

REQUEST FOR PROPOSALS (RFP) FIRST TIME HOMEBUYER ASSISTANCE PROGRAM

SCHEDULE OF KEY ACTION DATES

1. **RFP Issue Date: S e p t e m b e r 1 2 , 2 0 2 5**
2. **Questions & Inquiries Due Date: S e p t e m b e r 1 9 , 2 0 2 5**
Written questions must be sent via email: cdbgbidding@upperdarby.org No questions will be accepted by phone inquiries.
3. **FAQ published by Upper Darby Township:**
Upper Darby Township will publish lists of questions and answers received September 25, 2025.
4. **Response Submission Date: Delivered and received no later than:
S e p t e m b e r 3 0 , 2 0 2 5**
The sealed package must be sent electronically to cdbgbidding@upperdarby.org
5. **Anticipated Contract Start-Up Date: N o v e m b e r 1 , 2 0 2 5**



OVERVIEW

Upper Darby Township is seeking submittals from qualified organizations to administer the First Time Homebuyer Assistance Program. The goal of the program is to provide financial assistance to first-time homebuyers to purchase a home and help create a wealth building opportunity for income eligible applicants.

Any organization interested in applying to provide services under this contract must meet the requirements specified in this Request for Proposals (RFP). Respondents must have qualified staff on hand for this contract and be ready to begin work on the anticipated contract start-up date of 11/1/2025. The program will be administered in accordance with Upper Darby Township's First Time Homebuyer Program guidelines, attached to this RFP at Appendix A.

OBTAINING A COPY OF THE RFP: To obtain a copy of the RFP and guidelines, organizations can visit our website at www.upperdarby.org/departments/communityandeconomicdevelopment/PublicNotices or email cdbgbidding@upperdarby.org. Any addenda issued for this RFP will be published at the above-referenced website.

RIGHTS RESERVED: Upper Darby Township reserves the right to accept or reject any and all responses, in whole or in part, received because of this solicitation and to waive minor irregularities. Furthermore, Upper Darby Township reserves the right to make a whole award, partial award, or no award at all.

SECTION I – INTRODUCTION

1.1 SUMMARY STATEMENT: Upper Darby Township administers the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Programs, and intends to make one or both resources available for the First Time Homebuyer Program.

To be considered for a contract, the respondent must:

- document they have been in existence as an experienced housing organization for at least one year prior to entering a contract with Upper Darby Township;
- document they are familiar with the administration of a First Time Homebuyer Program;
- document the experience and the capacity of the program staff, board members and the organization to implement the proposed scope of services in a timely manner;
- document by its immediate past and current activities that it can implement the eligible activities and tasks;
- document that they have developed partnerships with other private and public entities, including area lenders and the real estate community;
- document the ability of the applicant to generate funds from other sources; and
- document that they have a marketing plan for conducting outreach and the delivery of services.

A fixed fee schedule will be negotiated for each respondent and the selected respondent will be compensated for the satisfactory performance and completion of the minimum tasks associated with the contract. Payments will be made in accordance with a schedule of fixed fees payable monthly upon completion and submission of a payment request with the required back-up documentation (monthly report).

A mandatory onboarding workshop will be scheduled with the selected respondent(s) upon execution of the contract and shall be made a condition of the contract. The contract with the selected respondent **will not guarantee a specific volume of work assigned** but will compensate for work assigned and completed based upon the fee schedule and the terms and conditions of the agreement. The term of the contract will be for an initial period of one year (tentative contracts dates are November 1, 2025 – October 31, 2026). Upper Darby Township shall have the sole exclusive right to offer the option to extend the period of each selected respondent for two additional one-year extensions.

II – GENERAL INFORMATION

- 2.1 NOTICE TO RESPONDENTS:** Each respondent, before submitting a proposal, shall become fully informed as to the extent and character of the work required and is expected to completely familiarize themselves with the requirements of the solicitation and specifications, as well as the regulations found at 24 CFR Part 570 (CDBG), 24 CFR Part 92 (HOME), and 24 CFR Part 35 (Lead Based Paint Hazard Reduction) governing those federal programs. No consideration will be granted for any alleged misunderstanding of the material to be furnished or work to be done, it being understood that the submission of a proposal is an agreement with all the items and conditions referred to herein.
- 2.2 ORAL PRESENTATIONS:** Upper Darby Township reserves the right to conduct individual interviews with finalists and to request best and final offers from any or all finalists. Each respondent may be required to provide oral presentations to discuss their proposed management techniques, answer questions from Upper Darby Township staff and/or its designee(s), and/or clarify their technical submittal.
- 2.3 WITHDRAWAL OF THE PROPOSAL:** The proposal may be withdrawn upon written request from the respondent prior to the proposal closing date.
- 2.4 CONTRACTING WITH SMALL AND MINORITY FIRMS, WOMAN'S BUSINESS ENTERPRISE AND LABOR SURPLUS AREA FIRMS:**
- Upper Darby Township and all respondents will take all necessary steps to encourage minority firms, women's business enterprises, and labor surplus area firms to respond to this RFP.
 - Steps shall include:
 - Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
 - Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
 - Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and
 - Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e)(2) (i) through (v) of this section.
- 2.5 SUBCONTRACTING:** Any person undertaking a part of the work under the terms of the Contract, by virtue

of any agreement with the respondent, must receive approval of Upper Darby Township prior to any such undertaking. In the event the respondent desires to subcontract some part of the work specified herein, the respondent shall furnish with their proposal the names, qualifications, and experience of their proposed subcontractors. Subcontractors shall conform in all respects to the provisions specified by the respondent. The respondent shall, however, remain fully liable and responsible for the work done by their subcontractors. Upper Darby Township may terminate the Contract if the subcontracting is done without Upper Darby Township's prior approval.

- 2.6 COLLABORATIONS:** A respondent with limited housing experience is encouraged to partner with another experienced provider. The respondent awarded the contract, however, will remain fully liable and responsible for the work done by their partners.
- 2.7 RESPONSIBILITIES OF THE RESPONDENT:** The respondent shall be responsible for the professional quality and technical accuracy of their advice and other services furnished by them. The respondent will perform services with a degree of skill, which is normally exercised by recognized professionals with respect to services of a similar nature. Neither Upper Darby Township's review, approval, or acceptance of, nor payment for, any of the services required under the Contract shall be construed to operate as a waiver of any rights under the Contract or of any cause of action arising out of the performance of this Contract, and the respondent shall be and remain liable to Upper Darby Township in accordance with applicable law for all damages to Upper Darby Township caused by the respondent's negligent performance of any of the services furnished under the contract. The rights of Upper Darby Township provided for under the Contract are in addition to any rights and remedies provided by law.
- 2.8 FORMATION OF AGREEMENT/CONTRACT WITH SUCCESSFUL RESPONDENT:** The Contract to be negotiated as a result of this RFP shall be by and between the respondent and Upper Darby Township and shall contain but shall not be limited to provisions included in this RFP. By submitting a proposal in response to the RFP, the respondent accepts the terms and conditions set forth herein, as well as any additional terms and conditions required for adherence to federal regulations, sound fiscal management principles and the policies of Upper Darby Township.

SECTION III – SCOPE & REQUIREMENTS

- 3.1 SCOPE OF WORK & NEGOTIATION OF WORKPLAN:** Upper Darby Township seeks Proposals from experienced housing organizations to participate in the First Time Homebuyer Assistance Program for the Township. The respondent(s) selected under this RFP will be notified and will meet with Upper Darby Township staff to finalize their individual work plans, benchmarks, geographic priority areas and fee for services schedule.

Proposed Work Plan will minimally include:

- **Marketing and Outreach**
 - The respondent will coordinate and conduct marketing and outreach for the First Time Homebuyer Assistance as well as any other Home Ownership programs as requested.
 - The respondent will advertise the availability of the program via press releases in neighborhood newspapers, newsletters and information pamphlets distributed to area community community/resource centers. Additional outreach will be conducted at neighborhood events, home buyer classes, social media, websites, and block club meetings. Contact should also be made with area lenders, real estate agencies, and groups providing financial education.
 - The respondent will conduct educational sessions and webinars for lenders and realtors.

- **Loan Application**
 - The respondent must fully explain the Program guidelines and processes as part of the initial interview and screen process.
 - The respondent will receive and process all applications and review them for accuracy, completeness, and appropriate supporting documents necessary to determine income eligibility.
 - The respondent will assist applicants that submit incomplete applications by informing them of the information needed to complete the application package.
 - The respondent must verify the applicant has qualified for a mortgage loan with a mortgage financing institution, and shall be responsible for determining the level of assistance to be provided in accordance with the First Time Homebuyer Program Guidelines.
 - The respondent must verify that the applicant attends a housing counseling session customized to the consumer.
 - The respondent will conduct follow-up contacts for any non-responsive applicant to finalize eligibility for the program.
- **Property Inspection**
 - The respondent will perform the inspection of the property to be purchased to determine and assess its general condition and the presence of lead-based paint hazards.
- **Education**
 - The respondent will ensure that all applicants complete the minimum number of hours required by HUD for homebuyer education, including both workshops and individual counseling. A respondent with a HUD certified counselor may provide both the individual counseling and workshops in-house. Respondent(s) with no HUD certified counselor must refer the educational component to an agency with a HUD certified counselor.
- **Loan Closing**
 - The respondent will meet with the applicant to review the terms and conditions of the program prior to the scheduled closing of the loan. This includes re-payment terms and residency requirements. The respondent shall provide a good faith estimate and check request to Upper Darby Township requesting funds for closing 14 business days in advance of anticipated loan closing.
- **Client Documentation & Records**
 - The respondent will maintain a file for each applicant/household, including those that are denied assistance. All records and files containing private/protected information of any individual or household who applies for assistance must be kept secure and confidential. Access to confidential information should be available to those employees who have a **need to know**. Hard copies of information/documents should be kept in a locked cabinet and/or room and electronic copies should be password protected. All records will be made available to Upper Darby Township upon demand.
- **Reporting / Monitoring**
 - The respondent will be required to provide monthly progress reports, quarterly program reports and participate in any monitoring and technical assistance sessions scheduled by Upper Darby Township.

3.2 INSURANCE REQUIREMENTS: The respondent must, prior to the contract execution, and for each extension of the contract, furnish Upper Darby Township certificates of insurance as evidence of coverage.

SECTION IV – EVALUATION & SELECTION

4.1 SELECTION PROCESS: Upper Darby Township reserves the right to accept any application and negotiate an agreement with any respondent. The successful respondents will be required to comply with all applicable equal opportunity laws and regulations. Upper Darby Township reserves the right to reject any or all submissions, or to waive any defect or irregularity. At its sole discretion, Upper Darby Township reserves

the right to contact bidders and ask them for required information omitted from the bid package. Upper Darby Township may contact bidders by telephone or electronic mail during its review of a bid package to clarify submitted information. Upper Darby Township further reserves the right to award contracts to the respondents that, in the judgment of the selection staff and Upper Darby Township, best serves the needs of the residents of the Township.

- 4.2 EVALUATION AND SELECTION:** A proposal evaluation committee consisting of qualified Upper Darby Township staff will conduct a complete review evaluation on all responses received by the closing deadline. Finalists may be selected for interviews. Staff may request technical assistance from any source within Upper Darby Township.
- 4.3 QUALIFYING PROPOSALS:** Staff shall first review each Proposal for compliance with the mandatory requirements of this RFP. Failure to comply with any requirements of this procurement may disqualify a respondent's proposal. Upper Darby Township reserves the right to waive a requirement and/or minor irregularities when it is in Upper Darby Township's best interest to do so. **Proposals will not be opened publicly.**
- 4.4 FINAL BENCHMARKING AND SELECTION:** Each proposal received shall be subject to the same review and evaluation process. Proposals will be reviewed and will be scored by the Proposal Evaluation Committee and then they will make recommendations to the Chief Administrative Officer and the Mayor for award of the Contract.

Evaluation: Maximum Total Score = 100 points

	Maximum Points
• Experience, Capacity, Qualifications and Readiness of the respondent	50 points
• Outreach and Marketing Plan	20 points
• Board Leadership	15 points
• Budget & Resources	15 points

Based on the initial review of Proposals, Upper Darby Township may invite, without cost to itself, ranking finalists to make a presentation of their proposal and their capabilities as a further consideration in the selection process. Upper Darby Township reserves the right to make an award with or without negotiations or to request best and final offers. A Contract will be awarded to those entities whose Proposal best meets with Upper Darby Township's requirements at the time of award.

- 4.5 PROPOSALS PROPERTY OF UPPER DARBY TOWNSHIP:** All packages submitted in response to this Request for Proposals become the property of Upper Darby Township and may be appended to any formal documentation that would further define or expand the contractual relationship between Upper Darby Township and the successful respondent.

SECTION V – CONTENT OF SUBMISSIONS

- 5.1 GENERAL INSTRUCTIONS:** To receive consideration under this RFP, submissions must be made in accordance with the following general instructions.
- The Respondent must present information in the following order:
 - ✓ First Time Homebuyer Submission Coversheet
 - ✓ Table of Contents with page numbers indicated.
 - ✓ Required RFP Responses:
 - Organizational Experience & Capacity
 - Board Leadership
 - Financial Systems, Budgets & Fundraising
 - Marketing and Outreach Plan
 - The order of the questions may not change. The information provided must include the question followed by the response drafted by the

respondent

- ✓ Signed Form: Agreement of Understanding of Technical Assistance
- ✓ Signed Forms: Conflict of Interest Forms & Disclosure Letters
- ✓ Signed Form: Bidders Affirmation of Understanding and Agreement to State Finance Law
- ✓ Completed Agency Checklist of Required Documents with clearly labeled attachments
- ✓ Sealed Envelope: Confidential Background Information Disclosure Form
- Proposals should be prepared simply and provided responses must be brief, concise, and clear. The respondent must not include long narrative responses, instead use a bulleted format.
- All responses to the questions should be typed, single spaced, using not less than 11-point font.
- Written responses (excluding the attachments) must not exceed **20 pages**.
- Respondents must complete the entire application and the package will be reviewed and scored based on the information provided by the organization.

5.2 REQUIRED INFORMATION: All attachments must be submitted at the same time as the RFP response. Late proposals will not be considered. **Verbal, fax, or hard copy submittals will not be accepted.**

5.3 PRE-CONTRACTUAL EXPENSES: Upper Darby Township shall not be liable to a respondent for any and all costs incurred, or liabilities and/or claims related to this RFP and/or the Scope of Work encompassed in this RFP incurred prior to or in anticipation of a fully executed agreement by/with Upper Darby Township and the respondent. Upper Darby Township shall be held harmless and free from all liability, claims or expenses whatsoever, incurred by, or on behalf of, any persons or organization responding to this RFP.

Section VI - **ATTACHMENTS**

FIRST TIME HOMEBUYER ASSISTANCE PROGRAM - SUBMISSION COVERSHEET

Date of Submission: _____

Legal Name of Organization: _____

Address: _____

Telephone Number: _____ Website Address: _____

Name of Board Chair / President: _____

Name of Executive Director: _____

Email Address: _____

Date Organization was Organized & Type of Organization: _____

Tax Status & State Char Number: _____

Federal Identification Number: _____

Corporate Boundaries:

North: _____ South: _____

East: _____ West: _____

Is the organization a Housing and Urban Development (HUD) certified housing counseling agency?

☐ Yes ☐ No

Does the agency have HUD certified counselors on staff?

☐ Yes How many certified counselors? _____ ☐ No

Acknowledgements / Attachment:

☐ The Request for Proposal response will be valid for at least 90 days.

☐ The Board of Directors has authorized the submission of the response to RFP (include a copy of the board authorization).

☐ The preparer, to the best of his/her knowledge and belief, states that the information provided in this response is true and correct and its submission has been duly authorized by the governing body of the applicant.

Name: _____ Title: _____

Signature: _____ Date: _____

RFP RESPONSES

1. Organization Experience & Capacity

- The Respondent must document by its immediate past and current activities that they can implement the tasks and administer the programs associated with the proposed work plan in a timely manner.
 - The Respondent must document their experience in performing similar work.
 - The Respondent must document their experience dealing with area lenders and realtors.
-
- a. Provide a history/overview of your organization including length of time in existence.
 - b. Describe your organization's experience in marketing and delivery of any homebuyer assistance programs, particularly those targeted to low-moderate income homebuyers, over the past two years. Describe how management evaluates the administration of programs to ensure contract compliance and timeliness.
 - c. Describe your current staffing plan. Include the experience of current staff working with Federal funds and required regulations such as determining income/program eligibility, and counseling/education.
 - d. Describe your organization's strong community partnerships, linkages or collaboration developed with any other private or public entities, including area lenders and the real estate community.

2. Board Leadership

- The Respondent must document an active Board of Directors that has experience and a history of serving the Upper Darby Township residents to be served.
 - The Respondent must document how the Board of Directors provides oversight for the organization.
-
- a. Describe the make-up of the board of directors and state if the Respondent is meeting the board membership requirements outlined in the organization's by-laws.
 - b. Describe the annual calendar of board meetings and the attendance policy for board members. Has the agency conducted the required number of meetings as outlined by the by-laws?
 - c. Describe how the board of Directors, along with the Executive Director, recruits new board members for the organization. Describe any challenges with the recruitment of board members and explain how the organization addresses those issues.
 - d. Describe how new board members are orientated to the organization, including the organization's mission, by-laws, policies, and programs, as well as their roles and responsibilities as board members.

3. Financial Systems, Budgets and Fundraising

- The Respondent must document the role the Board of Directors and Executive staff have in providing financial oversight for the organization.
-
- a. Describe how the board of Directors and Executive Director provide financial oversight for the organization. Does the Executive Director/financial staff prepare a monthly report for the Board of Directors?
 - b. Does the agency have an audit committee comprised of board members?

- c. Describe how the board of directors hires an independent audit company for the agency audit.
- d. Describe who is responsible for making sure the organization meets its regulatory responsibilities and files the appropriate paperwork with the Commonwealth of Pennsylvania and Upper Darby Township.
- e. Describe other revenue available to the organization, particularly if the revenue is available for the proposed program.
- f. Describe the organization's administrative systems. Please check each item that exists within your organization's capacity and state if it is maintained in either **written (W) and/or electronic (E) format.**

Administrative Systems

Internal systems to ensure compliance with federal regulations

1. Client eligibility and demographic data collection and reporting ☐ W ☐ E
2. Procurement systems – Are formal written procedures in place? ☐ W ☐ E

Adequate financial reporting system including

3. In-house bookkeeping/accounting staff which handle recording transactions ☐ W ☐ E
4. Cash receipts and cash disbursement journals, general ledger and other standard accounting books and records ☐ W ☐ E
5. Accrual based accounting system ☐ W ☐ E
6. Computerized accounting system ☐ W ☐ E
7. Monthly financial statements prepared ☐ W ☐ E
8. Periodic internal financial statement reviewed by management and/or board of directors ☐ W ☐ E

4. Marking and Outreach Plan

- The Respondent must document how it provides information to the public.
- The Respondent must document how they will ensure community awareness and encourage participation of eligible residents.

- a. Does the Respondent conduct an annual meeting and produce an annual report available to the public? If yes, list how and to whom the reports are distributed.
- b. Describe the organization's marketing plan for delivering services with an emphasis on reaching underserved borrowers.
- c. List the Website address for the Respondent as well as any other social media sites used by the organization to help promote programs and services. Describe the public feedback and referrals received directly from the sites.

CONFLICT OF INTEREST DISCLOSURE FORM

The Board President must review this form with all board members and agency staff.

The **Respondent** represents that none of its **employees, officers, compensated members, contractors or consultants** are, or for the duration of this agreement will be, employees of Upper Darby Township, nor are their family members or business relationships employees of Upper Darby Township nor will their employees, officers, compensated members, contractors or consultants obtain a financial interest either for themselves or those whom they have immediate family or business ties, during their tenure or for one year thereafter.

The Respondent must formally disclose all potential Conflicts of Interest to Upper Darby Township.

Disclosure: Are you, or are you related to (by blood, marriage, act of law, or business relationship) any person who is an employee of Upper Darby Township or any other entity funded by Community Development Block Grant (CDBG) or HOME?

☐ YES*

☐ NO

Print Name

Signature

Title

Date

***If yes, a full disclosure must be forwarded on official Respondent letterhead to Upper Darby Township. The notice must include:**

Name: _____

Job Title or Position: _____

Disclosure must include:

1. Name of Relation
2. Department
3. Position
4. Relationship

The **Respondent** acknowledges receipt of this policy and verifies that all appropriate parties have been apprised of their obligation to disclose all potential conflicts of interest.

Board President's Signature

Date

AGENCY CHECKLIST OF REQUIRED DOCUMENTS

All responses submitted via email to cdbgbidding@upperdarby.org:

- ☐ First Time Homebuyer Assistance Program – Submission Coversheet
- ☐ Board of Director’s authorization to submit a response to the RFP
- ☐ Completed RFP Responses
 - Conflict of Disclosure Forms / Letters
- ☐ Summary spreadsheet of programs administered during 2022-2024 funded from public and private sources.
- ☐ ➤ **List funder, source of funds, amount of funds, type of project or activity, contract dates, and status of project or activity. Note if the performance timeliness measures were met.**
- ☐ List of real estate owned by the agency through a Limited Liability Company (LLC) or any other business entity. The Respondent must disclose the name of the LLC and provide the address of each property owned by the company.
- ☐ List of current board members (include title, term, committee assignments, and email address).
- ☐ Copy of the annual report prepared for the agency, if any.
- ☐ Organization Chart and succession plan to be implemented in the absence of the Executive Director.
- ☐ Resume of the Organization’s Chief Financial Officer or Accountant / Bookkeeper.
- ☐ Resume for all staff that are expected to be engaged in the Homebuyer Assistance Program.
- ☐ Copy of current certificate for all HUD certified Housing Counselors OR ☐ Non-Applicable (NA)
- ☐ A copy of the organization’s current budget for both revenues and expenses.
- ☐ Map outlining assigned areas: corporate boundaries.

One copy submitted via email to cdbgbidding@upperdarby.org:

- ☐ Articles of Incorporation
- ☐ Certificate of Good Standing
- ☐ Corporate By-Laws
- ☐ Internal Revenue Service determination letter
- ☐ Most recent Internal Revenue Service 990 Return
- ☐ Most recent audited financial statement, include Single Audit, if applicable. If the audit is not completed within 9 months of the year-end date, provide a letter from auditor indicating when audit will be complete.

- ☐ Conflict of Interest Policies
- ☐ Personnel Policies
- ☐ Financial Policies
- ☐ Retention and Destruction Policies for paper and electronic documents
- ☐ Written Security Protocol to address access to agency and client files, including policy on maintaining privacy/protecting Personal Identifying Information

Appendix A - **PROGRAM GUIDELINES**



UPPER DARBY TOWNSHIP
COMMUNITY & ECONOMIC DEVELOPMENT
100 GARRETT ROAD, UPPER DARBY, PA 19082
PHONE: 610-734-7716
EMAIL: comdev@upperdarby.org

FIRST TIME HOMEBUYER PROGRAM GUIDELINES

9/12/2025

INTRODUCTION

Upper Darby Township introduces the First-Time Homebuyer Program (FTHB) funded through federal programs including, but not limited to, the Community Development Block Grant (CDBG) and HOME Investment Partnerships Programs.

MISSION STATEMENT

The program objective is to create sustainable and affordable homeownership for low- and moderate-income first time buyers by down-payment and/or closing cost assistance. Assistance will be in the form of a 0% interest forgiveness loan, forgivable over the period of affordability.

This Program offers a maximum of \$20,000 for down payment assistance to qualified buyers. Financial assistance for this program is federally funded. The Federal Government sets certain requirements for this program that will be followed throughout the process. Buyers are required to contribute a minimum \$1,000 toward the purchase of the home.

Upper Darby Township will provide the funding gap amount up to \$20,000.00. A calculation sheet is enclosed. The maximum eligible purchase price of a house is aligned with HUD's Homeownership Value Limit (HVL), which is equivalent to 95% of the median sales price for new and existing homes in the area. The current HVLs for Upper Darby Township as of 9/10/2024 are:

Existing Homes:	\$304,000
Newly Constructed Homes:	\$365,000

The HVL is updated annually and published online here:

<https://www.huduser.gov/portal/datasets/home-ownership-value-limits.html>

Only single dwelling unit properties used as the Buyer's principal residence are eligible. Properties that are tenant occupied are ineligible, including rentals for which no rent is being charged, unless the tenant is buying the property and the property complies with the program's condition standards prior to transfer.

This summary will introduce you to the program. Please take your time and **read all of the enclosed documents thoroughly.**

ARE YOU ELIGIBLE?

1. **INCOME:**

Determining Annual Income

The HUD Part 5 definition of annual income will be used for the First Time Homebuyers Program. *Annual income* is defined as the gross annual income of all adults expected to live in the residence being financed, including income received by any household member who is 18 years of age or older (except a full-time dependent student, 12 credit hours or more).

HUD Part 5 is published online here:

<https://www.ecfr.gov/current/title-24/subtitle-A/part-5/subpart-F/subject-group-ECFR174c6349abd095d/section-5.609>

Income sources used for establishing the annual gross income of the applicant Buyer's household shall be determined in accordance with the *Code of Federal Regulations 24 CFR 5.609* (which also lists income "Inclusions" and "exclusions"). All income is projected for 12 months to calculate income compliance (regardless of its likelihood to continue).

24 CFR 5.609 is published online here:

<https://www.ecfr.gov/current/title-24/subtitle-A/part-5/subpart-F/subject-group-ECFR174c6349abd095d/section-5.609>

Verification of Income

Written verification of all household members over the age of 18 is required, and will be used to determine total household annual income. Household members with no income will be asked to sign an affidavit of no income. If the person is a student, a current transcript must be provided. Household income will not be re-verified at the time of closing unless more than six months have elapsed since income eligibility was determined. Verification of income includes the following documents as proof of income:

- Most recent year signed federal tax returns
- Three concurrent months of paystubs
- Verification of employment
- Profit and loss statement (if self-employed)
- Supplemental income award letters (i.e. Social Security, Supplemental Security Income, Social Security Disability, etc.)
- Other income documentation as may be required

The limits for **2025** are shown below.

<u>Household Size</u>	<u>Income Limit</u>
1 Person	\$66,850
2 Persons	\$76,400
3 Persons	\$85,950
4 Persons	\$95,500
5 Persons	\$103,150
6 Persons	\$110,800
7 Persons	\$118,450
8 Persons	\$126,100

These limits are updated annually by HUD and published online here:

<https://www.huduser.gov/portal/datasets/il.html>

Full and complete applications, with all of the attachments, including the Closing Estimate, Inspection and Appraisal must be submitted for review a minimum of 3 weeks prior to the date of settlement.

Applicants will be notified in writing of their eligibility determination. There is no requirement that the

homebuyer remain income eligible after purchase.

2. FIRST-TIME HOMEBUYER:

Is defined as any **LOW/MOD INCOME** household **AS DEFINED BY THE FEDERAL INCOME LIMITS ON SECTION 1** that has not owned a home within the past three (3) years. Some families that have owned a home within the past three (3) years can participate if they meet the established definition of a “displaced homemaker” or “single parent” as defined by HUD.

The full HUD definition of a first time homebuyer is published online here:

<https://answers.hud.gov/FHA/s/article/How-does-HUD-define-a-first-time-homebuyer>

CITIZENSHIP:

Purchaser must be a United States citizen or a permanent resident alien with a minimum of five (5) years of continual residency and show proof of same in order to comply with the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996.

The full text of PRWORA is published online here:

<https://www.congress.gov/104/plaws/publ193/PLAW-104publ193.pdf>

3. PROPERTY REQUIREMENTS:

1. Single family, vacant, or owner-occupied existing or new construction properties located within Upper Darby Township are eligible. The Buyer may not own any other real property or have an ownership interest in any real estate at the time of closing (i.e. vacation homes, timeshares, and vacant land). Applicant Buyers must occupy the property within 60 days of signing the security instrument. **Please note that the properties must be located within the municipal boundaries of Upper Darby Township, not just the Upper Darby School District or ZIP code.**
2. Properties must be in conformity to the *Federal lead-based paint requirements at 24 CFR Part 35K WHICH STATES THAT THERE CANNOT BE ANY DETERIORATED PAINT SURFACES ANY WHERE INSIDE OR OUTSIDE OF THE PROPERTY.* A visual inspection will be completed by the Township at no charge to the Buyer. **THERE IS NO SECOND INSPECTION!** The property will be inspected once and will either **PASS** or **FAIL**. If the property fails the visual paint inspection no assistance will be provided and your file will be closed. Seller(s) and Seller’s Agent must sign the enclosed form regarding compliance with the Federal Regulations on paint surfaces.

The full text of 24 CFR Part 35K is published online here:

<https://www.ecfr.gov/current/title-24/subtitle-A/part-35/subpart-K>

3. All properties that are purchased under the First Time Homebuyers Program must have an initial property inspection in accordance with Housing Quality Standards (HQS) 24 CFR 982.401. The purpose of the property inspection is to ascertain all local housing code deficiencies. If a local code deficiency(s) is/are identified during the initial inspection, those must be corrected prior to purchase. The Buyer must have the property inspected by an ASHI Certified, or other Certification recognized by the State of Pennsylvania Senate Bill 1034 as amended 9/26/2000 PA Title 68 and chapter 75, and provide a copy of the inspection report prior to closing.

The full text of 24CFR 982.401 is published online here:

<https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-982/subpart-I/section-982.401>

4. All properties must be sold in compliance with Upper Darby Township’s Department of Licenses & Inspections Use & Occupancy process. This includes completing an application.

undergoing a full inspection of the exterior and interior of the house by an Upper Darby Township inspector, a video-recorded inspection of the sewer lateral by a master plumber, and, where applicable, an inspection of any existing fire escapes by a licensed design professional. All code violations identified during inspections must be addressed prior to loan closing. It is the responsibility of the Buyer to provide a copy of the approved Use & Occupancy Permit, the approved Sewer Lateral Certification, and, if applicable, the approved Fire Escape Certification to FTHB program staff prior to loan closing.

Upper Darby Township's resale requirements and all necessary application forms are published online here:

<https://www.upperdarby.org/departments/LicenseInspections/UO>

- 5. Principal Residence- The purchasing household must use the property as its principal residence for the life of the loan. Any violation of the principal residency requirement will automatically trigger repayment of the Upper Darby Township subsidy.**
6. Buyer is required to maintain homeowner's insurance on the property for the duration of the agreement, which lists Upper Darby Township as a lienholder. A certificate of insurance which shows this must be submitted prior to the release of Upper Darby Township's check.

4. AFFORDABILITY CONDITIONS

Buyers must use the property as their principal residence for the duration of the agreement; no leasing or rental is permitted. Any violation of the principal residency requirement will automatically trigger repayment of the Township's loan.

Assistance is provided to the Buyer in the form of a 0% interest rate loan on the property based on the amount of program funds provided to the buyer. A total of 20% of the loan will be forgiven each year until the loan is fully forgiven after five years. The Period of Affordability ensures that the property will remain affordable for a certain prescribed period and begins upon loan closing. If during the period of affordability any of the following events occur, an annually pro-rated portion of the assistance will become due and payable to Upper Darby Township:

- Sale or transfer of the property,
- Change in owner-occupancy status, and/or
- Default of first mortgage
- Delinquency of any taxes or obligations owed to Upper Darby Township or any other local, county, state, or federal government agency

5. UNDERWRITING:

Buyer is responsible to obtain a mortgage. The lender **MUST** certify to Upper Darby Township, prior to Upper Darby Township providing a commitment, that the proposed mortgage loan amount is the maximum amount that the borrower(s) can carry based on monthly cash availability using the Bank's underwriting. Upper Darby Township has established the following underwriting criteria:

Required criteria

Minimum Contribution: Buyers are expected to provide a minimum \$1,000 toward the purchase. Seller contributions may be applied to the applicant's required minimum contribution. Gift funds may be used toward the minimum contribution and are acceptable from the following sources:

Gifts may be provided by:

- the Borrower's Family Member;
- the Borrower's employer or labor union;
- a close friend with a clearly defined and documented interest in the Borrower;

- a charitable organization;
- a governmental agency or public entity that has a program providing homeownership assistance to low- or moderate-income families or first-time homebuyers.

Credit: The applicant Buyer must be a reasonable credit risk. The current lending market and lending institutions dictate credit score requirements; however, a minimum credit score of 620 will be required.

Housing Expense Ratio: The front-end ratio considers the percentage of gross monthly income the individual homebuyer is expected to pay for monthly housing costs (consisting of the principal, interest, taxes, insurance (PITI)). The maximum housing debt expense is 30%.

Determining the Debt-To-Income ratio: The maximum guideline for overall monthly debt is 43%. The back-end ratio reflects the percentage of gross monthly income the individual homebuyer is expected to pay for housing debt and expenses plus all recurring consumer debt. The typical debts used to determine the qualifying back-end ratios are the sum of the minimum required monthly payments on all the following types of debts:

- Student loans
- Auto loans
- Consumer loans
- Lines of Credit
- Credit Cards
- Child care

Loan to Value: The complete loan to value (CLTV) ratio should not exceed 95% of the purchase price. If a lender allows a higher CLTV, the Township or its designee must approve.

Recommended criteria

Assets: For eligibility purposes, all asset information must be listed on application documents. Borrowers with liquid assets in excess of \$20,000 are encouraged to apply the excess to the required down payment, which may decrease the amount of down payment assistance under this program. Liquid assets do not include long-term retirement savings (i.e. pension, 401k and IRA accounts, or life insurance cash value).

Reserves: Although not required, it is strongly recommended that the applicant Buyer have a 3-month reserve of mortgage payments on hand (preferably in a liquid account) as a safe-guard for sustainability in the event of crisis.

6. HOUSING COUNSELING

All Buyers must receive a minimum of eight hours of pre-purchase homeownership education and counseling presented by a Program/HUD approved counseling agency. Counseling must occur within the 12 months prior to purchase. Among the topics covered are the dangers of predatory lending and sub-prime lending and how to identify these types of loans. Classroom counseling is preferred to online-only programs, but both are permitted. Buyer must provide a copy of their Housing Counseling Completion Certificate with their application.

7. SELLERS' RESPONSIBILITY & RIGHTS

As part of the approval process, the Seller(s) must sign and submit the enclosed Sellers' Forms enclosed in the application package.

The Buyer does not have the power of eminent domain and, therefore will not acquire the property if negotiations fail to result in an amicable agreement between the Buyer & Seller. Because this is a voluntary sale, The Seller does not qualify for the Uniform Relocation Act (U.R.A.) Relocation Assistance.

The fair market value of the property must be determined by an appraisal of the property. The Buyer & Seller are permitted to negotiate a sale price below fair market value (Below the price in the appraisal). The Agreement of Sale must be contingent upon the Seller agreeing to sell at the lesser of Fair Market Value as

negotiated by Buyer and Seller.

If the Seller executes an option or contract of sale before he/she is informed of the property's fair market value and the fair market value is more than the option/contract price, the Seller must be provided the opportunity to withdraw from the option or contract after the appropriate disclosures (listed above and including an appraisal) have been made.

8. BUYER/REALTOR RESPONSIBILITY

The Buyer or Buyer's realtor should consult with Upper Darby Township FTHB program staff before executing a finalized purchase contract to review that it meets all program requirements.

The Agreement of Sale must include the notice that the property must meet the program's paint inspection requirements.

It is your responsibility to carefully examine all painted surfaces on the interior and exterior of the property and bring any defective paint surfaces to the attention of the Seller for correction prior to requesting Upper Darby Township's visual inspection. **Defective paint surfaces found at the time of the visual inspection will result in the property not being eligible under the program. THERE IS NO SECOND INSPECTION.**

9. FINANCING/REFINANCING

All checks for assistance will be made payable to and sent directly to the Title Company.

All Borrowers must sign a Mortgage agreement with Upper Darby Township for the amount of assistance provided. The Upper Darby Township mortgage must be in second position behind only the primary lender. The mortgage document will be sent to the Title Company to be signed at the time of settlement. The signed mortgage document WILL BE RETURNED TO UPPER DARBY TOWNSHIP TO BE RECORDED.

When funds from the Program are used in connection with housing in which acquisition or new construction is financed with a mortgage insured by HUD then the applicable period for affordability must be equal to the term of the HUD-insured mortgage. In cases where the FHA mortgage insurance is terminated, the period of affordability will revert to the period that is imposed by the program regulations.

Upper Darby Township's lien/mortgage interest in a property may be subordinated in the event of a refinancing, with prior consent of Upper Darby Township. Upper Darby Township's subordinated position will be no less than its original mortgage position, e.g., Upper Darby Township is originally in place as a second-position mortgagee, it may subordinate to a new first mortgage. Upper Darby Township will not subordinate to a position lower than its original position in any event. The subordination is subject to the interests of Upper Darby Township being protected and as such, the loan-to-value ratio of all liens/mortgages may not exceed 95% of value. In no event, will Upper Darby Township allow cash to be removed from the property for the Buyers use or to pay other creditors in the event of a refinance. The following additional conditions must be met:

- The new senior first lien will reduce the monthly payments to the homeowner, thereby making the monthly payments more affordable and/or avoid foreclosure;
- Reduction of the loan term;
- The new senior lien interest rate must be fixed for the life of the loan (Balloon or ARM loans are ineligible);
- No cash equity is withdrawn by the homeowner as a result of the refinancing actions;
- Borrower must submit a written request to Upper Darby Township to verify the minimum refinancing requirements within one month of the expected closing;
- Upper Darby Township will review the final Closing Disclosure two weeks prior to closing the refinance;
- If applicable, Upper Darby Township will issue written approval one week prior to the closing date;
- Upper Darby Township will be provided with a copy of the final, executed Closing Disclosure;

- If written permission is granted by Upper Darby Township and it is determined that the refinancing action does not meet the conditions for refinancing as stated above, the loan will become immediately due and payable prior to closing the new senior loan;
- Home Equity loans will trigger the repayment requirements.

10. RESPONSIBLE LENDING

Upper Darby Township supports the expansion of affordable and equitable homeownership and recognizes that predatory lending practices are inconsistent with advancing homeownership. To discourage predatory lending practices, Upper Darby Township establishes this Anti-Predatory Lending Mortgage Policy.

A residential mortgage loan is ineligible for funding from Upper Darby Township's First Time Homebuyer Program if it does not comply with all applicable federal, state and local predatory lending laws and other laws designed to prevent unfair or abusive lending practices (collectively, "Anti- Predatory Lending Laws"). Upper Darby Township will not knowingly fund a Mortgage Loan which involves any of the following practices or characteristics:

- Requiring the borrower to obtain prepaid, single-premium credit life, credit disability, credit unemployment, or other similar credit insurance as a condition of the loan;
- Including in loan documents a mandatory arbitration provision with respect to dispute resolution;
- Charging prepayment penalties for paying off a loan;
- Lending without regard to a borrower's ability to make payments on the mortgage;
- Loans which violate the Home Ownership and Equity Protection Act of 1994 and its implementing regulations (collectively, "HOEPA Requirements") or other Anti- Predatory Lending Laws;
- Loans that are ineligible for inclusion in a structured finance transaction due to a rating Owner/Developer's determination that it cannot rate a transaction which includes such loans;
- Loans where the terms of, or practices in connection with, such loans do not comply with the provisions of Regulation Z (12 CFR Part 226) relating to Higher-priced Mortgage Loans; or Loans that fail to comply with any requirement of the MPF Program relating to predatory lending, including with limitation, Section 2.6 of the MPF Origination Guide.

In addition, creative financing such as variable rate, adjustable rate, and interest rate only, balloon first mortgage loans, and/or 80/20 split are not allowed. Any practices deemed as predatory that are not listed above, are subject to review and approval by Upper Darby Township.

11. LOAN ASSUMPTION

Only heirs or devisees, in the event of the death or divorce of the applicant sole owner or both owners in entirety, may assume loans. Heirs or devisees may assume the existing or modified terms of a loan and pay any loan assumption fees. Under extenuating circumstances of personal hardship, Upper Darby Township may recommend an amendment to the loan terms.

12. FORECLOSURE

For those applicant Buyers facing foreclosure but are actively working with a lender to restructure or refinance the loan in order to remain in the home, Upper Darby Township must be notified and will advise only the original applicant Buyer who is living in the unit at the time of the loan closing.

13. CONTACT US WITH ANY QUESTIONS

If you have any questions or are unsure about any aspect of the program requirements, Upper Darby Township's First Time Homebuyer Program staff are available to answer any questions you might have. Please contact us early in your home search and get confirmation on any points of confusion rather than make assumptions. We want to help you succeed in your goal to become a homeowner in Upper Darby Township!

Email: comdev@upperdarby.org
Phone: 610-734-7716
<https://www.upperdarby.org/FTHB>