



**Urban
Redevelopment
Authority
of Pittsburgh**

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February 2017

COMMUNITY ACQUISITION & REHABILITATION LOAN PROGRAM CARL—A Pilot Program

The Community Acquisition & Rehabilitation Program (CARL) is a mortgage and rehabilitation program all in one! An excellent and affordable resource for Pittsburgh’s aging housing stock.

The pilot program is a partnership between the URA and the Pittsburgh Community Reinvestment Group (PCRG) along with local lenders. The URA is providing a 15% guarantee on the loan so that borrowers will not be required to have mortgage insurance, offering substantial savings!

BORROWER REQUIREMENTS

- * No Income Guidelines
- * Must be owner occupied
- * Minimum credit score of 620
- * Front and Back End Ratios of 31/43
- * Home Buyer classes required for first time homebuyers and those with a credit score under 700

CARL FACTS:

- * Must be located in the attached targeted census tracts
- * No mortgage insurance
- * **The interest rate is based on the Fannie Mae 30-year, 60-day mortgage rate plus 1%. Go to <http://bit.ly/30yr60day> to find the current rate.**
- * 5% down payment
- * 6% of seller’s assist toward the purchase price
- * Maximum loan amount is \$300,000. If the loan amount is greater than \$233,000, additional equity will be required.
- * Rehabilitation amount must be at least \$25,000 or 25% of the completed loan package

CONTACTS AND LENDERS

Urban Redevelopment Authority of Pittsburgh
Alicia Majors: 412-255-6698

Pittsburgh Community Reinvestment Group
Alysa Lyon: 412-391-6732 x210

Allegheny Valley Bank
5137 Butler St, Pittsburgh, PA 15201
George Arendas: 412-781-0318

Farmers National Bank
1812 East Carson Street, Pittsburgh, PA 15203
Ben Contrucci: 412-431-9191

First Commonwealth Bank
4900 Liberty Avenue, Pittsburgh, PA 15224
Evan Zuvernick 724-832-6090

Slovak Savings Bank
2470 California Avenue, Pittsburgh, PA 15212
Jennifer Harris: 412-322-9023

CARL

STEPS TO ACQUIRE & REHABILITATE A HOME

- * Call one of the lenders to become pre-approved so that you know how much you can afford to borrow.
- * Shop for a house that you would like to rehabilitate that fits within your borrowing power.
- * Begin the process of also shopping for a contractor. You may choose your own contractor who will need to complete a URA application and meet the requirements. You may also choose a contractor from a URA approved list.
- * Once you find the property, have the contractor bid on the rehabilitation work. If the price is within your limits you should sign a Sales Agreement contingent upon obtaining CARL financing. The anticipated closing should not be any less than 60 days from signing the agreement. Upon acceptance of the sales agreement, the buyers should meet with the lender within 21 days to make mortgage application.
- * You then will need to arrange and pay for a home inspection and a pest inspection.
- * Once you have received the home inspection, you should set up an appointment with the URA Construction Advisor and the contractor to meet at the property. (Borrower will bring a copy of the home inspection to the meeting.) URA will review the home inspection and the contractor's proposal and may make a list of missed code deficiencies to be included in the contractor's proposal.
- * The contractor will need to finalize the bid and you will submit the contractor's Final Proposal and the Acceptance of Proposal form to the URA. A contingency of 10% will be added to the bid.
- * You will then make a formal application with the Sales Agreement and the URA approved proposal from the contractor. Your lender will lock in the mortgage rate for 60 days.
- * The lender will start processing the file with all verifications necessary to make an underwriting decision along with ordering the as-is and as-completed appraisal and title work. If the as-completed appraisal comes back lower than the project cost, you will need additional funds to cover the difference.
- * At closing you will need to provide the lender with copies of all required building permits. There are no upfront funds in this program.
- * Any changes made to the Final Proposal must be submitted on contractor letterhead and include a description of the change as well as the cost. This letter must be signed by the borrower and the contractor and sent to the Construction Advisor for approval.
- * URA monitors construction with up to five inspections of completed work. Contractor and borrower submit a fully executed URA Payment/Inspection Request Form. If the work in place is approved, URA will send an approved inspection form to the lender to cut a check to the general contractor.
- * You have 3 to 6 months to complete rehab work (based on the amount and complexity of work). During that time you will make interest-only payments. If you begin renovations, but are unable to complete the renovation within the required time an extension may be requested and a fee may be charged. If not extended, the loan will convert to a permanent mortgage.

**COMMUNITY ACQUISITION & REHABILITATION LOAN PROGRAM
CARL -PILOT PROGRAM
CITY OF PITTSBURGH NEIGHBORHOODS AND CENSUS TRACTS**

February 2017

To find the census tract by address go to <http://bit.ly/CensusTracts>. Enter in the address of the property along with the zip code. The following tracts are currently eligible for CARL.

NORTH

Brighton Heights	2701
	2703
Central Northside	2206
	2503
East Allegheny/North Shore	5632
Fineview	2509
Manchester	2107
Marshall-Shadeland/Brightwood	2715
Perry South	2614
	2615
Troy Hill	2406

SOUTH

Allentown	1803
Arlington	5616
Beltzhoover/Bon Air	5624
Beechview	1916
	1920
Brookline	1917
Carrick	2901
	2902
Knoxville	3001
Mt. Oliver/St. Clair	5617
Mt. Washington	1914
	1915
South Side Slopes	1706
	1608

EAST

Bloomfield	802
	804
Central Lawrenceville	901
Upper Lawrenceville	1011
East Liberty	1113
	1115
Garfield	1114
	1017
	1016
Greenfield	1517
	1516
Hazelwood/Hays/GlenHazel	5629
	5623
Highland Park	1102
Homewood North	1302
Homewood South	1303
	1304
Homewood West	1207
Larimer	1208
	1204
Lincoln-Lemington-Belmar	1203
Central Oakland	405
	406
South Oakland	409
West Oakland	402
Point Breeze North	1405
Stanton Heights	1005
Middle Hill	501
Upper Hill District	506
Uptown/Bluff	103

WEST

Elliot	5626
Sheraden/Esplen	5625