



44 N. Christian St, Ste 300
Lancaster, PA 17602
Phone: (717)-291-9945
Fax: (717)-291-9850

**LHOP ADDENDUM
to the Standard Agreement for the Sale of Real Estate**

Property: _____

Seller: _____

Buyer: _____

Date of Agreement: _____

Seller and Buyer acknowledge that Buyer desires to obtain a Community Home Buyer (“CHB”) Loan from the Lancaster Housing Opportunity Partnership (“LHOP”)¹ in order to purchase the Property. In order for Buyer to meet the qualifications of the CHB Loan, LHOP requires that the Buyer and Seller agree to the following terms and conditions as set forth below, which are incorporated into the Standard Agreement for the Sale of Real Estate between Buyer and Seller as dated above (“Agreement of Sale”).

1. The parties shall deliver to LHOP a copy of the executed Agreement of Sale with all executed Addenda, including this LHOP Addendum, and the attached Seller Declaration (see Paragraph 6 below and Exhibit A) (collectively the “Agreement”) within **five (5) days** of the full execution of the Agreement of Sale. Agreements of Sale must be structured to allow a minimum of 60 days to close.

Seller’s initials _____

Buyer’s initials _____

2. LHOP Mortgage Contingency. This sale is contingent upon Buyer obtaining mortgage financing from LHOP as follows:

Amount: \$ _____ (8% of the Purchase Price or a Maximum of \$5,000)
Type of Mortgage: CHB loan for down payment and eligabile closing costs
Mortgage lender: LHOP
Interest: 0%

A CHB loan is provided at 0% interest with no monthly payments required. Loan repayment is due in full upon sale or transfer of a property or in the event a buyer ceases to occupy the home as the primary residence. The loan is secured by a second mortgage; LHOP will consider, in its sole discretion, to subordinate its mortgage on a case by case basis. A buyer has the right to prepay a CHB Loan at any time without penalty. No application fee will be charged to apply for this loan.

(a) Within **ten (10) days** of the full execution of the Agreement of Sale, Buyer shall apply for the CHB Loan with a Partnership Lender as designated by LHOP to complete the CHB Loan Application. A list of such Partnership Lenders are listed in Exhibit B and a copy of the Loan Program Eligibility Requirements is attached as Exhibit C.

¹ LHOP is a nonprofit corporation that provides affordable housing loans for low to moderate income people living in Lancaster County. Information about LHOP can be found at its website: www.lhop.org

(b) The Partnership Lender will submit a complete CHB Loan Application along with supporting documentation to LHOP within **twenty (20) days** of the full execution of the Agreement of Sale. A complete CHB Loan Application, including all required documentation related to Buyer's income, household members, and funds available for closing, must be received by LHOP within this time frame to be considered for a loan. LHOP will not accept incomplete applications. Buyer shall cooperate in a timely manner with its Partnership Lender in providing the necessary documentation to complete the CHB Loan Application.

(c) CHB Loan Commitment Date (no less than **fifteen (15) days** from the CHB Loan Application Submission Date):_____. If a CHB Loan Commitment is not received by this date, either Buyer or Seller shall have the right to terminate the Agreement by written notice to the other party, and any and all deposit monies paid by Buyer shall be returned to Buyer and this Agreement will be VOID unless the parties agree to extend this date.

(d) Buyer and Seller acknowledge and agree that the eligibility for a CHB loan is based on several factors, including but not limited to, the availability of funds and the gross annual income of all adult household members intending to reside in the home, as further defined by CHB Program requirements. Buyer's eligibility for the CHB loan is subject to final review and approval of a complete CHB Loan Application by LHOP for compliance with all requirements of the CHB Loan Program. LHOP reserves the right to request additional information from Buyer above and beyond that required to qualify for the primary mortgage loan to be provided by Partnership Lender.

(e) Buyer and Seller acknowledge and agree that a LHOP CHB Loan Commitment Letter is required to receive funding and that LHOP does not guarantee the availability of funds.

(f) The terms set forth in this Paragraph 2 of the Addendum supersede any terms set forth in Paragraph 6 of the Agreement of Sale with respect to the "Second Mortgage on the Property", unless the information provided with respect to the Second Mortgage is not related to a CHB Loan by LHOP.

Seller's initials_____

Buyer's initials_____

3. Inspection and Appraisal Contingency.

(a) Notwithstanding anything to the contrary, both this Agreement and the receipt of the CHB Loan by Buyer is contingent upon LHOP receiving a satisfactory (a) whole house inspection and (b) an appraisal, which includes a certification from a FHA-certified appraiser that the house meets the standards of HUD Handbook 4150.2. In addition, properties built prior to 1978 must comply with 24 C.F.R. Part 35 (Lead Based Poisoning Prevention in Certain Residential Structures). Therefore a visual assessment of deteriorated paint (attached as Exhibit D) must be performed by the inspector to determine the existence of deteriorated paint and the possible need for additional evaluation. The Buyer must be present for the whole house inspection and the deteriorated paint visual assessment.

(b) Buyer shall submit a completed whole house inspection report, wood boring insect infestation inspection and deteriorated paint visual assessment (for dwellings built prior to 1978) to LHOP within **fifteen (15) days** of the full execution of the Agreement of Sale along with an executed Inspection Declaration form. A copy of the Declaration form is attached as Exhibit E to this Addendum.

(c) Upon review of the said report, LHOP shall provide the Partnership Lender with a list of the required repairs. LHOP reserves the right to require completion of repairs recommended by the report, but not necessarily required for HUD compliance, if such repairs are determined to be of a serious nature.

(d) LHOP may issue a conditional loan approval subject to satisfactory completion of repairs. However, Buyer and Seller understand that neither LHOP nor the Lender shall have any liability for costs incurred by any party for repairs. Repairs must be completed at least five (5) days before closing unless otherwise approved by LHOP.

Seller's initials _____

Buyer's initials _____

4. Buyer and Seller understand and agree that an approval and receipt of the CHB Loan is conditioned upon, but not limited to, the following qualifications:

(a) Buyer having a most recent permanent address within the County of Lancaster including the City of Lancaster.

(b) Subject Property must be located in Lancaster County and the most recent occupant must have been a property owner.

(c) Buyer agreeing to, and occupying, the Property as Buyer's primary residence on a full-time, permanent basis.

(d) Buyer (and any co-Borrower(s)) having completed the LHOP Community Home Buyer Education Program prior to entering into this Agreement.

Seller's initials _____

Buyer's initials _____

5. Buyer is required to carry homeowner's insurance and, if applicable, flood insurance for the term of the CHB Loan in an amount sufficient to cover all outstanding liens, and naming LHOP as an additional insured. Buyer shall provide evidence of insurance at closing.

Seller's initials _____

Buyer's initials _____

6. Seller shall complete and execute the Seller Declaration for the CHB Program as shown on Exhibit A and shall have it delivered to LHOP as set forth in Paragraph 1 above. Only owner occupied (most recent occupant must have been a property owner) properties located within the County of Lancaster will be considered for a CHB Loan. In the case of two-unit properties, this requirement applies to the specific unit to be occupied by the Buyer.

Seller's initials _____

Buyer's initials _____

BUYER AND SELLER ACKNOWLEDGE AND AGREE THAT THEY HAVE READ AND UNDERSTAND ALL THE PROVISIONS IN THIS LHOP ADDENDUM AND AGREE TO FOLLOW THEM.

IN WITNESS WHEREOF, the parties hereto set their hands as of the day and year set forth above.

WITNESS:

SELLER:

Date: _____

WITNESS:

BUYER:

Date: _____

Date: _____