

# Wyoming Housing Commission

## *Housing Choice Voucher Homeownership Program*



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# HOUSING CHOICE VOUCHER HOMEOWNERSHIP PROGRAM

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## **HOUSING CHOICE VOUCHER HOMEOWNERSHIP PROGRAM**

### **I. INTRODUCTION 24 FR Parts 5, 903 and 982**

The Wyoming Housing Commission (WHC) is pleased to introduce its Housing Choice Voucher Homeownership Program (HCV HP) under the guidance of the November 18, 2002, HUD final rule 24 CFR Part 982. The HCV program provides guidelines and requirements to all housing authorities to convert the tenant-based rental assistance voucher to the homeownership voucher option through their Section 8 programs, now referred to as the Housing Choice Voucher Program. WHC is excited to offer this opportunity to assist families in reaching their goals of unlocking the American Dream and achieving homeownership.

### **II. PROGRAM PURPOSE**

The HCV Homeownership Program will offer a homeownership option for families that receive HCV tenant-based assistance, and who are actively participating in the Family Self-Sufficiency (FSS) Program. The program will provide pre-purchase counseling and training through participating agencies and local partners (see Appendix A.). The purpose of the counseling is to assist and develop eligible HCV participants to move into successful homeownership. Once the participants become homeowners, they will be eligible for post-purchase counseling, both general and one-on-one at WHC's discretion.

### **III. FAIR HOUSING**

All Civil Rights laws applicable to the HCV Rental Voucher Program are also applicable to the HCV Homeownership Program. WHC must comply with all equal opportunity and nondiscrimination requirements imposed by contract or Federal law.

WHC understands that integral to the tenant-based nature of the HCV program is the freedom-of-choice afforded to the participant family, regardless of whether the voucher is used for rental or homeownership assistance. The HCV Homeownership Program option may not reduce a family's choice by limiting the use of homeownership assistance to particular units, neighborhoods, developers, or lenders. Within the spirit of choice, the HCV Homeownership Program will encourage partnerships with lenders and developers to assist families in obtaining housing which best meets their needs.

### **IV. HOUSEHOLD ELIGIBILITY §982.627**

The family must complete the HCV Homeownership Program Application. (See Appendix C.) To qualify for the HCV HP, the family must meet the following nine criteria:

1. Have participated in WHC's HCV Tenant Based Rental Assistance program for one year and be in good standing with the program:
  - a. the family cannot have had a tenant-caused Housing Quality Standards (HQS) violation within the past year;
  - b. the family must not owe money to WHC, any other housing authority, an absent landlord or to the City of Wyoming.
  - c. The family must not have committed any serious or repeated violations of WHC assisted lease within the past year.
2. Be a First-time Homeowner defined as any member of the assisted family not having owned or purchasing a residence within three years prior to the homeownership assistance.

The "first time homeowner" assisted family may not include a member who has:

- a. current or previous ownership of any residential property, regardless of whether the family used the property as its principal residence, within the three years prior to receiving homeownership assistance;
- b. a family member who has "present ownership interest" in a residence during the three years before the commencement of homeownership assistance for the family;
- c. previously received assistance through the homeownership program (exceptions will be considered by WHC on a case-by-case basis, such as divorce, death of a spouse, etc.)

The "first-time homeowner" assisted family may include:

- a. family members who own or are acquiring shares in a housing cooperative prior to homeownership assistance;
- b. single-parent or displaced homemakers, who while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse.

3. Be enrolled in the Family Self-Sufficiency Program. Priority will be given to qualified families enrolled in the FSS program. If not enrolled in FSS, homeowner counseling and down payment requirements apply. This includes families who meet all the requirements of the FSS program without actual participation.
4. Be employed. The family must demonstrate that at least one member of the family, who will own the home at the commencement of homeownership assistance:
  - a. currently has full time employment (not less than 30 hours per week); and
  - b. has continuously been employed during the year before origination of the homeownership assistance for the family; and
  - c. can demonstrate a history of full-time employment. WHC and its partners will have the discretion to verify if any interruptions of employment are permissible. Permissible gaps can only occur if the loss of employment resulted from measures beyond the employee's control (i.e. layoff, medical

leave emergency, etc.) and the gap of employment was not longer than four consecutive weeks.

5. Complete Pre-purchase Counseling Requirements. Once the family has met the above homeownership eligibility criteria, the potential home purchasers must attend all required counseling sessions through WHC or its partners. The homeownership counseling provides additional counseling beyond the Financial Management and Economic Literacy counseling the family received prior to being assessed for the HCV HP.

FSS Required Financial Management and Economic Literacy counseling Topics:

- Goal setting, group dynamics
- Basics of financial management/economic literacy and employment
- Savings, investing, retirement and estate planning
- Budgeting
- Credit
- Insurance, taxes, equity, and predatory lending

The family may then be assessed by WHC Homeownership Specialist to determine the likelihood of the family becoming a home purchaser within two years of receiving the additional counseling on the homebuyer topics listed below:

- Homebuyer Education – Individual or Group
  - Closing Process
  - Mortgage loan
  - Budgeting
  - Saving and investing
  - Foreclosure prevention
  - Predatory lending
  - Basic home maintenance
  - Financial maintenance
- Pre-purchase credit repair (budget, debt education)
- Reorganizing debt, developing monthly budgets for affordable homeownership
- Pre-purchase home inspections and selecting a home
- Home maintenance – basic skills

*Note:* WHC provides the financial support for the homeownership counseling services. The services are provided by the community partners of WHC. (See Appendix A.)

6. Meet Minimum Income Requirements. Participating families must have an annual household income (gross income) greater than **\$15,000**, unless the HUD minimum income standard and criteria are met and WHC grants a waiver.

Income cannot include welfare assistance, unless the family qualifies as elderly or disabled.

HUD defines the minimum income standard as:

- The annual household income (gross income) must equal at least 2000 hours worked times the Federal minimum wage at the time of the commencement of homeownership assistance. As an example, the minimum wage in June, 2005 is \$5.15. The family's income must be at least \$10,300 per year (2000 x 5.15).
- Income may not include welfare assistance, unless the family qualifies as elderly or disabled.

To be eligible to apply for a waiver of WHC minimum income requirement, or if the family does not participate in the FSS program but meets the following three criteria, the HUD minimum income standard may apply:

- a. The family must be able to demonstrate that it has been pre-qualified or pre-approved for financing (family must mortgage at least \$1,000 and pay taxes and insurance on the full purchase price of the home);
- b. The pre-qualified or pre-approved financing must meet any WHC established requirements for financing the purchase of the home (including qualifications of lenders and terms of financing), refer to Section V. Financing and Terms of Mortgage; and
- c. The pre-qualified or pre-approved financing amount must be sufficient to purchase housing that meets housing quality standards and obtains unit approval by WHC and the WHC FSS/ LINKS homeownership counselor.

Liquid Assets - All participants in the Homeownership program cannot have more than \$10,000 in liquid assets. All liquid assets in excess of \$10,000 must be used toward the down payment and principal reduction of the home purchase to be eligible for the program. Liquid assets include cash, securities, and equity in real property or mobile home.

7. Secure financing. (See Section V)
8. Locate an eligible unit. (See Section VI)
9. Live in the home purchased through the HCV Homeownership Program option as their primary residence for the duration of HCV Homeownership assistance.

## **V. FINANCING AND TERMS OF MORTGAGE §982.632**

Families selected to participate in the homeownership program must secure their own financing. Financing requirements are listed below and WHC reserves the discretion to disapprove proposed financing if it is determined that the debt is unaffordable, or if the rate and terms of the financing are not competitive with conventional market rate and terms.

## **Requirements of the Family:**

1. WHC must approve all financing before purchase. Families must complete mortgage pre-qualification requirements with the WHC FSS/LINKS homeownership counselor prior to securing financing for a home.
2. The family must be able to mortgage a minimum of \$1,000 and pay all taxes and insurance.
3. Minimum down payment of 3% of the purchase price with at least 1% from personal savings, FSS escrow account. The balance (2%) may come from gifts, grants, or other sources.
4. Participating families upon loan closing must set up and maintain an emergency repair reserve account of at least \$1,000; or a minimum of \$1,000 in their FSS escrow. These funds may come from FSS, gift money, or other source. The family may have the option of contributing \$50.00 per month to an emergency repair reserve account if the initial account of \$1,000 is not set up.

Rule of thumb: Families will spend at least 25% and not more than 31% (PITI) of their income for housing and should not pay more than 41%-45% of their income for all debts including the first mortgage payment.

Note: Loan defaults will result in termination of homeownership assistance, and possible termination of HCV assistance. See Denial or Termination of Assistance Section XI.3.

The WHC will implement the mortgage with the one-mortgage model.

### **One-Mortgage Model**

WHC will use the one-mortgage model. The lender chosen by the family must be willing to establish a sweep or similar account. The WHC will deposit its share of the payment into the account no later than the last day of the month. The family must also deposit its share so that the financial institution will be able to automatically deduct the payment on the first of the month from the account. U.S. Department of Housing and Urban Development Mortgagee Letter 2001-20 advises lenders of the manner in which they are to underwrite FHA-insured mortgages when the homebuyer is to receive subsidies under the Housing Choice Voucher program. The family will be given a letter from WHC to provide to their lender that verifies the current monthly housing assistance payment for the family.

## **Families, Lenders, and Counselors must consider the following when selecting a Mortgage Product:**

1. WHC, by law, may not select a financing institution for the family. The family is free to choose from all available financing, subject to approval by WHC.
2. Families can use grants and other home purchase leveraging assistance in conjunction with the homeownership voucher option.
3. Families cannot use voucher funds to assist with financing costs.
4. WHC does not permit balloon payment and variable interest rate loans for homeowner financing. Exceptions to this may be reviewed by WHC on a case-by-case basis.
5. Seller financing is prohibited, except by a WHC-approved nonprofit organization.
6. Financing for purchase of a home under its HCV homeownership program must be provided, insured, or guaranteed by the state or Federal government, comply with secondary mortgage market underwriting requirements, or comply with generally accepted private sector underwriting standards; or if the purchase of a home is financed with FHA mortgage insurance, financing is subject to FHA mortgage insurance requirements.
7. HCV Homeownership assistance will be for 15 years, if the initial mortgage has a term of 20 years or longer. If less than 20, then assistance will be for 10 years. There is no limit to the term of assistance for elderly or disabled families, provided the family continues to qualify.

## **Timeframe to Find a Home and Secure Financing:**

Once a family is determined mortgage application ready by a WHC partner. homeownership counselor, the family will be provided with:

- 90 calendar days to locate a home to purchase, and execute a Purchase and Sales Contract and;
- 30 calendar days to obtain financing once a home is located.

For good cause, WHC may extend a HCV family's time to locate the home for additional thirty (30) day increments. WHC will require periodic reports on the family's progress in finding and purchasing a home. The family will provide such reports at intervals of 30 days. If the family is unable to purchase a home within the maximum time limit, WHC will continue the family's rental voucher assistance.

## **VI. ELIGIBLE UNITS §982.628**

The unit must meet HUD's "Eligible Housing" requirements. The unit **cannot** be any of the following:

- A public housing or Indian housing unit.
- A unit receiving HCV project-based assistance.
- A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services.

- A college or other school dormitory.
- A unit with wheels.
- On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.

Eligible units include single family, condominium, and co-op; and the unit *must*:

- Exist or be under construction, if newly constructed, at the time the family enters into the contract of sale – and not at the time WHC determines the family’s eligibility for homeownership assistance to purchase the unit.
- Be on land in which the family has the right to occupy for a period not less than forty years. This will apply in cases where the family will not also own fee title to the real property on which the home is located.
- Pass Housing Quality Standards. Program regulations require two inspections. The family must hire an independent, qualified home inspector. See family requirements below for more detail. WHC staff or an inspector deemed qualified by WHC will also perform a Housing Quality Standard’s inspection.
- Be permanently affixed to a foundation (the unit may not have wheels, even if permanently affixed to a foundation). Manufactured housing is not allowed unless the family can demonstrate to the satisfaction of WHC staff that no other affordable housing options exist in the community in which the family lives and works. Manufactured homes located in a manufactured home park are not eligible. Manufactured homes that are considered on an exception basis must be crane set and stick built in a controlled environment. Specifications on the manufactured house must be reviewed and approved by WHC prior to any commitment.
- Be assessed as permanent housing stock.
- Be within 30 miles of the family’s work, school, and services.
- Not exceed parcel size of one acre.
- Not to exceed the HUD Single Family Value (FHA 203(b)) limits. (See Appendix B.)

*Note:* WHC will not approve the sale of the unit if the seller has been debarred, suspended, or subject to a limited denial of participation in the HCV rental voucher program.

Additional Requirements for the Family:

1. The family must hire an independent, qualified (National Association of Home Inspectors, American Society of Home Inspectors, Local Building Department, must have liability insurance) home inspector; send a copy of the report to WHC for approval. WHC will make the determination of the items requiring repair at the seller’s expense prior to purchase. The findings will be incorporated into the Purchase and Sales Contract.
2. In cases where the family will not also own fee title to the real property on which the home is located, such as a Land Trust property, the family must document to WHC that they have the right to occupy the site for a period of not less than 40 years.

3. Once a WHC FSS/LINKS homeownership counselor identifies a family as mortgage application ready, the family will be provided with 90 calendar days to locate a home to purchase. For good cause, WHC may extend a HCV family's time to locate the home for additional thirty (30) day increments. Please refer to Section V, Financing and Terms of Mortgage, Timeframe to Find a Home and Secure Financing for additional information.

## **VII. CALCULATION OF MONTHLY HOUSING ASSISTANCE PAYMENT (HAP)** §982.635

Family's participating in the Homeownership program must meet the same income eligibility and reexamination requirements as the HCV program participants. The only exception is that an annual inspection will not be completed on the home.

### **Effective Date:**

Calculation of HAP under Homeownership regulations begins as of the closing date. Thus, the **closing date will equal the transaction effective date** for the families' move to their own home. Under the Homeownership program no HAP contract will exist.

Each re-examination after the family moves to homeownership will occur on the first of the month 12 months or greater from the closing date. E.g. Family closes on 11/12/03, then, the next re-examination will occur on 12/01/04.

### **Calculation of the Payment Standard (PS):**

Determine the PS for the family by using the **lower** of:

- the actual unit (home) size; or
- the voucher eligibility size.

### **Calculation of Family Homeownership Expenses:**

Homeownership expenses may include:

- Principal and interest (PI) on mortgage debt, and any refinancing of such debt incurred to finance the home purchase.
- Taxes, insurance, and public assessment placed against home (TI).
- Mortgage insurance premium (MIP).
- WHC utility allowance, same as HCV rental voucher program.
- A combined allowance for routine maintenance costs and major repairs and replacements, set by WHC as \$1,000 maintained for the term of assistance, or \$50 per month.
- Principal and interest on debt for improvements.
- The cost of leasing land for other housing types where the family does not own the land (See Section V. for additional clarification).

**Cooperative or Condominium.** If the home is a cooperative or condominium, expenses also include operating expenses or maintenance fees assessed by the homeowner association. In these cases, the gross monthly maintenance allowance

established by WHC will be reduced by an amount equal to the maintenance portion of the cooperative or condominium association fee.

**Calculation of Monthly HAP:**

WHC shall pay a monthly HAP payment on behalf of the family [so long as they reside in the home and are eligible]. The HAP equals the lower of:

- The payment standard; or
- The monthly homeownership expenses minus the total tenant payment.

Family income eligibility and reexamination for a subsidy in the HCV homeownership program is the same as in the HCV rental program.

**VIII. EXCEPTIONS TO ELIGIBILITY CRITERIA AND FINANCING FOR ELDERLY AND DISABLED FAMILIES §982.627, 982.632, 982.633, 982.634, 982.635**

In order for the following exceptions to apply, adult family members must meet the definition of a disabled person, or elderly person as defined in the Existing Housing policy manual (Existing Housing Policy/Procedure Manual, Chapter III: Selecting Names/Voucher Issuance, Disabled Person and Elderly Person definitions). WHC's HCV Homeownership Program provides for reasonable accommodations for Persons with Disabilities by incorporating the exceptions to the eligibility criteria as detailed below. All other eligibility criteria apply.

The following are the **three exceptions** for disabled and elderly persons:

**1. Household Eligibility Exception**

Income from public assistance issued to adult family members who are elderly and/or disabled; **and** who will own the home, may be permitted to include their public assistance in determining the minimum income requirement, which is \$10,300. This public assistance only applies to families, which satisfy the statutory definition of elderly or disabled family. This exception to public assistance income does not apply in the case of a family that includes an elderly or disabled person other than head or spouse where the head or spouse is not also elderly or disabled.

A live-in aide may be permitted if needed, for a person with disabilities. A waiver to not include the aide's income and household size may be granted based on the merits of individual cases.

**2. Financing and Terms of Mortgage Exception**

There is no maximum term for homeownership assistance for people who are elderly or disabled. Under HUD regulation, the maximum term of assistance does not apply to an elderly family or a disabled family. In the case of an elderly family, this exception is only applied if the family qualifies as an elderly family at the commencement of homeownership assistance. In the case of a disabled family, this exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family. If, during the course of homeownership

assistance, the family ceases to qualify as a disabled or elderly family, the maximum term (defined in Section V, Financing and Terms of Mortgage) becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least 6 months of homeownership assistance after the maximum term becomes applicable provided the family is eligible to receive HCV homeownership assistance.

### **3. Calculation of Monthly Housing Assistance Payment, Section VIII:**

If a member of the household is a person with disabilities, debt incurred to finance costs for attendant care and auxiliary apparatus will be considered when calculating the Housing Assistance Payment. Structural modifications to the home will be reviewed and approved by WHC. WHC will explore, with the family, the best mechanism (i.e. grant, loan) to finance the accessibility improvements. Also note that barrier free modifications will only be considered. Barrier free includes accessibility for persons with sensory disabilities.

## **IX. RECAPTURE AND REFINANCING**

### **Recapture**

Under HUD Directive, November 18, 2002, the requirements providing for the recapture of homeownership assistance upon the sale or refinancing of the home were rescinded.

### **Refinancing**

WHC will only approve refinancing if it is for a better rate and/or term.

## **X. CONTINUED ASSISTANCE AND FAMILY OBLIGATIONS §982.633**

Once a family has purchased a home, the following Continued Assistance Requirements and Family Obligations must be maintained:

**Occupancy of the Home:** Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, WHC may not continue homeownership assistance after the month when the family moves out. The family or lender is not required to refund to WHC the homeownership assistance for the month when the family moves out.

### **The family must comply with the following obligations:**

- 1. Ongoing Counseling:** WHC will require post purchase counseling. The family must attend and complete ongoing homeownership and housing counseling.
- 2. Compliance with Mortgage:** The family must comply with the terms of any mortgage securing debt incurred to purchase the home (or any refinancing of such debt).
- 3. Prohibition Against Conveyance or Transfer of Home:** So long as the family is receiving HCV homeownership assistance, use and occupancy of the home is subject to §982.551 as follows:

- a. The family as its only residence must occupy the assisted unit.
- b. The composition of the assisted family residing in the unit must be approved by WHC. Supply any information requested by the WHC to verify that the family living in the unit or information related to family absence from the unit. Request WHC written approval to add any other family member as an occupant of the unit. Promptly notify WHC in writing of the birth, adoption, or court –awarded custody of a child. No other person may reside in the unit (except for a foster child or live-in aide).
- c. WHC must be promptly notified in writing if any family member no longer lives in the unit.
- d. Family members of the household may engage in legal profit making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by family.
- e. The unit may not be subleased or let by the family.
- f. Any information or certification requested by WHC to verify that the family is living in the unit, or relating to family absences from the unit, including any WHC requested information or certification on the purpose of family absences must be supplied. The family must cooperate with WHC for this purpose. The family must promptly notify WHC of absence from the unit.

The family may grant a mortgage on the home for debt incurred to finance purchase of the home or any refinancing of such debt.

Upon death of a family member who holds, in whole or in part, title to the home or ownership of cooperative membership shares for the home, homeownership assistance may continue pending settlement of the decedent's estate, notwithstanding transfer of title by operation of law to the decedent's executor or legal representative, so long as the home is solely occupied by remaining family members in accordance with number three listed above.

#### **4. Supplying Required Information:**

- a. The family must supply any information that WHC or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status as provided for in 24 CFR part 5, and information for use in a regularly scheduled reexamination or interim reexamination of family income and composition. Information includes any requested certification, release or other documentation.
- b. The family must disclose and verify social security numbers and must sign and submit consent forms for obtaining information.
- c. Any information supplied by the family must be true and correct.
- d. In addition to supplying information as outlined above, the family must supply information concerning:
  - i. Any mortgage or other debt incurred to purchase the home and any refinancing of such debt (including information needed to determine whether the family has defaulted on the debt, and the nature of any such default) and information on any satisfaction or payment of the mortgage debt; or

- ii. Any sale or other transfer of any interest in the home; or
  - iii. The family's homeownership expenses.
5. **Notice of Move-out:** The family must notify WHC in writing before the family moves out of the home.
  6. **Notice of Mortgage Default:** The family must notify WHC if the family defaults on a mortgage securing any debt incurred to purchase the home.
  7. **Prohibition on Ownership Interest on Second Residence:** During the time the family receives homeownership assistance under this subpart, no family member may have any ownership interest in any other residential property.
  8. **Fraud or Other Program Violations:** The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the program.
  9. **Crime by Family Members:** The members of the family may not engage in drug-related criminal activity or violent criminal activity. Such activity may result in program termination as provided for in 24 CFR part 982.553.
  10. **Other Housing Assistance:** An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for different unit under any duplicative Federal, State or local housing assistance program.
  11. **Before Commencement of Homeownership Assistance,** the family must execute a statement of family obligation and agree to comply with all obligations therein listed.

## **XI. DENIAL OR TERMINATION OF ASSISTANCE §982.638**

WHC shall terminate homeownership assistance for the family, and shall deny voucher rental assistance for the family in accordance with this section.

1. **Denial or Termination of Assistance Under Basic Voucher Program:** At any time, WHC may deny or terminate homeownership assistance in accordance with §982.552 (Grounds for denial or termination of assistance), or §982.553 (Crime by family members).
2. **Failure to Comply with Family Obligations:** WHC may deny or terminate assistance for violation of participant obligations described in Section X, Continued Assistance and Family Obligations.
3. **Mortgage Default:** WHC must terminate voucher homeownership assistance for any member of a family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order for foreclosure on any mortgage (whether FHA-insured or non-FHA) securing debt incurred to purchase the home, or any refinancing of such debt. WHC, in its discretion, may permit the family to move to a new unit with continued voucher assistance. However, WHC must deny such permission, if:
  - a. The family defaulted on an FHA-insured mortgage; and
  - b. The family fails to demonstrate that:
    - i. The family has conveyed title to the home, as required by HUD, to HUD or HUD's designee; and

- ii. The family has moved from the home within the period established or approved by HUD.
4. **Provide False Information:** Any family providing false information will be permanently disqualified from participating in the HCV Homeownership Program.

## **XII. PORTABILITY AND TRANSFERS §982.636**

A family may qualify to move outside of WHC's jurisdiction with continued homeownership or tenant-based assistance under the voucher program if **all** of the following criteria apply:

1. The family meets all eligible criteria set forth in the HUD regulations §982.353 and §982.355 and in Chapter 18 of WHC's Administrative Plan.
2. For homeownership assistance, the receiving PHA must be administering a voucher homeownership program, and be accepting new homeownership families.
3. Family and PHA responsibilities for homeownership:
  - a. **The family:**
    - Must sell its current home in order to purchase and port to another home.
    - Must attend the briefing and counseling session required by the receiving PHA
  - b. **The receiving PHA:**
    - Will have the same administrative responsibilities of the initial PHA except that some administrative functions (e.g. issuance of a voucher, or execution of a tenancy addendum) do not apply.
    - May absorb the family into its voucher program, or bill the initial PHA.
    - Will determine if financing and physical condition of the unit is acceptable and all homeownership policies apply.
4. The maximum term of homeownership assistance applies to the cumulative time the family has received homeownership assistance. The total must **not** exceed the maximum term of 15 years.

\*Note: All portability policies that are in place for the HCV rental assistance program are applicable to the HCV homeownership program. All homeownership program eligibility criteria will apply, i.e. the family must be a participant with WHC's rental program for one year and in good standing and be enrolled in the FSS program, etc.

## **XIII. BUYING ANOTHER HOME**

A family receiving homeownership assistance may purchase another home with continued assistance if **all** of the following criteria are met:

1. The family has not had a mortgage loan default.
2. The family sells its current home in order to purchase another with homeownership assistance.

3. There are no recapture provisions associated with the family's home; therefore, the family may keep any profits or proceeds from the sale of the home
4. All eligibility criteria applicable to the first home purchase are met. The only exception to the eligibility requirements is that the family need not meet the first-time homebuyer requirement.
5. All counseling deemed necessary by WHC has been satisfactorily completed.
6. An independent home inspection on the subsequent purchase has been completed and approved by WHC.
7. The financing mechanism for this subsequent purchase has been submitted and approved by WHC.
8. The maximum term of homeownership assistance applies to the cumulative time the family has received homeownership assistance. The total must **not** exceed the maximum term of 15 years.

**WHC will only allow one move by the family during any one-year period.**

#### **XIV. SWITCHING BETWEEN HOMEOWNERSHIP VOUCHER ASSISTANCE AND RENTAL VOUCHER ASSISTANCE**

There are a number of circumstances under which a family may switch between rental and homeownership assistance under the voucher program. Various scenarios are described below.

- A HCV participant receiving voucher assistance may request whether they are eligible for HCV homeownership assistance. If the family is determined eligible for homeownership assistance, WHC may authorize the family to search for a home to purchase. The family would continue to receive rental assistance until the family vacates the rental unit (consistent with the lease).
- A HCV applicant selected from the WHC waiting list goes to the briefing and learns of the homeownership option. WHC determines the family is eligible for homeownership and the family is given 90 days to find a home to purchase. At the end of the 90 days WHC extends the search period for an additional month because the family has found a unit. However, the purchase never occurs due to problems qualifying for a loan. The family opts to rent an apartment and try homeownership at a later time after they have increased their savings. The family retains their rental voucher.
- The family purchases a home under the HCV homeownership option. After several years the family decides that they prefer to live in a rental apartment. If there is no mortgage loan default and the family has met all obligations under the HCV program, WHC may issue the family a rental voucher. The family must sell the home before WHC may provide rental assistance.

- The family purchases a home under the HCV homeownership option. WHC homeownership staff, housing agents, and post-purchase housing counselor determine that the family is not able to maintain the home as evidenced by the house falling into disrepair, and/or untimely payments on the mortgage, utilities, or taxes. This may also be evident by the family not maintaining stable employment or loss of income resulting in the Housing Assistance Payment at the time of purchase being reduced. The family must sell the home before WHC may provide rental assistance.

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