



ALLEGHENY COUNTY
ECONOMIC DEVELOPMENT

Dennis M. Davin, Director

**2011 Series ZZ
November 2011**

**FIRST TIME
HOMEBUYER
PROGRAM**

**CLOSING COST
and
DOWNPAYMENT
ASSISTANCE
GUIDELINES**

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

Allegheny County Economic Development

**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
2011 NIBP Program
(GNMA and Fannie Mae Mortgage-Backed Securities Program)**

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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 8,500 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 checks directly to participating lenders 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, 2010 NIBP PROGRAM (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 (or Third) Mortgage.

Up to seven lending institutions will participate in the Program (see Supplement 1). 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. We expect that each Lender will aggressively market the Program.

Program Requirements

1. Type: FHA insured, PMI insured 30 year mortgages only, as applicable.
2. Downpayment in accordance with FHA guidelines and Fannie Mae Guides, as applicable.
3. Must be a **first-time homebuyer** (Cannot have owned a home in the last three years).
4. Must have an **executed sales agreement** at time of application with the Lender.
5. Must provide at least **last three years income tax returns** to Lender.
6. Must provide a **Certified Tax Return** for the most recent tax year.
7. Must **meet FHA and Fannie Mae underwriting requirements, as applicable.**
8. No Prepayment Penalties.
9. Must serve as the Mortgagors' primary residence within 60 days of closing. Vacation and second homes are ineligible.
10. 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.
11. For houses built pre-1978, the house must pass the Lead-Based Paint Visual Assessment OR Borrower(s) must make provisions to have lead hazards repaired, See Exhibit E and Supplement 2.

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

- i) those Mortgagors **between 61% and 100%** of the median income of Allegheny County (adjusted for family size) may be eligible to receive **50%** 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 **75%** 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 Mortgagor's Income Affidavit (Exhibit C).

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).

FY 2012 INCOME LIMITS			
Family Size	60% Median Income Limit	80% Median Income Limit	100% Median Income Limit
1	\$27,300	\$36,350	\$45,500
2	\$31,200	\$41,550	\$52,000
3	\$35,100	\$46,750	\$58,500
4	\$38,900	\$51,900	\$64,900
5	\$42,100	\$56,100	\$70,100
6	\$45,200	\$60,250	*\$73,600

**Maximum income limit for a household size of 3 or more to obtain a first mortgage in this program is \$73,600.*

Purchase Price Limits: **\$298,481** (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 with a maximum not to exceed \$4,999.99 in total assistance. The amount necessary will be calculated in accordance with FHA and Fannie Mae underwriting guidelines, as applicable.

Note: For homeownership projects which receive funding assistance through the County's Allegheny Housing Development Fund (AHDF), an eligible Borrower(s) can receive up to \$10,000.00 in closing cost and downpayment assistance. A Minimum of one percent (1%) Borrower(s) equity is required. Borrower(s) will be subject to all other existing program requirements and may be subject to an extended Period of Affordability under the Allegheny County Resale Guidelines and Fair Return on Investment Policy.

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. The Second Mortgage is forgiven on the first day of the sixth year and upon receipt of a satisfaction fee from the Borrower(s). If the Closing Cost and Downpayment Assistance Mortgage does not hold the second position, all documents submitted must reflect the correct position of the Closing Cost and Downpayment Assistance Mortgage.

Note: See *Affordability Requirements* below if the home to be purchased received funding assistance through the County's Allegheny Housing Development Fund (AHDF).

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(s) from a PHFA or HUD certified counseling agency.

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 fact sheets 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 to the lender in the amount of the deferred payment loan, including an additional \$57.00 for certified tax return reimbursement to the Lender, when applicable.

Applicable Federal Regulations

ACRFA will be utilizing American Dream Downpayment Initiative (ADDI) and Affordable Housing Trust Fund (AHTF) 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(s) 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 E and Supplement 2.

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 second (or third) 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 home to be purchased receives funding assistance through the County's Allegheny Housing Development Fund (AHDF), or the Borrower(s) 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, which may affect the period of affordability. Please ask the seller (especially in the case of non-profit or for-profit developer) if there is other federal funding involved and what the corresponding period of affordability will be.

Fair Return on Investment Policy: This is an exhibit to the Second (or Third) Mortgage and Note that is to be explained to the Borrower(s), signed by the Borrower(s) and **RECORDED with the Second (or Third) Mortgage**. This provides the Borrower(s) 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
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

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

The Exhibits and all required forms should be submitted at least *ten (10) business days* prior to the scheduled closing date at the following address or email address:

Katelyn Roney, Program Coordinator
Allegheny County Residential Finance Authority
425 Sixth Avenue, Suite 800
Pittsburgh, PA 15219
katelyn.roney@alleghenycounty.us
(412) 350-3723

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:

Initial Approval: *required documentation*

- _____ Mortgage Application/Credit Analysis Worksheet.
- _____ Sales Agreement
- _____ Housing Counseling Certificate
- _____ **EXHIBIT B Eligibility Affidavit**
*Does not need to be signed & notarized at the time of initial application approval
- _____ **EXHIBIT C Mortgagor's Income Affidavit**
*Does not need to be signed & notarized at the time of initial application approval
- _____ **EXHIBIT D Co-Signor's Income Affidavit (if applicable)**
- _____ **EXHIBIT E Passed Lead-Based Paint Visual Assessment Form** (required for all houses built pre-1978)
_____ Training Certificate for Lead-Based Paint Visual Assessment
- _____ **EXHIBIT F Executed Certified Tax Return Form** (IRS Form #4506) for the most recent tax year.
_____ **\$57.00 Check** for Certified Tax Return Fee (reimbursable to Lender by ACRFA)
- _____ **EXHIBIT G Affidavit for Borrower's that do not file Tax Returns** (if applicable)
- _____ Draft closing cost and downpayment assistance Mortgage and Draft Note
_____ Please list the position of the closing cost and downpayment assistance mortgage

Post-Closing:

Approval and receipt of funds conditional upon receipt of all of the following documents post-closing:

- _____ Original recorded closing cost and downpayment assistance Mortgage with recorded Fair Return on Investment Policy
- _____ Note
- _____ Signed & Notarized **Exhibit B** Eligibility Affidavit
- _____ Signed & Notarized **Exhibit C** Mortgagor's Income Affidavit
- _____ Certified Tax Return from IRS

EXHIBIT A
Page 1

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

below: *(please fill out completely)*

NAME OF MORTGAGOR: _____

PROPERTY ADDRESS: _____

Number and Street _____

Municipality/Zip Code _____

AMOUNT REQUESTED/CLOSING AGENT/PLACE OF CLOSING

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 _____

ELIGIBILITY AFFIDAVIT

The undersigned, _____, as an officer of _____ [(insert name of lending institution), hereinafter referred to as "Lender"], hereby certifies, with respect to the origination of a home mortgage to _____ [hereinafter referred to as the Borrower(s)], who are qualified as first-time homebuyers to receive Closing Cost Downpayment Assistance from the Allegheny County Residential Finance Authority (the Authority) pursuant to the requirements of the Program in purchasing a single family dwelling to be the principal place of Residence, as follows:

1. The residence is located with Allegheny County, Pennsylvania, and outside the City of Pittsburgh. The address of the Residence is _____.
2. Borrower(s) will occupy this Residence as his/their Principal Place of Residence within (60) days of the closing of the FHA Insured Home Mortgage or PMI Insured Home Mortgage, as applicable, and thereafter maintain the property as his/their Principal Place of Residence. Borrower(s) do not intend to use the Residence as an 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 Borrower(s) for a deduction for expenses on business use of Residence under the Internal Revenue Code except incidentally as follows:

Specify the intended use:

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. The Residence is a single family residence which includes as eligible properties condominiums, townhomes, and mobile homes permanently affixed to a Borrower's individually owned lot.
4. Borrower(s) has entered into a Sales Agreement with the Seller. The purchase price does not exceed those limits specific in the Program Guidelines for the Authority Bond Program:
 - a. The purchase price of the Residence is : \$ _____
 - b. The appraised value of the Residence is: \$ _____
 - c. Neither Borrower(s) nor anyone on Borrower(s) behalf has made or cancelled any debt of the Seller and neither the Borrower(s) nor anyone on Borrower(s) behalf has made or will make any payment, other than the amount shown in (4.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 Lenders knowledge, said lease payment (if any) is not in excess of the fair rental value of the Residence.
 - e. To the best of Lenders knowledge, the Residence as sold will be substantially complete and will contain all appropriate fixtures and other architectural appointments.
 - f. To the best of Lenders knowledge, the Residence as sold meets applicable minimum health, zoning, and occupancy standards.

EXHIBIT B

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5. Borrower(s) has not 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. The federal income tax returns of the Borrower(s) for this period have been submitted and examined by the Lender and it has been determined that the Borrower(s) did not claim deductions for taxes or interest on indebtedness with respect to real property constituting the Borrower(s) Principal Residence, or, if such tax returns were unavailable, Lender is satisfied that the Borrower(s) has no such interest.

6. As evidenced by the HUD 1 Settlement Statement, the Borrower(s) has 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 Borrower(s) 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 Borrower(s).
7. Lender shall record, at the Borrowers expense, in the Office of the Recorder of Deeds of Allegheny County, Pennsylvania, a Second Mortgage and Fair Return on Investment Policy in favor of the Authority in a form satisfactory to both the Authority and Allegheny County Economic Development and in the amount of the total closing cost and downpayment assistance provided by the Authority. Lender will deliver the fully executed Note, recorded original Second Mortgage, and recorded original Fair Return on Investment Policy to Allegheny County Economic Development.
8. CLOSING COST AND DOWNPAYMENT ASSISTANCE
 - a. The current total annual household income of the Borrower(s) is \$ _____.
 - b. The household size of the Borrower(s) is _____.
 - c. Based on the FY 2010 Income Guidelines below for household income and household size, the Borrower(s) qualifies for: 50% _____ or 75% _____ in Closing Cost and Downpayment Assistance.

FY 2012 Income Limits / Household Size *Effective December 1, 2011							
1	2	3	4	5	6	7	8
60% of Median Income							
\$27,300	\$31,200	\$35,100	\$38,900	\$42,100	\$45,200	\$48,300	\$51,400
80% of Median Income							
\$36,350	\$41,550	\$46,750	\$51,900	\$56,100	\$60,250	\$64,400	\$68,550
100% of Median Income							
\$45,500	\$52,000	\$58,500	\$64,900	\$70,100	\$73,600*	\$73,600*	\$73,600*

*Maximum income limit for a household size of 3 or more to obtain a first mortgage in this program is \$73,600.

- d. The FHA or Fannie Mae, as applicable, minimum downpayment required of Borrower(s) is \$ _____.
 - i. Therefore, the Borrower(s) is entitled to receive Downpayment Assistance in the amount of \$ _____.
 - ii. This represents 50% _____ or 75% _____ of the required downpayment.
- e. The FHA or Fannie Mae, as applicable, approved closing costs *excluding escrows, prepaid items and the Mortgage Insurance Premium for this Home Mortgage* total \$ _____.
 - i. Therefore, the Borrower(s) is entitled to receive Closing Cost Assistance in the amount of \$ _____.
 - ii. This represents 50% _____ or 75% _____ of the required closing costs.
- f. The Borrower(s) has met the conditions and requirements of the Program. The Borrower(s) is entitled to a deferred loan payment loan in the amount of \$ _____.

EXHIBIT B

Page 2

- g. Borrower(s) understands 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 Borrowers residence in the property for five (5) consecutive years.

9. PRINCIPAL RESIDENCY REQUIREMENT

Borrower(s) understand that by selling, transferring, or otherwise conveying his/their interest in the property for any reason before the first day of the sixth year, Borrower(s) 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, as its option, require immediate payment in full of all sums secure by the Second Mortgage. Borrowers shall notify the servicer of the mortgage loan of any change in address.

Borrower(s) understand that compliance with this requirement does not relieve his/their compliance with the Principal Residency Requirement of the Bond Program, which requires borrower(s) to maintain his/their home as principal place of residence until the mortgage loan is satisfied.

10. 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 pending receipt of a mortgage satisfaction fee from the Mortgagor.

11. Borrower(s) hereby certify that all the information submitted to _____ (insert name of lending institution) and contained herein and in connection with this application for Closing Cost and Downpayment Assistance is true and correct.

12. PERIOD OF AFFORDABILITY

Borrower(s) understand that there is a period of affordability associated with receipt of these funds that has a residency requirement as outlined in the Resale Guidelines and Fair Return on Investment Policy and Note for the closing cost and downpayment assistance.

Borrower(s) Initial: _____
Lending Agent Initial: _____

13. LENDER AUTHORIZATION

DATE: _____
NAME: _____
TITLE: _____
LENDING INSTITUTION: _____

EXHIBIT B
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Pursuant to Section 1746 of Title 28 of the United States Code, I/we declare under penalty of perjury that the foregoing warranties and representations are true and correct.

Executed on the Date(s) shown below:

Date

Borrower's Signature

Date

Borrower's Signature

Date

Borrower's Signature

COMMONWEALTH OF PENNSYLVANIA)

)

COUNTY OF _____)

On this _____ day of _____, 20_____, before me, a Notary Public, personally

Appeared _____ [insert name of Borrower(s)],

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: _____

I have explained the contents of this Affidavit to each Borrower/Buyer whose signature appears above, and I have no reason to believe that those individuals made any misstatements in the warranties and representations required to be made herein or omitted to state any of the information requested.

Lender: _____

Officer Name: _____

Date: _____

EXHIBIT B
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ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

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.

EXHIBIT C

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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.

EXHIBIT C

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MORTGAGOR'S INCOME AFFIDAVIT (continued)

The undersigned Borrower(s), 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

Executed on the Date(s) shown below:

Date

Borrower's Signature

Date

Borrower's Signature

COMMONWEALTH OF PENNSYLVANIA)

)

COUNTY OF _____)

)

On this _____ day of _____, 20____, before me, a Notary Public, personally appeared _____ [insert name of Borrower(s)],

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.

Notary Public

My commission expires: _____

EXHIBIT C
Page 4

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

CO-SIGNOR'S INCOME AFFIDAVIT

I, _____, as co-obligor on a Promissory Note made pursuant to the Borrower(s), _____, 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

EXHIBIT D

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

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(s)	
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.

EXHIBIT E

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT

CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

CERTIFIED TAX RETURN FORM

*Please refer to additional two-page form entitled
Exhibit F: Certified Tax Return Form*

EXHIBIT F

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

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**

MADE this _____ day of _____, 20____,

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 _____, 20____, 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 _____, 20____, 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

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

MORTGAGOR(S)

MORTGAGE AMOUNT

MAILING ADDRESS

MUNICIPALITY

BLOCK/LOT

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.

\$ _____

Date: _____

Address: _____

FOR VALUE RECEIVED, without defalcation,
_____ and _____
(jointly and severally, the "MAKER") hereby promises to pay to the order of the Allegheny County Residential Finance Authority, a body, corporate and politic of the Commonwealth of Pennsylvania (the "AUTHORITY") with a mailing address of 425 Sixth Avenue, Suite 800, Pittsburgh, Pennsylvania 15219, or at such other place as the AUTHORITY, from time to time, designates in writing, the principal sum of _____ and ___/100 Dollars (\$ _____) in lawful money of the United States of America, with interest at zero percent (0%), in full on or before the earlier of: (i) _____ **[INSERT THE DATE THAT IS 6 YEARS FROM THE DATE OF EXECUTION OF THIS NOTE]**, or (ii) the date the Property (as hereinafter defined) is sold, transferred or conveyed as set forth below (the "Maturity Date").

This Note, together with all charges, advances, and other costs related hereto incurred by the AUTHORITY on behalf of or for the benefit of the Maker, is secured by a Deferred Payment Loan Mortgage dated of even date herewith from the MAKER to the AUTHORITY (the "Mortgage"), the terms, conditions and obligations of which are incorporated herein by reference thereto, granting the AUTHORITY a lien in and to that certain parcel or parcels of land located at _____ **[insert street address]** _____ **[insert lot and block]** _____ **[insert municipality]**, Allegheny County, Pennsylvania, _____ **[insert zip code]** together with any buildings, additions, improvements, fixtures, furnishings, furniture, machinery, appliances, apparatus, equipment, tenements, hereditaments and appurtenances and other property interests, as more fully described in Exhibit A to the Mortgage (the "Property").

Said Mortgage is intended for immediate recording in the Office of the Department of Real Estate in and for Allegheny County, Pennsylvania.

The MAKER shall not sell, transfer or convey the Property or any part thereof during the Ownership Period (as hereafter defined) on or before the Maturity Date without the prior written consent of the AUTHORITY.

If MAKER sells, transfers or conveys the Property, or any part thereof or if a beneficial interest in the Mortgage dated _____ from MAKER to _____ **[INSERT NAME OF LENDER HOLDING FIRST MORTGAGE]** (the "First Mortgage") is assigned, sold, transferred or conveyed, without the AUTHORITY'S prior written consent, the AUTHORITY may, at its option, declare this Note and any and all sums due hereunder, together with any other amounts due and payable under the Mortgage to be immediately due and payable. If the AUTHORITY exercises this option, the AUTHORITY shall give the MAKER notice of acceleration by hand delivery or by first class mail at the address of the Property or such other address as the MAKER shall have designated in writing to the AUTHORITY. The notice of acceleration shall provide a date specific upon which all sums shall be due and payable (which date shall be not less than ten (10) days from the date the notice is hand delivered or mailed). If the MAKER fails to pay all sums due and payable hereunder prior to the date specified in the notice of acceleration, the

AUTHORITY may invoke any and all remedies permitted by this Note, at law or in equity without further notice or demand on the MAKER.

If the MAKER retains title to the Property in its entirety for a period of five (5) consecutive years from the date of this Note (the "Ownership Period"), one hundred percent (100%) of the principal sum due on this Note shall be forgiven on _____ **[INSERT THE FIRST DAY OF THE SIXTH YEAR FROM THE DATE OF THE NOTE]**. Notwithstanding the foregoing, the MAKER shall be responsible for the payment of all costs associated with the satisfaction of the Mortgage. If the MAKER sells, transfers or conveys the Property or any part thereof prior to the expiration of the Ownership Period, the MAKER must follow the provisions outlined in "Exhibit B – Attachment 3 - Allegheny County CDBG/HOME (ADDI) Programs Resale Guidelines and Fair Return on Investment Policy" of the First-time Homebuyer Program, the terms and provisions of which are incorporated herein by reference thereto.

In addition to all other rights possessed by it, the AUTHORITY shall have the right, at any time: (i) to pledge, assign or transfer this Note in whole or in part, including any renewals, extensions, and modifications thereof, if any, together with the AUTHORITY'S rights in the Mortgage or any portion thereof, and/or (ii) **to apply any proceeds received pursuant to Mortgage against this Note and any renewals, extensions, and modifications thereof.**

The occurrence of any of the following events will be deemed to be an "Event of Default" under this Note: (i) the non-payment of any amount payable under this Note within ten (10) days after the same is due, (ii) a default or event of default under the Mortgage occurs or continues and any applicable grace or cure period with respect to such default expires without such default having been cured or waived by the AUTHORITY, (iii) the failure to observe or perform any covenant or other agreement under or contained in the Mortgage, and/or (iv) a default or event of default under any other loan agreements or mortgages relating to the Property occurs or continues and any applicable grace period or cure period with respect to such default expires without such default having been cured or waived.

Upon the occurrence of an Event of Default, the AUTHORITY or any subsequent holder of this Note may: (i) declare this Note and all sums due and payable hereunder and under the Mortgage to be immediately due and payable, and/or (ii) exercise any and all remedies provided in the Mortgage; and/or (iii) exercise any and all remedies available at law or in equity.

From time to time, and at its sole option, the AUTHORITY may, (i) extend the time for payment of the outstanding principal balance of this Note, (ii) reduce the payments due and payable hereunder, (iii) release anyone liable for the repayment of this Note, (iv) renew this Note, (v) modify the terms of payment of this Note, or (vi) enter into any subordination agreement. The exercise of the AUTHORITY of any of these options will not affect the obligation of the MAKER, his/her/their successors or assigns, to pay the sums due and payable under this Note on or before the Maturity Date and to observe the covenants contained herein.

CONFESSION OF JUDGMENT. THE MAKER, HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD, AFTER THE OCCURRENCE OF ANY EVENT OF DEFAULT HEREUNDER, TO APPEAR FOR THE MAKER AND, WITH OR

WITHOUT COMPLAINT FILED, CONFESS JUDGMENT OR A SERIES OF JUDGMENTS AGAINST THE MAKER IN FAVOR OF THE AUTHORITY OR ANY HOLDER HEREOF, FOR THE ENTIRE PRINCIPAL BALANCE OF THIS NOTE, AND ALL OTHER AMOUNTS DUE HEREUNDER, TOGETHER WITH COST OF SUIT AND ATTORNEY'S COMMISSION OF THE GREATER OF FIVE (5%) PERCENT OF SUCH PRINCIPAL OR ONE THOUSAND AND 00/100 DOLLARS (\$1,000.00) ADDED AS REASONABLE ATTORNEYS' FEES, AND FOR SO DOING THIS NOTE OR A COPY VERIFIED BY AFFIDAVIT SHALL BE A SUFFICIENT WARRANT.

THE AUTHORITY OR ANY HOLDER HEREOF MAY CONFESS ONE OR MORE JUDGMENTS IN THE SAME OR DIFFERENT JURISDICTIONS FOR ALL OR ANY PART OF THE AMOUNT OWING HEREUNDER, WITHOUT REGARD TO WHETHER JUDGMENT HAS THERETOFORE BEEN CONFESSED ON MORE THAN ONE OCCASION FOR THE SAME 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 HEREBY FOREVER WAIVES AND RELEASES ALL ERRORS IN SAID PROCEEDINGS AND ALL RIGHTS OF APPEAL AND ALL RELIEF FROM ANY AND ALL APPRAISEMENT, STAY OR EXEMPTION LAW OF ANY STATE NOW IN FORCE OR HEREAFTER ENACTED.

WAVIER OF JURY TRIAL. THE MAKER HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS THE MAKER MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS NOTE, AND ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS NOTE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

The MAKER acknowledges that he/she/they has/have read and understood all of the provisions of this Note, including the confession of judgment and waiver of jury trial, and has been advised by counsel as necessary or appropriate.

MAKER's Initials: _____

MAKER's Initials: _____

Any failure by the AUTHORITY or any Holder of this Note 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 his/her/their heirs, personal representatives, successors

and assigns of the MAKER and shall inure to the benefit of AUTHORITY, the Holder of this Note, 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.

This Note shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania. The MAKER hereby consents to the jurisdiction and venue of the Court of Common Pleas of Allegheny County, Pennsylvania and the United States District Court for the Western District of Pennsylvania with respect to any suit arising out of or mentioning this Note.

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

WITNESS:

By: _____
MAKER

MAKER

**ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM
SUPPLEMENT 1: LIST OF PARTICIPATING LENDERS**

Allegheny Mortgage Corporation

Oak Park Mall

	2001 Lincoln Way White Oak, PA 15131 Contact: Terry Johnston 412-672-8710
Allstate Financial Services, Inc.	One Forestwood Drive Pittsburgh, PA 15237 Contact: Richard R. Spracia 412-369-9500
Dollar Bank	Three Gateway Center, 1 East Pittsburgh, PA 15222 Contact: Bonnie Booth or Regina Sandidge 412-261-8018
First Niagara	11 Stanwix Street Pittsburgh, PA 15222 Contact: Tanya Frye 412-897-7488
Howard Hanna Mortgage Services	119 Gamma Drive Pittsburgh, PA 15238 Contact: Kevin Laird 412-967-9000 Ext. 219
Omega Financial Services, Inc.	900 Washington Avenue Carnegie, PA 15106 Contact: A. Patrick Beattie 412-429-9000
Victorian Finance	212 Washington Avenue, Suite 300 Bridgeville, PA 15017 Contact: Krista Kaley 412 854-4500 ext 308
West Penn Financial Service Center, Inc.	1800 Smallman Street Pittsburgh, PA 15222 Contact: Dina Litzinger 412-391-3200

ALLEGHENY COUNTY ECONOMIC DEVELOPMENT
CLOSING COST AND DOWNPAYMENT ASSISTANCE PROGRAM

SUPPLEMENT 2

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(s) 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(2) 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 (2), 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(s) moving into the house. (Lender is eligible to be reimbursed for the cost of the Clearance Examination utilizing the Proceed Order Procedures)
 - d. Borrower(s) may NOT move into the house prior to work being completed (and clearance test results are OK).
 - e. Borrower(s) 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(s) 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.