

Section 8 Housing Choice Voucher Homeownership Program



A step by step guide to the Section 8 Homeownership Program for Section 8 rental assistance recipients.

Receive Rental Assistance

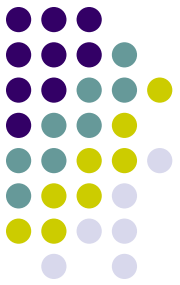


- A family must currently be certified to receive rental assistance through OHFA's Housing Choice Voucher rental assistance program.
- A current participant of the Family Self-Sufficiency program

First Time Homebuyer



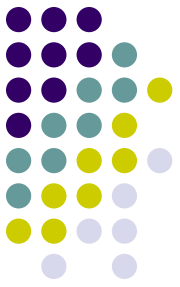
- You must be a first time homebuyer.
- A first time home buyer is someone who has not owned a home in the previous three years.



Credit

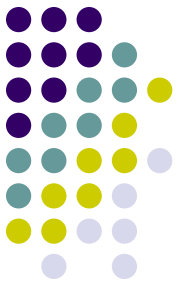
- An applicant for the homeownership program must clear up any blemishes on their credit.
- Consumer Credit Counseling Services (CCCS) is one of the agencies available to assist homeownership applicants with credit repair.

Consumer Credit Counseling



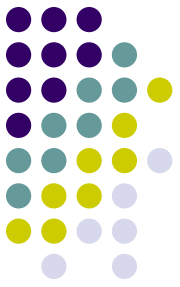
- CCCS may be contacted at 405-384-3473 or 1-800-364-2227 ext. 3473.
- There will be a \$25 charge for a merged credit report which will include all three of the major credit reporting agencies in the nation.

Community Action Program



- Community Action Program of Tulsa is available to clients in the Tulsa area and surrounding counties.
- You may contact Brandy Holleyman at 918- 382-3327 or Nadine Rogers at 918-382-3249 or Cecilia Lopez at 918-382-3258.
- Credit Counseling, Homebuyer Education and Down Payment Assistance is available through this office.

Credit Counseling

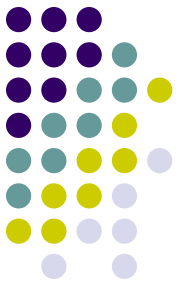


- If a family has information on their credit report which should not be there, assistance will be provided in sending dispute letters.
- If a family has multiple debts that can more easily be paid with one monthly payment, an option to participate in a debt repayment plan will be offered by the CCCS counselor.

Neighborhood Housing Services



- Another credit counseling agency available in the Oklahoma City area is Neighborhood Housing Services.
- You may contact them at 405-231-4663.
- There will be a \$16 charge for a merged credit report which will include all three of the major credit reporting agencies in the nation



Full Time Employment

- An individual must have worked full time for a least one year in order to participate in the Homeownership Program.
- Full time means at least 30 hours per week.
- Two part time jobs may meet this requirement.
- Earned annual income must be at least \$14,500

Exceptions



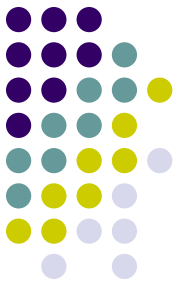
- If the head of household or spouse is over 62 years old or is receiving disability income, the requirement for working is not applicable.
- The disability income must be at least \$9,012 per year.
- If the head of household or spouse is elderly but not disabled, the work requirement does not apply but the income must be at least \$14,500.

Homebuyer Education Class



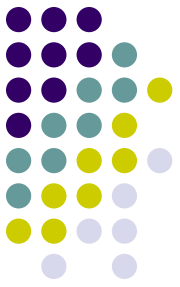
- An applicant must attend a Homebuyer Education class.
- Community Action Agency, Oklahoma City, 405-232-0199
- Great Plains Improvement Foundation, Lawton, Oklahoma, 580-353-2364
- Little Dixie Community Action Agency, Atoka, Oklahoma, 580-326-0556
- Neighborhood Housing Services, 405-231-4663

Certificate of Participation

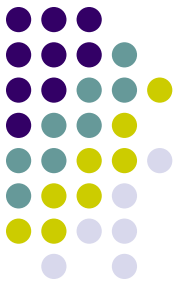


- When the class is completed the instructor will provide a Certificate of Participation.
- This Certificate must be submitted to OHFA:
Attn. Homeownership Program at Box 26720,
OKC, OK 73126.

Homeownership Voucher Issued



- When the Certificate is received in the office the applicant will be scheduled to meet with an OHFA representative, receive a Homeownership Voucher and further information about the program.



Loan Approval

- It is then time to get pre-qualified for a loan.
- A Homeownership Voucher holder may select any lender.

USDA



- In order to get a loan through USDA a Voucher holder must meet 2 criteria.
- A unit must be selected in a rural area.
- An applicant must meet the income requirements without assistance from OHFA.

Lenders



- Central Habitat for Humanity, Oklahoma City, 405-232-4828; other locations also acceptable
- MidFirst Bank- (call Crystal Craig, 405-426-5421 or Cindy Motil at 405-767-7324).
- First Mortgage Company, Oklahoma City (Call Valenthia Doolin at 842-8090 or 800-924-0788)
- First Mortgage Company, Lawton, (Call Kathy Sloan at 580-248-7300).
- First United Bank, Durant, Oklahoma (580-924-2211)



Lenders

- With some lenders, the family must qualify for the loan without assistance. We will then make the monthly payment directly to the homeowner.
- Your lender will determine your qualifying loan amount.
- You *DO NOT* have to purchase a home for the pre-qualified. For example, if you qualified for a \$99,000.00, loan, you may purchase a home for \$88,000.00.



Lenders

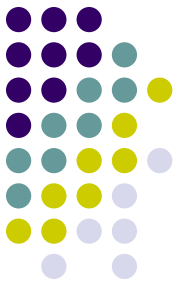
- OHFA must receive a copy of the Appraisal.
- OHFA must receive a copy of the HUD-1 24 hours prior to closing.
- OHFA must attend the closing. No payment can be made if we do not attend the closing.

Lender's Participation

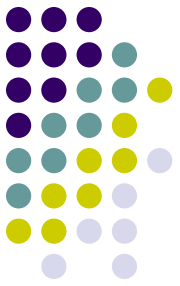


- Lender's interested in participating in the Section 8 Homeownership program may contact OHFA for further information.

Real Estate Agents

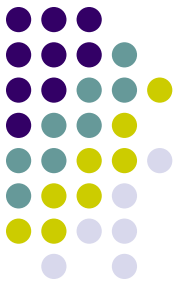


- After a homeownership voucher holder is pre-qualified, contacting a real estate agent is the next step.
- As a courtesy, applicants will be provided a list of real estate agents who are interested in participating in the program.



Selection of Unit

- You may select a house, condo or manufactured home on land you will own.
- You may not purchase a unit from a family member except as a special accommodation for a disability.
- This request must be put in writing and approved.



Real Estate Agent's Responsibilities

- Real estate agents have a few extra steps to follow to assist the family through the home buying process.

After the Home is Selected



When a family selects a home, OHFA needs four documents:

1. A copy of the Contract
2. A copy of an Independent Inspection
3. The Addendum to the Contract of Sale signed by the buyer and the seller.
4. Signed certification from seller that home is vacant, currently occupied by the owner(s) or occupied by the current tenant purchasing the unit.

Contract of Sale



- OHFA will review the Good Faith Estimate to make sure the family has a reasonable, fixed interest rate, without excessive points or fees charged to the family.
- OHFA will ensure the contract is on a unit that is already existing or already under construction.

Homeowner's Warranty



- The family must have a Homeowner's Warranty for at least the first year of homeownership.
- This may be included in the negotiations in the Contract of Sale.

Independent Inspection



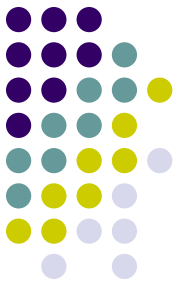
- Deficiencies noted by the independent inspector must be corrected by the seller.

Addendum to the Contract of Sale

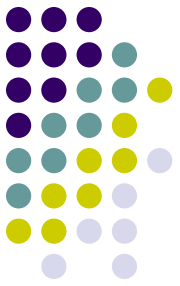


- Serves as notification to the seller and buyer, property of interest must:
 - Be Vacant
 - Currently occupied by the owner(s) or
 - Occupied by the current tenant purchasing the unit.

Addendum to the Contract of Sale

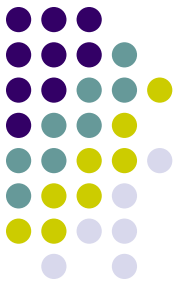


- The Addendum to the Contract of Sale is the acknowledgement to buyer and seller of the requirement to obtain a Housing Quality Standards (HQS) inspection and that all required repairs are made prior to closing.



OHFA's Inspection

- OHFA will conduct an Housing Quality Standard (HQS) Inspection on the property of interest.
- OHFA will not conduct the required inspection on a unit unless it is:
 - Vacant
 - Currently occupied by the owner(s) or
 - Occupied by the current tenant purchasing the unit.
- OHFA will work with the real estate agent to coordinate these inspections.



Down Payment and Closing Cost

- The family must put down at least 3% of the sales price of the home.
- If down payment assistance is available in the area, the family may apply for assistance with part of the closing cost but must contribute at least 1% of the sales price of the home from personal finances.

The Closing



- An OHFA representative will attend the closing and have the paperwork signed indicating a portion of the mortgage will be paid each month by OHFA.

Required Notice to Vacate



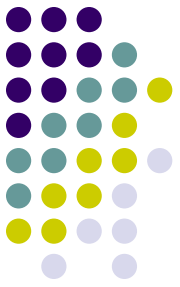
- You are required to provide proper notification of your plans to vacate your current unit
- You must give the owner the required number of days written notice of intent to vacate as specified in the current lease and must provide a copy to OHFA.

OHFA's Payment

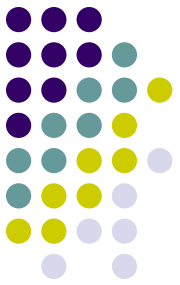


- OHFA's payment will go to the lending institution or to the homebuyer as requested by the lender.

Calculating the Assistance

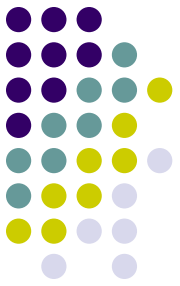


- Assistance on the mortgage payment is calculated the same way rental assistance payments are calculated.
- A payment standard for the county and the bedroom size is compared to the actual monthly housing expense.



Monthly Calculations

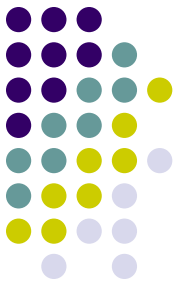
- The lower of the payment standard and the monthly expense is selected.
- 30 % of the family's monthly income is deducted from this amount.
- The difference is the amount of subsidy OHFA will provide.



Duration of Assistance

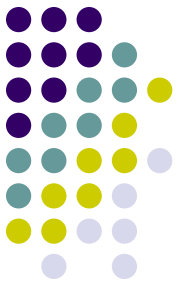
- The family can receive assistance for up to 15 years.
- If the loan is for 20 years or more, the assistance can be received for up to 15 years.
- If the loan is for less than 20 years, the assistance may be received for up to 10 years.

Elderly/Disabled Families



- There is no limit to the length of assistance for elderly or disabled families.
- The assistance will last the length of the loan.

Change in Assistance



- The assistance received each month is based on the amount of the family's income.
- OHFA will continue to review the family's income each year.
- If the amount of income changes, the amount of assistance is subject to change.
- If your monthly mortgage changes, the amount of assistance is subject to change.



Loss of Income

- If a family should lose income during the year, this should be reported to OHFA in writing.
- The income will be re-verified and the payment adjusted accordingly.
- If a participant lost a job, the amount of assistance would be increased to reflect this change.



Yearly Inspections

- Homeowners have the responsibility to maintain the unit to meet Housing Quality Standards.
- At this time OHFA is not doing inspections on these units each year.



Family Obligations

- The family must follow all of the family obligations as with the rental assistance program.
- The family must live in the unit.
- The family cannot own any other residential property.



Death of the Homeowner

- If a family member(s) who holds title to the home or ownership of cooperative membership shares for the home – in whole or in part – dies, the PHA may continue making homeownership payments on behalf of the family members (provided they remain in the home) until the estate is settled.

Death of the Homeowner cont.



- If payments were previously made directly to the now deceased family member, they should be sent to the descendant's executor or legal representative. Payments can continue only as long as the unit is solely occupied by remaining family members.
- It is very important, as well as **your responsibility** to determine, executor or legal representative of your estate.