

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 receiving rental assistance through OHFA's Housing Choice Voucher rental assistance program.

First Time Homebuyer



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

Credit



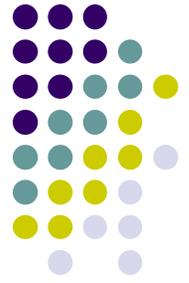
- An applicant for the homeownership program must obtain a “mortgage ready” status according to a U.S. Department of Housing and Urban Development’s (HUD) approved credit counselor’s instructions.

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.
- 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.

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.



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 \$9,252 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
- 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:
Oklahoma Housing Finance Agency
Attn. Homeownership Program
P.O. Box 26720
Oklahoma City, OK 73126-0720

Homeownership Voucher Issued



- When the Certificate of Participation 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
- Arvest Bank, Crystal Craig, 405-419-3826 or 405-651-9644).
- Union Home Mortgage, Oklahoma City – Lacey Brown, 405-446-8062 or 580-377-9756
- Gateway Mortgage Group, Lawton, Kathy Suttles, 580-956-8686 First United Bank, Durant, Oklahoma (580-924-2211
- Paramount Residential Mortgage Group, Kenyatta Lampley, 405-285-4284, 405-204-6512



Lenders

- Your lender will determine your qualifying loan amount.
- For example, if you qualify for a \$99,000.00 loan, you may purchase a home valued at \$88,000.00.
- You DO NOT have to purchase a home once you are pre-qualified.



Lenders

- OHFA must receive a copy of the Appraisal.
- OHFA must receive a copy of the Closing Disclosure prior to closing.
- OHFA must attend the closing. No payment can be made if we do not attend the closing.

Lenders Participation



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

Real Estate Agents



- After a participant 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.

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 Real Estate 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



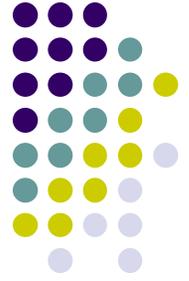
- OHFA will review the Loan Estimate to determine if the family has a reasonable, ***fixed interest rate***, without excessive points or fees charged.
- OHFA will ensure the contract is on a unit that is already existing or already under construction.

Homeowner's Warranty



- The family must have a Homeowner's Warranty for the first 12 months of ownership.
- This may be included in the negotiations of the Real Estate 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 an acknowledgement signed by buyer and seller
- Acknowledgement OHFA will conduct a required Housing Quality Standard (HQS) inspection.
- Seller required to make all repairs prior to closing.



OHFA's Inspection

- OHFA will conduct an Housing Quality Standards (HQS) Inspection on the property of interest.
- OHFA cannot 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 put down 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 lease and must give a copy to OHFA at the same time.

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 conduct Annual Recertification appointments 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.
- 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.
- OHFA will not conduct an Annual HQS on the unit.



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.