rental Income	\$ _____	
Pension Income	\$ _____	
Social Security Income	\$ _____	
Veterans Administration Benefit Income	\$ _____	
Unemployment Compensation	\$ _____	
Sick Pay	\$ _____	
Alimony	\$ _____	
Child Support	\$ _____	
Public Assistance	\$ _____	
Other/SPECIFY	\$ _____	
Other/SPECIFY	\$ _____	
TOTAL MONTHLY INCOME	\$ _____	
TOTAL MONTHLY INCOME X 12	\$ _____	Annual Household Income

MORTGAGOR'S INCOME AFFIDAVIT (continued)

Executed on the date(s) shown below

Borrower's Signature

Date

Borrower's Signature

Date

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF _____)

On this _____ day of _____, 200____, before me, a Notary Public,
personally appeared

_____,
known to me (or satisfactorily proven) to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged that he/she/they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My commission expires: _____

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

EXHIBIT G

BORROWER PROFILE

The following information is provided by the Lender to the best of its knowledge:

1. Lender: _____
2. Mortgagor(s) _____
3. Property Address: _____
4. Municipality of Property: _____
5. Head of Household: (Check all that apply)
 - a. Male _____ Female _____
 - b. Single/Non-elderly _____ Elderly (Age 62 and older) _____
Related/Single Parent _____ Related/Parent _____ Other _____
 - c. Handicapped _____
 - d. Race:
White _____ Hispanic _____
African American or Black _____ African American or Black & White _____
Asian _____ Asian & White _____
American Indian or Alaska Native _____ American Indian or Alaska Native & White _____
American Indian or Alaska Native & African American or Black _____
Native Hawaiian or other Pacific Islander _____
Other (please specify) _____ Other Multi Racial _____
6. Household Size _____
7. Total Annual Household Income \$ _____
8. Downpayment Assistance Amount \$ _____
9. Closing Cost Assistance Amount \$ _____
10. First Mortgage Amount \$ _____
11. Sales Price \$ _____

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

EXHIBIT H

CO-SIGNOR'S INCOME AFFIDAVIT

I, _____, as co-obligor on a Promissory Note made pursuant to the Borrower, _____, who is entitled to receive a grant under the Allegheny County Closing Cost and Downpayment Assistance Program, do hereby represent and warrant as follows:

1. I am executing the Promissory Note solely for the purpose of providing additional security to the Lender.
2. I have no other financial interest in the property subject to the Home Mortgage and the Allegheny County Closing Cost and Downpayment Assistance Program.
3. I have no intention to and will not occupy at any time the premises subject to the Home Mortgage and Closing Cost and Downpayment Assistance Program.

Pursuant to Section 1746 of Title 28 of the United States Code, I declare under penalty of perjury that the foregoing representations and warranties are true and correct. Executed on the date as shown below.

Date

Signature

**ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM**

EXHIBIT I

Form 4506 (Rev. April 2006) Department of the Treasury Internal Revenue Service	Request for Copy of Tax Return ▶ Do not sign this form unless all applicable lines have been completed. Read the instructions on page 2. ▶ Request may be rejected if the form is incomplete, illegible, or any required line was blank at the time of signature.	OMB No. 1545-0429
-----------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------

Tip: You may be able to get your tax return or return information from other sources. If you had your tax return completed by a paid preparer, they should be able to provide you a copy of the return. The IRS can provide a Tax Return Transcript for many returns free of charge. The transcript provides most of the line entries from the tax return and usually contains the information that a third party (such as a mortgage company) requires. See Form 4506-T, Request for Transcript of Tax Return, or you can call 1-800-829-1040 to order a transcript.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return	2b Second social security number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code	
4 Previous address shown on the last return filed if different from line 3	
5 If the tax return is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax return.	

Caution: If a third party requires you to complete Form 4506, do not sign Form 4506 if lines 6 and 7 are blank.

6 Tax return requested (Form 1040, 1120, 941, etc.) and all attachments as originally submitted to the IRS, including Form(s) W-2, schedules, or amended returns. Copies of Forms 1040, 1040A, and 1040EZ are generally available for 7 years from filing before they are destroyed by law. Other returns may be available for a longer period of time. Enter only one return number. If you need more than one type of return, you must complete another Form 4506. ▶ _____

Note: If the copies must be certified for court or administrative proceedings, check here.

7 Year or period requested. Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than eight years or periods, you must attach another Form 4506.

/ /	/ /	/ /	/ /

8 Fee. There is a \$39 fee for each return requested. Full payment must be included with your request or it will be rejected. Make your check or money order payable to "United States Treasury." Enter your SSN or EIN and "Form 4506 request" on your check or money order.

a Cost for each return	\$ 39.00
b Number of returns requested on line 7	
c Total cost. Multiply line 8a by line 8b	\$

9 If we cannot find the tax return, we will refund the fee. If the refund should go to the third party listed on line 5, check here

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax return requested. If the request applies to a joint return, either husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506 on behalf of the taxpayer.

Sign Here	Signature (see instructions)	Date	Telephone number of taxpayer on line 1a or 2a ()
	Title (if line 1a above is a corporation, partnership, estate, or trust)		
	Spouse's signature	Date	

General Instructions

Section references are to the Internal Revenue Code.

Purpose of form. Use Form 4506 to request a copy of your tax return. You can also designate a third party to receive the tax return. See line 5.

How long will it take? It may take up to 60 calendar days for us to process your request.

Tip. Use Form 4506-T, Request for Transcript of Tax Return, to request tax return transcripts, tax account information, W-2 information, 1099 information, verification of non-filing, and record of account.

Where to file. Attach payment and mail Form 4506 to the address below for the state you lived in when that return was filed. There are two address charts: one for individual returns (Form 1040 series) and one for all other returns.

Note. If you are requesting a return for more than one year and the chart below shows two different service centers, mail your request to the service center based on the address of your most recent return.

Chart for individual returns (Form 1040 series)

If you filed an individual return and lived in:	Mail to the "Internal Revenue Service" at:
District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont	RAIVS Team Stop 679 Andover, MA 05501
Alabama, Delaware, Florida, Georgia, North Carolina, Rhode Island, South Carolina, Virginia	RAIVS Team P.O. Box 47-421 Stop 91 Doraville, GA 30362
Arkansas, Kansas, Kentucky, Louisiana, Mississippi, Oklahoma, Tennessee, Texas, West Virginia	RAIVS Team Stop 6716 AUSC Austin, TX 73301
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, Wyoming	RAIVS Team Stop 38101 Fresno, CA 93888
Connecticut, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, North Dakota, Ohio, Wisconsin	RAIVS Team Stop 6705-B41 Kansas City, MO 64099
New Jersey, Pennsylvania, a foreign country, or A.P.O. or F.P.O. address	RAIVS Team DP 135SE Philadelphia, PA 19255-0695

Chart for all other returns

If you lived in or your business was in:	Mail to the "Internal Revenue Service" at:
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	RAIVS Team P.O. Box 9941 Mail Stop 6734 Ogden, UT 84409
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	RAIVS Team P.O. Box 145500 Stop 2800 F Cincinnati, OH 45250
A foreign country, or A.P.O. or F.P.O. address	RAIVS Team DP 135SE Philadelphia, PA 19255-0695

Specific Instructions

Line 1b. Enter your employer identification number (EIN) if you are requesting a copy of a business return. Otherwise, enter the first social security number (SSN) shown on the return. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

Signature and date. Form 4506 must be signed and dated by the taxpayer listed on line 1a or 2a. If you completed line 5 requesting the return be sent to a third party, the IRS must receive Form 4506 within 60 days of the date signed by the taxpayer or it will be rejected.

Individuals. Copies of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506 exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Corporations. Generally, Form 4506 can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer.

Partnerships. Generally, Form 4506 can be signed by any person who was a member of the partnership during any part of the tax period requested on line 7.

All others. See section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

Documentation. For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the Letters Testamentary authorizing an individual to act for an estate.

Signature by a representative. A representative can sign Form 4506 for a taxpayer only if this authority has been specifically delegated to the representative on Form 2848, line 5. Form 2848 showing the delegation must be attached to Form 4506.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to establish your right to gain access to the requested return(s) under the Internal Revenue Code. We need this information to properly identify the return(s) and respond to your request. Sections 6103 and 6109 require you to provide this information, including your SSN or EIN, to process your request. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506 will vary depending on individual circumstances. The estimated average time is: Learning about the law or the form, 10 min.; Preparing the form, 16 min.; and Copying, assembling, and sending the form to the IRS, 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506 simpler, we would be happy to hear from you. You can write to Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send the form to this address. Instead, see *Where to file* on this page.

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

EXHIBIT J

LEAD-BASED PAINT VISUAL ASSESSMENT FORM

This form is to be completed by an appraiser (or ACRFA acceptable alternative) who has a Lead-Based Paint Visual Assessment Training Certificate. To obtain a certificate, take the on-line training (takes less than 30 minutes), available @ <http://www.hud.gov/offices/lead/training/visualassessment/h00100.htm>. The Lead-Based Paint Visual Assessment form is to be conducted in all houses built prior to 1978, where the borrower is seeking Closing Cost and Downpayment Assistance (CCDPA) from ACRFA's First Time Homebuyer Program.

Name of Borrower	
Address of the house being purchased	
Year Built	

I have conducted a Lead-Based Paint Visual Assessment of the property referenced above, and have performed a visual examination of the painted surfaces.

In my professional opinion there is:

Place and "X" in the box that applies.			
	No deteriorating paint present.		Deteriorating paint.
	No visible dust, debris or residue present.		Visible dust, debris or residue.
Therefore, the above-referenced property:			
	PASSES the Lead Visual Assessment		FAILS the Lead Visual Assessment

Lead Visual Assessment Conducted by:

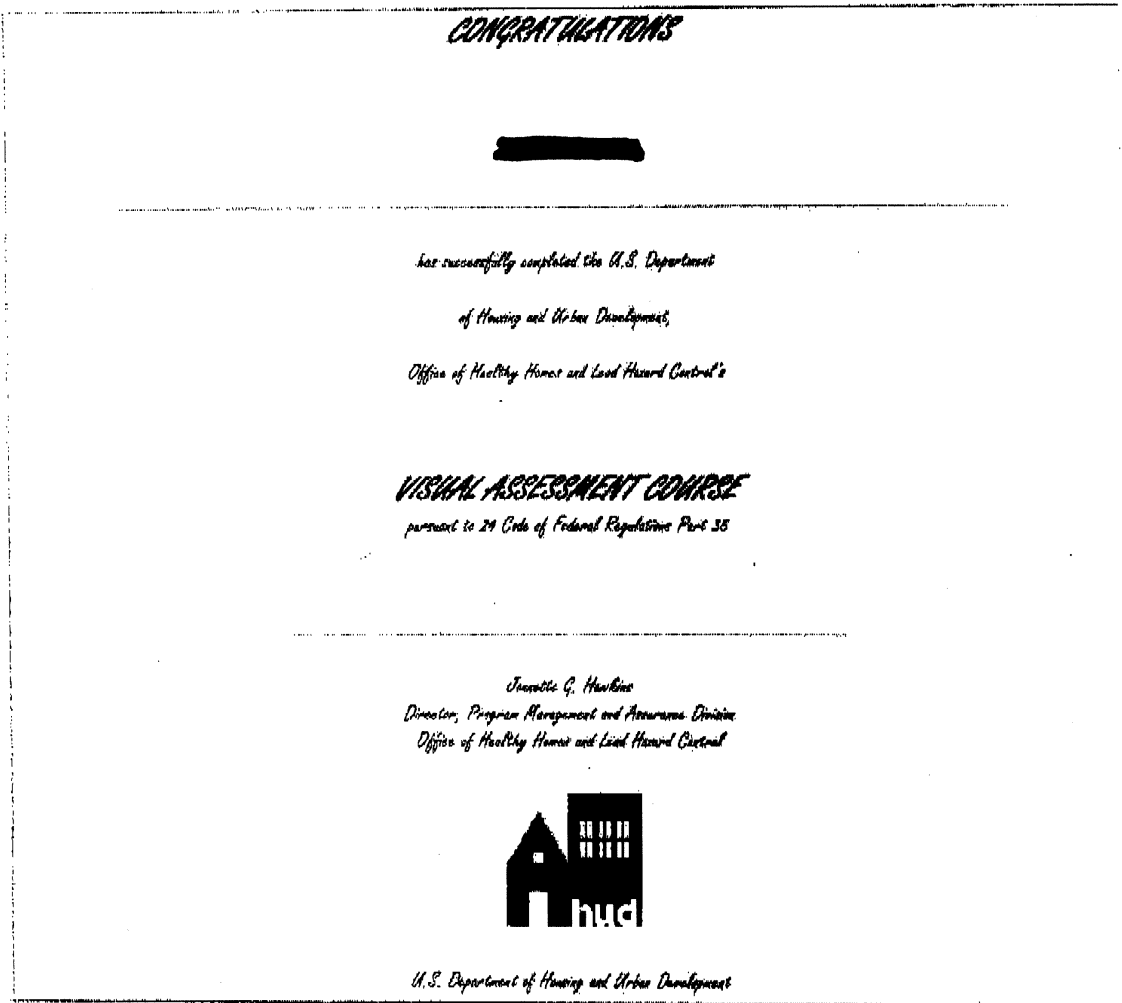
_____ (Printed Name)

_____ (Signature) _____ (Date)

Enclosure: Copy of the Lead-Based Paint Visual Assessment Training Certificate for the individual completing this form.

SAMPLE

Lead-Based Paint Visual Assessment Training Certificate



To receive the Lead Visual Assessment training and this certificate, take the on-line course available at :

<http://www.hud.gov/offices/lead/training/visualassessment/h00100.htm>

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

EXHIBIT K

LEAD-BASED PAINT VISUAL ASSESSMENT EXPLANATION

1. When is the Lead-Based Paint Visual Assessment Required?

The Lead-Based Paint Visual Assessment is required for all houses build *prior to 1978*. If the house being purchased was built from 1978-present, the Lead-Based Paint Visual Assessment is NOT required.

2. Who can conduct the Lead-Based Paint Visual Assessment?

Anyone who has some knowledge of the structure of a house and who has received a Lead-Based Paint Visual Assessment Training Certificate. Training (and the subsequent training certificate) can be completed in less than 30 minutes by taking the on-line course available at <http://www.hud.gov/offices/lead/training/visualassessment/h00100.htm>. ACRFA recommends that the Lenders require the appraisers to complete the above-referenced course and conduct the Lead-Based Paint Visual Assessment as part of the appraisal (since they are already inspecting for chipping and peeling paint). A Lead-Based Paint Visual Assessment Form (see Exhibit J) must be completed and returned to ACRFA for each unit under consideration for Closing Cost and Downpayment Assistance.

3. If the Unit PASSES the Lead-Based Paint Visual Assessment: If the unit PASSES the Lead-Based Paint Visual Assessment, please forward the completed Lead-Based Paint Visual Assessment Form (see Exhibit J) to ACRFA. There are no additional requirements.

4. If the Unit FAILS the Lead-Based Paint Visual Assessment: If the unit FAILS the Lead-Based Paint Visual Assessment, then the following series of steps can be pursued.

a. ***Funding Available:*** There is funding available to reimburse the Lender for the costs outlined below and limited funding available for the borrower to have identified lead-hazards repaired. In order for the Lender to be eligible to receive reimbursement, the Lender must receive a Proceed Order from ACRFA (See below for Proceed Order procedures). In order for the borrower to be eligible for funding to repair identified lead hazards, additional information (see *Proceed Order Procedures for Lead Hazard Repair*) must be submitted and approved by ACRFA.

i. ***Step 1 – Lead-Based Paint Inspection/Risk Assessment:*** By utilizing the Proceed Order Procedures (see Below) the Lender can hire a PA-Certified Lead-Based Paint Inspector/Risk Assessor to conduct a Lead-Based Paint Inspection/Risk Assessment of the unit to identify lead hazards present. (Note: the seller will need to grant permission to conduct this testing).

- ii. ACRFA will reimburse the Lender for this cost, but the Lender must receive Proceed Order from ACRFA in order to be reimbursed.
- iii. **Step 2 – Lead Hazard Repair:** All identified lead-hazards must be repaired by someone who either has a Lead Safe Work Practices Training Certificate or is a PA-Certified Lead Abatement Supervisor or Contractor.
 - 1. Lead Hazard Repair Option 1: Work is completed by the seller (no grants available).
 - 2. Lead Hazard Repair Option 2: Work is initiated and completed by the buyer. Limited grants of up to \$4,000 for lead-hazard repair are available on a limited first-come, first-served basis. The Lender must request funds from ACRFA separately on behalf of the borrower, and the following steps must be followed:
 - a. Buyer gets bids from lead-certified firms and selects the firm of their choice, and submits this bid to the Lender and the ACRFA. The bids must correspond to the Lead-Based Paint Inspection/Risk Assessment Report and must address all identified lead hazards.
 - b. Lender will escrow funding for the lead hazard repairs
 - c. A Lead Clearance Examination must be conducted and passed prior to the contractor being paid and the borrower moving into the house. (Lender is eligible to be reimbursed for the cost of the Clearance Examination utilizing the Proceed Order Procedures)
 - d. Borrower may NOT move into the house prior to work being completed (and clearance test results are OK).
 - e. Borrower must have work completed within 6 months of closing on the house.

b. ***Proceed Order Procedures for Lead-Based Paint Inspection/Risk Assessments*** are as follows:

- i. Lender sends an email to ACRFA requesting authorization to order a Lead-Based Paint Inspection/Risk Assessment (LBPI/RA) with the property's address. Along with the request, ACRFA must be supplied with:
 - 1. The name of the company who will be performing the LBPI/RA and proof of current PA certification.
 - 2. Cost of the LBPI/RA, including all laboratory sampling and report preparation.

ACRFA will send the Lender (via email) a LBPI/RA Proceed Order for the requested amount.

c. ***Reimbursement Procedures for Lead-Based Paint Inspection/Risk Assessments*** are as follows:

- i. Lender submits an invoice to ACRFA for the pre-approved amount and the following:

1. Copy of the invoice from the company who performed the LBPI/RA, which lists the date the service was performed and the amount;
2. Copy of the Lead-Based Paint Inspection/Risk Assessment

d. ***Proceed Order Procedures for Lead Hazard Repair*** are as follows:

- i. Lender is to submit a request for Lead Hazard Repair funds for the borrower to ACRFA for approval. Please include with this request the following:
 1. Copy of contractor's bid/specifications
 2. Copy of the contractor's Lead certification
 3. Copy of the Lead-Based Paint Inspection/Risk Assessment Report
 4. Photo's of the exterior sides of the house

ACRFA will return an approval/decline for Lead Hazard Repair funds with additional information as necessary.

e. ***Reimbursement Procedures for Lead Hazard Repair*** are as follows:

- i. Lender submits an invoice to ACRFA for the pre-approved amount and the following:
 1. Copy of the invoice from the company who performed the Lead Hazard Repair, which lists the date the work was done and the amount;
 2. Copy of the Clearance Testing Report.

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

ATTACHMENT 1

REQUEST FOR DISCLOSURE OF TAX RETURN

I, _____, and I,
_____, hereby authorize the Internal Revenue Service to disclose to

(Name and address of originating Lender)

My/our federal income tax return(s) on form 1040 for the taxable year(s) _____. My/our
social security number(s) appearing in such return(s) is/are:

Date

Signature of Borrower

Date

Signature of Borrower

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

ATTACHMENT 1 (continued)

AFFIDAVIT

I, _____ and I, _____ as applicant(s) for a home mortgage loan originated by _____ pursuant to the Closing Cost and Downpayment Assistance Program of Allegheny County Economic Development, do hereby represent and warrant that I/we are not required to file a Federal Income Tax Return for the calendar year (s) _____ in accordance with the Internal Revenue Service.

I/we declare under penalty of perjury that the foregoing is true and correct. Executed on this date or dates show below.

Date

Signature of Borrower

Date

Signature of Borrower

**DEFERRED PAYMENT LOAN
SECOND OR THIRD MORTGAGE**

ATTACHMENT 2

MADE this _____ day of _____, 200____,

From _____, an individual(s),
hereinafter called MORTGAGOR,

To ALLEGHENY COUNTY RESIDENTIAL FINANCE AUTHORITY, a public instrumentality of the Commonwealth of Pennsylvania and a public body, corporate and politic, hereinafter called MORTGAGEE.

WHEREAS, MORTGAGOR has participated in the MORTGAGEE's Closing Cost and Downpayment Assistance Program and has received from MORTGAGEE a Downpayment Assistance in the amount of \$ _____ and Closing Cost Assistance in the amount of \$ _____, being an aggregate Deferred Payment Loan in the amount of \$ _____ which may become due and payable at the time and under the terms and conditions set forth herein.

NOW, THEREFORE, MORTGAGOR, in consideration of said Deferred Payment Loan and intending to be legally bound hereby, and as security for the payment in full of said Deferred Payment Loan, together with all other sums payable hereunder, does grant and convey unto MORTGAGEE, its successors and assigns as the case may be the following Described Property, all accessions and additions thereto, all substitutions therefore and replacements and proceeds thereof, and all reversions and remainders of such property (collectively the "Property") now owned, held or hereafter acquired, to wit:

ALL [Insert legal description of property]

TOGETHER WITH the buildings and improvements now or hereafter erected thereon, the appurtenances thereunto belonging and all streets, lanes, alleys, passages, rights, liabilities, privileges, hereditament and appurtenances whatsoever thereto and the reversions, remainders, rents, issues and profits thereof and any other sums hereafter intended by MORTGAGOR and MORTGAGEE to be secured hereby.

TO HAVE AND TO HOLD the same unto MORTGAGEE, its successors and assigns forever.

PROVIDED, HOWEVER, that if MORTGAGOR shall retain ownership of the property secured hereunder for a period of five (5) consecutive years from the date hereof, and shall keep and perform each of the other covenants, conditions and agreements hereinafter set forth, or, if the Mortgagor, its successor or assigns, shall pay or cause to be paid to the Mortgagee all sums of money due to it under the Deferred Payment Loan Note in accordance with the terms and provisions thereof then this Mortgage and the estate hereby granted and conveyed shall close, terminate and become void, otherwise this mortgage shall remain in full force and effect.

If all or any part of the Property conveyed herein or any interest in it is sold or transferred (or if a beneficial interest in the Mortgage is sold or transferred and MORTGAGOR is not a natural person) without MORTGAGEE'S prior written consent, MORTGAGEE may, at its option, require immediate payment in full of all sums secured by this instrument. If MORTGAGEE exercises this option, MORTGAGEE shall give MORTGAGOR notice by delivering it or mailing it by first class mail to Mortgagor at the Property address or at a different address if Mortgagor has provided the Mortgagee notice of such different address. Such notice shall provide a period of not less than thirty (30) days from the date the notice is delivered or mailed within which MORTGAGOR must pay all sums secured by this instrument. If MORTGAGOR fails to pay these sums prior to the expiration of this period, MORTGAGEE may invoke any remedies permitted by this instrument without further notice or demand on MORTGAGOR.

If MORTGAGOR does not sell or transfer all or any part of the property or interest in it for a full five (5) years from the date of this instrument, one hundred percent (100%) of the Deferred Payment Loan is forgiven on _____, 200____, the first day of the sixth year from the date hereof. If MORTGAGOR sells or transfers all or any part of the property or interest in it within said five (5) year period, the MORTGAGOR must follow the provisions outlined in Exhibit B: Allegheny County CDBG/HOME (ADDI) Programs Resale Guidelines and Fair Return on Investment Policy.

In case of default for a period of thirty (30) days in the payment of any principal and interest, if any provided for herein, the entire principal and interest, if any, and all other sums paid by MORTGAGEE pursuant to the terms of this Mortgage shall, at the option of MORTGAGEE and without notice, become immediately due and payable, and foreclosure proceedings may be brought forthwith on this Mortgage and prosecuted to judgment, execution and sale for the collection of the same, together with costs of suit and reasonable attorney's fees for collection of the payment in full. MORTGAGOR hereby waives stay of execution, the right of inquisition and extension of time of payment, agrees to condemnation of any property levied upon by virtue of any such execution, and waives all exemption from levy and sale of any property that now is or hereafter may be exempted by law. The covenants, conditions and agreements contained in this Mortgage shall bind, and the benefits thereof shall inure to, the respective parties hereto and their respective heirs, executors, administrators, successors and assigns as the case may be. If this Mortgage is executed by more than one person, the undertakings and liability of each shall be joint and several.

NOTICE -- THIS DOCUMENT MAY NOT (DOES NOT) SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE (HAVE) THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATE OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. [This notice is set forth in the manner provided in Section 1 of the Act of July 17, 1957, P.L. 984, as amended].

WITNESS the hand and seal of said MORTGAGOR

WITNESS: (Individuals)

_____ (SEAL)

_____ (SEAL)

COMMONWEALTH OF PENNSYLVANIA)

)
COUNTY OF _____)

On this _____ day of _____, 200__, before me, a Notary Public, personally appeared

_____,
known to me (or satisfactorily proven) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged that he/she/they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My commission expires: _____

CERTIFICATE OF RESIDENCY

I, the undersigned, do hereby certify that the precise place of residence of MORTGAGEE is:

Allegheny County Residential Finance Authority
425 Sixth Avenue, Suite 800, Pittsburgh, PA 15219

Authorized Signature

EXHIBIT B

ATTACHMENT 3

ALLEGHENY COUNTY CDBG/HOME (ADDI) PROGRAMS
RESALE GUIDELINES AND FAIR RETURN ON INVESTMENT POLICY

<hr/> MORTGAGOR(S) <hr/>	<hr/> MORTGAGE AMOUNT <hr/>
<hr/> BLOCK & LOT #/STREET ADDRESS <hr/>	<hr/> MUNICIPALITY <hr/>

Any property conveyed under the CDBG/HOME (ADDI) Programs must remain affordable for a period of five (5) years, if the CDBG/HOME Mortgage is less than \$15,000, ten (10) years if the CDBG/HOME (ADDI) Mortgage is between \$15,000 and \$40,000, and fifteen (15) years if the CDBG/HOME (ADDI) Mortgage exceeds \$40,000. This will be insured via deed restrictions on all conveyed properties. In the event that the applicable above referenced time period elapses, then any Mortgage created by this CDBG or HOME (ADDI) Program shall be null and void.

Allegheny County will require repayment of the CDBG/HOME (ADDI) funded First, Second or Third Mortgages as follows:

- A) Property is sold to a family or individual making less than 80% of the area median income.
 - 1. Repayment of the balance due under the First Mortgage.
 - 2. Original purchaser will receive 100% of the value of documented property improvements, return of original purchaser contributed closing costs and downpayment, and return of the value of principal payments made on the First Mortgage during ownership.
 - 3. Allegheny County will reduce the amount of any existing CDBG/HOME (ADDI) Second or Third Mortgage required to be repaid or transfer the CDBG/HOME (ADDI) Mortgage (remaining balance available to the extent possible after 1 and 2 are provided for) to the subsequent purchaser in accordance with affordability standards which enable the subsequent purchaser to spend no more than 30% of adjusted gross monthly income on housing related expenses.
 - 4. Original purchaser will receive 75% of the value of appreciation, defined herein as net sale proceeds, which represents all funds remaining after repayment of 1, 2, and 3 above. Allegheny County shall transfer to the subsequent purchaser the remaining 25% of net sale proceeds.

B) Property is sold to a family or individual making more than 80% of the area median income.

1. Repayment of the balance due under the First Mortgage.
2. Original purchaser will receive 100% of the value of the documented property improvements, return of original purchaser contributed closing costs and downpayment, and return of the value of principal payments made on the First Mortgage during ownership.
3. Repayment of the CDBG/HOME (ADDI) Mortgage to the extent possible after 1 and 2 above are satisfied.
4. Original purchaser will receive 75% of the value of appreciation, defined herein as net sale proceeds, which represents all funds remaining after repayment of 1, 2, and 3 above. Allegheny County shall recapture the remaining 25% of net sale proceeds.

The aforementioned as been explained to me (us) by _____ of _____ (Agency), and I (we) fully understand the obligations created by the receipt of First, Second or Third Mortgage funds as set forth herein.

Witness Date

Homebuyer Date

Witness Date

Homebuyer Date

**DEFERRED PAYMENT LOAN
NOTE**

ATTACHMENT 4

FOR VALUE RECEIVED, without defalcation,

_____, "MAKER" hereby promises to pay to the order of Allegheny County Residential Finance Authority, a body, corporate and politic of the Commonwealth of Pennsylvania (the "Authority") with a mailing address of Suite 800, 425 Sixth Avenue, Pittsburgh, Pennsylvania 15219, or at such other place as the Holder hereof may, from time to time, direct MAKER in writing the sum of _____ lawful money of the United States of America, at zero percent (0%) interest, on [6 years from the date of execution].

If all or any part of the Property (as hereafter defined) conveyed herein or any interest in it is sold or transferred (or if a beneficial interest in the First Mortgage is sold or transferred and MAKER is not a natural person) without AUTHORITY'S prior written consent, AUTHORITY may, at its option, require immediate payment of all sums secured by this instrument. If AUTHORITY exercises this option, AUTHORITY shall give MAKER notice of acceleration by delivering it or by mailing it by first class mail to MAKER at the Property address listed below or at a different address if MAKER has provided AUTHORITY a notice of a different address. The notice shall provide a period of not less than thirty (30) days from the date the notice is delivered or mailed within which MAKER must pay all sums secured by this instrument. If MAKER fails to pay these sums prior to the expiration of this period, AUTHORITY may invoke any remedies permitted by this instrument without further notice or demand on MAKER.

If MAKER does not sell or transfer all or any part of the property or his/her/their interest in it for a full five (5) years from the date of this instrument, one hundred percent (100%) of the Deferred Payment Loan will be forgiven on the first day of the sixth year from the date hereof on _____. If MAKER sells or transfers all or any part of the property or his/her/their interest in it within said five (5) year period, the MAKER must follow the provisions outlined in Exhibit B: Allegheny County CDBG/HOME (ADDI) Programs Resale Guidelines and Fair Return on Investment Policy.

This Note is secured by a Mortgage bearing even date herewith between MAKER and AUTHORITY. Said Mortgage is on real property located at _____ as more particularly described in Exhibit A to the Mortgage (the "Property"). It is hereby declared and agreed, that the said debt or principal sum herein mentioned is the same which is secured by the said Mortgage, that the Mortgage has been executed and delivered as security for the payment of this Note and all the terms, conditions and obligations in the Mortgage are incorporated in and made part of this Note by reference thereto.

In addition to all other rights possessed by it, AUTHORITY shall have the following rights, each of which may be exercised at any time: (i) to pledge or transfer this Note or any part thereof and any renewals, extensions, and modifications thereof, assigning therewith AUTHORITY'S rights in the Mortgage or any portion thereof, and any such pledge or transferee shall have all the rights of

AUTHORITY hereunder with respect to this Note and any renewals, extensions, and modifications thereof, and (ii) to apply any proceeds of the Mortgage against this Note and any renewals, extensions, and modifications thereof.

The MAKER shall be in default hereunder upon: (i) the non-payment within thirty (30) days after the same is due of any amount payable under this Note, (ii) a default under any of the terms of the Mortgage which is not corrected within the applicable period therein specified, and (iii) a default of any mortgage recorded prior to the Mortgage securing this Note.

In the event of such default hereunder, the whole of the principal sum and interest, if any due hereof, shall become due and payable at the option of the Authority, and one or more executions for collection of said principal sum with interest, and other sums due by MAKER according to the terms hereof, or according to the terms of said Mortgage or other collateral, together with costs of suit and attorney's commission of five (5%) percent for collection, may issue forthwith on any judgment or judgments obtained by the Authority against the MAKER. Said Mortgage is intended for immediate recording in the Office of the Recorder of Deeds in and for Allegheny County, Pennsylvania.

From time to time, without affecting the obligation of the MAKER, or the successors or assigns of MAKER, to pay the outstanding principal balance of this Note and observe the covenants of the MAKER contained herein, without affecting the guaranty of any person, corporation, partnership or other entity for payment of the outstanding principal balance of this Note, without giving notice to or obtaining the consent of the MAKER, the successors or assigns of the MAKER or guarantors, and without liability on the part of the Authority, the Authority may, at the option of the Authority hereof, extend the time for payment of said outstanding principal balance or any part thereof, reduce the payments thereon, release anyone liable on any of said outstanding principal balance, accepting a renewal of this Note, and modify the terms and time of payment of said outstanding principal balance or join in any extension or subordination agreement.

THE MAKER, OR ANY OF THEM, HEREBY EMPOWER ANY ATTORNEY OF ANY COURT OF RECORD WITHIN THE UNITED STATES OF AMERICA OR ELSEWHERE TO APPEAR FOR THE MAKER OR ANY OF THEM, UPON DEFAULT, AND WITH OR WITHOUT COMPLAINT FILED, CONFESS JUDGMENT OR A SERIES OF JUDGMENTS AGAINST THE MAKER IN FAVOR OF ANY HOLDER HEREOF, AS OF ANY TERM, FOR THE UNPAID BALANCE OF THE PRINCIPAL DEBT AND ALL OTHER SUMS PAID BY THE HOLDER HEREOF TO OR ON BEHALF OF THE MAKER, OR ANY OF THEM, PURSUANT TO THE TERMS OF THIS NOTE OR SAID MORTGAGE OF EVEN DATE HEREWITH, TOGETHER WITH UNPAID INTEREST THEREON, COST OF SUIT AND AN ATTORNEY'S COMMISSION FOR COLLECTION OF FIVE (5%) PERCENT OF THE TOTAL INDEBTEDNESS OR \$1,000, WHICHEVER IS THE LARGER AMOUNT, ON WHICH JUDGMENT OR JUDGMENTS ONE OR MORE EXECUTIONS MAY ISSUE FORTHWITH UPON FAILURE TO COMPLY WITH ANY OF THE TERMS AND CONDITIONS OF THIS NOTE OR THE MORTGAGE. THE MAKER, OR ANY OF THEM, HEREBY FOREVER WAIVE AND RELEASE ALL ERRORS IN SAID PROCEEDINGS, WAIVE STAY OF EXECUTION, RIGHT OF INQUISITION AND EXTENSION OF TIME OF PAYMENTS, AGREE TO CONDEMNATION OF ANY PROPERTY LEVIED UPON BY VIRTUE OF ANY SUCH EXECUTION, AND WAIVE ALL EXEMPTIONS FROM LEVY AND SALE OF ANY PROPERTY THAT NOW IS OR HEREAFTER MAY BE EXEMPTED BY LAW.

Any failure of the Holder to exercise any rights hereunder shall not be construed as a waiver of the right to exercise the same or any other right at any other time.

This Note shall be binding upon the MAKER and the heirs, personal representatives, successors and assigns of the MAKER and shall inure to the benefit of AUTHORITY, the Holder, its successors and assigns. The obligations and undertakings of the MAKER hereunder shall be joint and several.

The MAKER intends this to be a sealed instrument and to be legally bound hereby.

All issues arising hereunder shall be governed by the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the MAKER has caused this instrument to be executed on its behalf effective the day and year first written above.

WITNESS:

By: _____
MAKER

MAKER