

How to Start the Process

This program provides (0%) second or subordinated loans to eligible first-time buyers of Dauphin County homes. Applicants must complete an approved workshop in order to qualify for assistance. Approved counseling agencies for Dauphin County are:

Fair Housing Council of the Capital Region
2100 N. 6th Street, Harrisburg
717-238-9540

Advantage Credit Counseling Services (virtual only)
1-866-699-2227

Pathstone Corporation - Pennsylvania
1625 N. Front Street, Harrisburg
717-264-5913

Tri-County Housing
201 North Front Street, 1st Floor, Harrisburg
717-231-3604

Once the applicant has received certification, she/he may proceed directly to any lender to make application for a first mortgage. The second or subordinated mortgage available through this program can be initially projected by an approved counseling agency, realty agent or loan representative, and may be definitively calculated by the first mortgage lender. Review and approval of the Dauphin County Second or Subordinated Mortgage application will occur by staff of the Dauphin County Department of Community and Economic Development (DCDCED) 717.780.6250.

Applications will be received continuously throughout the year. Applications can be acquired through the first mortgage lender and/or approved agency. Funds will be distributed as they become available through Dauphin County mortgage and deed recording fees. When, and if, funds are depleted, the approved, but unfunded applications, will be held to await additional funding.



Dauphin County Board of Commissioners

Justin Douglas, Chairman

Mike Pries, Vice Chairman

George P. Hartwick, III, Secretary



First-Time Homebuyers Program

3211 N. Front Street, Suite 301-C
Harrisburg, PA 17110
717.780.6250
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First-Time Homebuyers Program

Program Overview

- ◆ Dauphin County's First-Time Homebuyer Program offers a maximum of **\$6,000** second or subordinated mortgage per home
- ◆ This loan can be used toward the **price of the home and/or closing costs**
- ◆ **No interest** is charged, and **no monthly payments** are required
- ◆ Applicant must qualify according to the family income limit guidelines.
- ◆ Applicant must complete an approved homebuyer counseling workshop.
- ◆ With a clear knowledge of the price and type of home which she/he requires and can afford, an applicant will then enter into an Agreement of Sale to purchase a home. *The Dauphin County Department of Community and Economic Development will only accept an application after the homebuyer has signed a Sales Agreement on a property.* The down payment and/or closing cost assistance provided to the homebuyer is attached to the property.
- ◆ With an approved counseling agency's or realtor's help, if needed, the applicant should then apply for a First Mortgage from any lender or a lender participating in a Pennsylvania Housing Finance Agency (PHFA) program. The approved counseling agencies retain a list of lenders with special programs directed at first-time homebuyers. Each applicant is free to select the lender desired, but must check to ensure that the lender is willing to accept the recording of a second or subordinated mortgage offered by this program.
- ◆ When a lender approves the First Mortgage, it will calculate the amount of second or subordinated mortgage required to enable the applicant to purchase the house. The lender must submit a copy of its calculations to the Dauphin County Department of Community and Economic Development.
- ◆ The applicant will proceed to settlement and will be assisted in purchasing the home by the lender providing the First Mortgage, and second or subordinated mortgage, which is funded by the Dauphin County Affordable Housing Fund. A check will be issued by Dauphin County Affordable Housing Fund to the title company/settlement agent for closing.

Eligibility Requirements

- ◆ Household income cannot exceed 80% of the median income of Dauphin County. The income limits are calculated for Fiscal Year 2024 (eff. 6/1/2024) by the US Department of Housing and Urban Development.
- ◆ The applicant must be a first-time homebuyer or not have owned a home within the last three years.
- ◆ Applicants of any family size are eligible.
- ◆ The house to be purchased must be located within Dauphin County. The applicant need not currently reside within Dauphin County. At no time during the term of residency shall the homeowner lease the premises or any portion thereof to any person or entity.
- ◆ The applicant must contribute a minimum of 3% of the lesser of the purchase price or the appraised value, or \$1,000 (whichever is less) from the applicants assets, which must be verified on the HUD1 settlement sheet. Items paid outside of closing may be used towards the minimum investment. These items may include, but not be limited to, application and appraisal fees, homeowners insurance, and earnest money deposits.
- ◆ At the time of settlement, the buyer's liquid assets may not exceed a total of \$20,000.
- ◆ At completion of settlement, if the amount of the committed second or subordinated mortgage is \$100 or more than actually required to achieve purchase of the home and closing costs, then the entire excess amount will be paid to Dauphin County and returned to the pool.
- ◆ In order to be selected, the applicant must need the second or subordinated mortgage in order to afford the house, but must also require assistance, which does not exceed the maximum second or subordinated mortgage amount of \$6,000. Note that each lender may require that the applicant meet additional underwriting guidelines (e.g. length of employment, credit history, etc.) in order to qualify for a commitment of its First Mortgage.
- ◆ Maximum sales price may not exceed **\$214,000**.

Family Size	Income Limit
1	\$54,850
2	\$62,650
3	\$70,500
4	\$78,300
5	\$84,600
6	\$90,850
7	\$97,100
8	\$103,400

Repayment of Loans

Repayment of the second or subordinated mortgage is required upon homeowner's resale of the home. Upon this sale, the original principal amount is due and payable in full.

If the homeowner refinances, the original Dauphin County mortgage may be subordinate to the new first mortgage. Subject premises shall be released from the lien and operation of the written mortgage in the event of an arms-length sale and in the event the net proceeds from the sale are not sufficient to satisfy the obligation, although the borrower shall continue to be personally obligated to repay the loan in such event.

"This program will empower more families in Dauphin County to turn their dreams of homeownership into reality. By taking proactive steps now, we can make a meaningful difference in the lives of our constituents and set a precedent for an impactful community investment."

Commissioner Justin Douglas, Chairman

"Scraping together a down payment for a home is one of the biggest obstacles for first-time homebuyers. This program can provide an interest-free portion of the down payment, and clear the way for home-seekers to become homeowners."

Commissioner Mike Pries, Vice Chairman

"Becoming a homeowner is an experience that changes lives and communities. It helps to bring safety, stability and a sense of pride to a neighborhood, and leads to transformation, one life and one home at a time."

Commissioner George P. Hartwick, Secretary

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