

# Housing Happenings... in Lackawanna & Luzerne Counties



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of The Institute for Public Policy & Economic Development*

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**The Housing Task Force is  
comprised of members of  
the Lackawanna Housing  
Coalition and the Luzerne  
County Housing Partnership**



LACKAWANNA COUNTY  
HOUSING COALITION



LUZERNE COUNTY  
HOUSING PARTNERSHIP

## News

Charlie Kasko, Chair of the Housing Task Force presented an update on the accomplishments of the past year at the 2009 Lackawanna Luzerne County Indicators Forum. The event transpired at Mohegan Sun at Pocono Downs on Thursday, May 14, 2009.

Prior to Kasko's presentation the indicators report was unveiled by Teri Ooms, Executive Director and Sherry Tracewski, Research & Policy Analyst at The Institute. Additionally subsequent task force chairs provided their reports.

Kasko's overview detailed the establishment of the new educational housing website which can be found at [www.nepahousing.org](http://www.nepahousing.org). He outlined the partnership between the Lackawanna County Housing Coalition and the Luzerne County Housing Partnership which formed as a direct result of the Housing Task Force. The housing website portal provides the user the opportunity to access information specific for either Lackawanna or Luzerne Counties. In addition there are designated links for consumers or professionals in the industry. As an added feature the websites will be accessible in Spanish. This feature will be live by August 1.

Another feature of the website gives the user the ability to ask questions which are then fielded to task force members.

Funding for the website came from the PA Department of Community & Economic Development (DCED).



*Task Force panel (l-r) Chris Haran, Co-chair, Jobs & Economy & Education & Workforce Development; Tom Lawson, Chair, Land Use, Infrastructure, & Transportation; Charlie Kasko, Housing; and Tim Gilmour, Co-chair, Jobs & Economy & Education & Workforce Development*

## From the Task Force:



**Ellen Watkins, Assistant Vice President, CRA Coordinator  
KNBT, Division of National Penn Bank**

### **Should I Buy a Home?**

Are you a renter who is wondering if you should buy a home? Does the current financial crisis have you holding off on realizing this dream? The fact is now may be the best time in years to buy your first home. Many people are beginning to take advantage of falling home prices and historically-low mortgage rates.

There are many variables to consider when deciding if now the right time for you to buy a home. It depends upon your willingness to make a commitment to a home, the stability of your income, and if you can afford to buy. You can get help with making that decision.

The first step is planning. Start by reviewing your personal information. Have you been able to save some money? Are your bills paid on time? Do you have income that is likely to continue?

Once you look at those things, you should talk to a lender or housing counselor that can analyze your current financial situation. Be prepared to provide a lot of information – your W-2s for two years, a month's worth of paystubs, and two month's of bank statements. There may be more documentation required based upon your personal situation. The lender or counselor will be honest with you about if you can afford to buy a home now, or if you need to do some homework to get ready. They may recommend actions like setting up a plan to deposit a set amount of money to your savings account every pay period; clean up some old debt that has gone to collection; and/or pay off or pay down some of your current debt. The goal is to help you buy a home that you can afford and will make you happy. As a lender, I would not be doing my job if my clients get in over their head.

You also want to check around for any programs that provide down payment and closing cost assistance. Check out [www.nepahousing.org](http://www.nepahousing.org) for information about specific programs in your county and municipality.

Remember to include the entire cost of homeownership when making the decision. There is more than just the monthly payment. Does the payment include your real estate taxes and homeowners insurance? If not, you'll need to pay those. You will also be responsible for fees you may not have to pay as a renter – heat, water, electric, sewer, and garbage. Plus, what happens when something in the house breaks? You don't get to call the landlord to fix it. You need to be prepared to fix it yourself or pay a professional.

So, sit down, look at the pros and cons of buying, and then make your decision. Help is available to you if you need it.

## **Keystone Help® Energy Efficiency Loan & Rebate Program**

Pennsylvania homeowners can improve the energy efficiency of their homes with special financing and rebates for high efficiency heating, air conditioning, insulation, windows, doors, geothermal and “whole house” improvements using Home Performance with Energy Star. Principally supported by the Department of Environmental Protection, Pennsylvania Treasury Department and the Pennsylvania Housing Finance Agency, the Keystone HELP® program helps make affordable energy efficiency available to all Pennsylvanians. Keystone HELP is administered by AFC First Financial Corporation, a Pennsylvania energy efficiency lender.

- All installed equipment and material must be new.
- Rebates are available only for projects completed after the program’s effective date. Loans are available only for projects initiated after the program’s effective date.
- An Eligible Applicant is permitted to receive only one rebate or loan during each fiscal year, which is defined as the period from July 1 until the following June 30. Eligible Applicants may apply for additional rebates or loans in future years, as long as the additional projects comply with the published guidelines current at the time of application.

Rebates are available only for projects completed after the program’s effective date of February 23, 2009. Loans are available only for projects initiated after the program’s effective date of February 23, 2009.

For more information about Keystone Help go to [www.keystonehelp.com](http://www.keystonehelp.com).

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## **FHA Tax Credit Monetization Helps Home Buyers with Upfront Costs**

First-time home buyers who would otherwise qualify for the \$8,000 tax credit, but don't have the money for a down payment or closing fees, may now be able to get a loan to help cover those upfront costs.

The U.S. Department of Housing and Urban Development (HUD) announced on May 29 that the Federal Housing Administration (FHA) will allow state housing finance agencies to provide second mortgages "monetizing" the tax credit so that borrowers can use the funds toward their down payments and closing costs for the purchase of homes with FHA-insured mortgage loans.

"This is great news for thousands of families who want to take advantage of today's low interest rates, competitive prices, great selection and the federal tax credit that is only available until Nov. 30, but could not save enough money for a down payment and closing costs," said National Association of Home Builders Chairman Joe Robson, a home builder from Tulsa, Okla.

HUD also announced that FHA-approved lenders may purchase the tax credit from the home buyer in advance, so that the home buyer can use the funds for closing costs or to make a down payment in addition to the 3.5 percent minimum. Home buyers who go directly to FHA-approved lenders will still need to come up with the 3.5 percent minimum down payment that is required for an FHA-insured loan.

Home buyers previously would be able to use the funds from the tax credit only after filing their federal tax returns and had to come up with the pre-purchase costs on their own.

NAHB estimates that 40,000 more homes will be purchased due to the new FHA monetization program, in addition to the 160,000 sales already expected as a result of the tax credit.

The National Council of State Housing Agencies has a list of states offering first time home buyer tax credit loan programs on their Web site, [www.ncsha.org](http://www.ncsha.org). For information on the \$8,000 first-time home buyer tax credit, go to [www.federalhousingtaxcredit.com](http://www.federalhousingtaxcredit.com).

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**[www.nepahousing.org](http://www.nepahousing.org)**

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