

BHA's Section 8 to Homeownership Program Fact Sheet

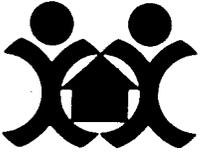
What is the BHA's Homeownership Program?

BHA's Homeownership Voucher Program is an option for families who are current participants of BHA's Section 8 Voucher (Housing Choice Voucher, HCV) to use their subsidy towards mortgages, instead of rent.

How do I become eligible?

- You must meet a number of criteria to be eligible for this program including the following:
 1. You must have completed a first time homebuyers program.
 2. You must be pre-approved from a lender for a mortgage.
 3. You must have 3% of the purchase price of the home available for a down payment, of which 1% must be from your own funds.
 4. You, and everyone in your household must be a first time homebuyer, defined as no one in your household may have owned or had ownership interest in any residential property for the past three years.
 5. You must have good credit: Lenders typically look for a credit score of at least 650 in reviewing a mortgage application.
 6. BHA's effective payment standard schedule is applied in determining the amount of subsidy your family is eligible for in this program.
- **Minimum income requirements:**
 - Except in the case of disabled families, the qualified annual income of the adult family members who will own the home must not be less than the Federal minimum hourly wage multiplied by 2,000 hours.
 - For disabled families, the qualified annual income of the adult family members who will own the home must not be less than the monthly Federal Supplemental Security Income (SSI) benefit for an individual living alone multiplied by 12.
 - Except in the case of an elderly or disabled family, welfare assistance is not counted in determining whether the family meets the minimum income requirement.
- **Employment requirement:**
 - Except in the case of elderly or disabled families, one or more adults in the family who will own the home must be currently employed on a full-time basis (defined as not less than 30 hours/week) and have been continuously employed on a full-time basis for at least one year before commencement of homeownership assistance. Please note: most lenders need 2 years of full-time employment to qualify for a mortgage. (The employment requirement does not apply to an elderly family or a disabled family.)
- **Unit requirements:**
 - The unit must meet all requirements as outlined under 24 CFR 982.628 including a satisfactory home inspection conducted by both an independent inspector selected and hired by the family as well as an inspection by BHA to determine that the unit complies with Housing Quality Standards (HQS).





Frequently Asked Questions about the Homebuyer's Program

- **Do I have to take a first time home buyer's course and receive a certificate?** Yes, it is important to take a certified first time home buyer's course to enroll in the program.
- **Who provides funds? Do I have to put any money down?** Yes, BHA requires participants to put a down payment of at least three percent (3%) of the purchase price, with one percent (1%) of the down payment supplied from the family's own resources.
- **Does BHA pay the mortgage? How does that work?** BHA will pay a portion of the mortgage as determined by annual recertifications done with a leasing officer. Families need to make the monthly payment of their portion of the mortgage and pay for all family provided utilities.
- **How long am I eligible for Homeownership assistance?** The maximum length of homeownership assistance is 15 years if the mortgage is 20 years or longer, and only a maximum of 10 years in all other cases. (The maximum terms of assistance do not apply to elderly or disabled families.)
- **Do I have to still come into BHA for recertifications?** Yes, this program would require that you still have a leasing officer and come in to verify your income to determine what portion of the mortgage you would be responsible for.
- **What is the timeline for joining the Section 8 to Homeownership program?** You need to enter into a "Purchase and Sale Agreement" for a home within 180 days of receiving a homeownership voucher, provided the financing commitment has not expired prior to that date. If you are not sure what a "Purchase and Sale Agreement" is, please speak with your Compass Financial Coach.
- **What happens if I can't pay the mortgage?** If you have had a change in income you must report it to BHA right away to determine if you are eligible for an interim certification to reduce your share. If you also were to be terminated from the program, you would be required to pay the full amount of the mortgage.
- **Can I become over-income for this program?** Yes, the same rules for your voucher mean that you can become over-income for this program, please look at BHA's payment standard tool on their website.
- **Does this have to be my only residence?** Yes, this must be the voucher holder's only residence.
- **Can I move out of the home? Can I sell the home?** If you need to move out of the home, you must notify BHA. Additionally, BHA needs to first approve any sale or refinance of the home.
- **Can I have a second home?** While receiving homeownership assistance no member of the family may have ownership interest in any other residential property.
- **Can I leave the home to a member of my family?** Upon the death of a family member who holds in whole or in part title to the home assistance may continue pending settlement of the decedent's estate.
- **Does everyone who is on the mortgage need to be a section 8 voucher holder?** Yes. There can be no additional people on the mortgage who are not on the voucher.
- **If I sell and buy another home, does this affect the 15-year cap?** No, the 15-year cap is still applicable even if you sell and buy another home.
- **Do I have to join FSS to join Section 8 to homeownership?** No, this is a requirement that can be waived if you meet all of the qualification above. However it is strongly recommended that you do join FSS to receive the financial coaching to help you become mortgage ready.

**Want more information or interested in applying? Please contact:
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