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(Title in Progress)

VOLUME 1, ISSUE 1

JANUARY 2008

A History of Public Housing Homeownership at the Superior

Housing Authority

Submitted by Debra Waterman and Laura Hursh, Superior Housing Authority

History

The Superior Housing Authority established the Housing Development Corporation (HDC) in August of 1979, in an effort to “promote and advance housing projects and related facilities for persons and families” and “combat community deterioration” within the City of Superior. The Articles of Incorporation allowed for financing the acquisition and construction of housing for families eligible for Section 8 assistance, lease or purchase of real estate, and bonding as a component for funding housing-related endeavors. An irrevocable dedication to, and operation

exclusively for, non-profit purposes was established.

The Articles of Incorporation were amended in November of



One of the Superior Housing Authority's New Homes

2000 to allow for inclusion of eligible activities in Douglas County. They were amended again on June 28, 2001, after the decision was made to separate the Boards of the SHA and HDC.

The new language governing Board composition allowed for appointment of one member by then Mayor Sharon Kotter, one by County Board Chairman Doug Finn, and a representative of the SHA's Board of Commissioners. Those three individuals selected the remaining two Directors.

Bonding Activity

In late 1979 the HDC issued a bond for the construction of Superior Townhouses, 80 units of income-based housing. Fees for bond issuance and administration were the first revenue generated for the HDC.

(Continued on page 4)

Section 8 Homeownership...One Family at a Time

Submitted by Kate Nardi, Housing Counselor, Dane County Housing Authority

When Shannon Maloney embarked on the task of homeownership she took on a multi-faceted project -- but she was up to the challenge. An energetic attitude coupled with strong organizational skills and determination, Ms. Maloney, a single mother of two, persevered. In

June 2006, Ms. Maloney closed on her first home in Sun Prairie, WI using her Section 8 Housing Choice Voucher.

Ms. Maloney completed her pre-purchase education through the Dane County Homebuyer's Fair, an event sponsored by the Homebuyers Roundtable of Dane County, Inc. Ms. Maloney also received one-on-one counseling through DCHA and Movin' Out,

Inc., an agency serving families with disabled household member (s) throughout Wisconsin.

Like many communities, the cost of housing in Dane County outpaces household income and, therefore, makes it difficult for modest income families to own homes.

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Welcome!

Welcome to the first issue of (Insert Name Here)!

The Wisconsin Public Housing Program Center, part of HUD's Milwaukee Field Office, is putting together this newsletter to showcase some of the successes Housing Authorities have had throughout Wisconsin and relay information about HUD's numerous programs. Each issue will focus on a specific program area. This issue will focus on homeownership and how your Housing Authority could help others through HUD's Homeownership Programs.

In today's market, solid homeownership is more important than ever. As foreclosure rates rise and credit dries up, providing common-sense advice to people who want to purchase their first home is more important than ever.

The U.S. Department of Housing and Urban Development is committed to increasing homeownership opportunities throughout the nation. We believe that Housing Authorities, our most important partners, are instrumental in this. Since they operate on the front lines of providing affordable housing to those who need it, they are best situated to provide information about homeownership to our constituencies.

Our constituents are vulnerable in regard to homeownership—predatory lending practices abound. A large part of the mortgage crisis evolved on account of the types of loans used to lure low-income families to buy at a time that was not right for them.

As housing prices continue to decline, the opportunities for those receiving assistance increases. By providing information on credit counseling, lenders, and the home-buying process, we may be able to help others live out the dream of homeownership in the near future. By increasing the number of homeownership programs throughout the state, more low-income Wisconsin residents can not only purchase their own home, but become self-sufficient in the process.

We look forward to working with you if you wish to create a homeownership program for your Housing Authority. If you have any questions, concerns, or just want to talk about homeownership and determine whether or not having a homeownership program is right for you, please let us know! We will be happy to provide you with all the information you need to make an informed decision.

Sincerely,

Your Wisconsin Public Housing Program Center Team



**You can help others
achieve the dream of
homeownership!**

Section 32: Public Housing Homeownership

As part of the Housing Act of 1937, PHAs can develop and sell housing for low income families. Capital Funds may be used for this activity as well, but since the units are designated as being sold, they are not actually put under the ACC contract.

If you would like to develop this type of housing, more information is available on-line at: <http://www.hud.gov/offices/pih/centers/sac/homeownership/>. This page includes links to the Section 32 Desk Guide, specific program requirements, eligibility requirements, criteria for homeownership plans, and much more.

Further information on this program is available from the Wisconsin Public Housing Program Center, or from the Special Applications Center (SAC) via telephone at (312) 886-3507.



**Section 32
can be used
in conjunc-
tion with
Section 8(y)
funds**

Q&A—Homeownership Technical Assistance



Welcome to the first issue of (*Insert Name Here*) the Wisconsin Public Housing Program Center's quarterly publication.

Since this is the first issue, we thought it would be appropriate to introduce the team who will answer your questions. Over the course of the quarter, we will collect questions we've answered and provide general assistance here.

In the Milwaukee Field Office, most management questions are handled by Public Housing Revitalization Specialists. The Wisconsin Public Housing Program Center has three of them: Beverly Carter, Jerry Wilhoit, and a student trainee, Caleb Kopczyk.

If you have questions, please feel free to share them with us.

Contact Information for the Milwaukee Field Office:

Questions may be sent to:

Wisconsin Public Housing Program Center

310 West Wisconsin Avenue, Suite 1380 Milwaukee, WI 53203

Phone: (414) 297-3214

Fax: (414) 297-1180

Please send any homeownership correspondence to one of the following staff:

Beverly Carter, Senior Public Housing Revitalization Specialist

Extension: 8205

E-mail: Beverly.Carter@hud.gov

Jerry Wilhoit, Public Housing Revitalization Specialist

Extension: 8216

E-mail: Jerry.Wilhoit@hud.gov

Caleb Kopczyk, Student Trainee Public Housing Revitalization Specialist

Extension: 8112

E-mail: Caleb.Kopczyk@hud.gov

Any of us will be happy to answer any questions you may have about Section 32, Section 8(y), or other homeownership programs.

Questions of the Quarter:

Can a person use a Housing Choice Voucher to purchase a home from their brother?

Yes they can. 24 CFR 982.628(a)(1) tells us that eligible units are the same as those that may be chosen for Housing Choice Voucher program recipients EXCEPT that we can ignore (a)(6), (a)(7) and (b) of 982.352 (Eligible Housing). (a)(7) refers us to 982.306 (PHA disapproval of owner). The inability to rent from family members falls under that section. Since 982.628 says that we may ignore the section that refers to that section, a person may buy a house from his or her brother.

A PHA may disapprove of the owner under 982.628(c). Under this section, a PHA may not start homeownership assistance if "the PHA has been informed that the seller is debarred, suspended, or subject to a limited denial of participation."

Over the course of the quarter, we will collect frequently asked questions and provide answers to the most common ones here.

Thank You! Thank You! Thank You!

A huge "Thank You!" to the people who helped make this first edition possible!

- Laura Hursh, Deputy Director of Administration/HDC Board Secretary, Superior Housing Authority
- Kate Nardi, Housing Counselor, Dane County Housing Authority
- Keith Pamperin, Housing Administrator, Brown County Housing Authority
- Carolyn Parham, Executive Director, Dane County Housing Authority
- Diane Waller, Housing Program Specialist, U.S. Department of Housing and Urban Development
- Debra Waterman, Executive Director, Superior Housing Authority

Superior Housing Authority



The SHA issued bonds for the construction of St. Francis Home, Inc. in 1990, 1991, 1995, and 1996.

In each of these instances, the Authority's Board of Commissioners voted to assign the proceeds from the bonding to the HDC.

In 1999, the SHA bonded for Ascend Care Corporation's purchase and improvements of Royalton Manor. Fees were again assigned to the HDC.

Development Projects

The Housing Development Corporation, in partnership with Superior businesses, broke ground on February 10, 2003 on their first single-family home for income-eligible families. A Structural Insulated Panel (SIP) technique was utilized in the construction of the first three homes sold.

In 2005, the HDC contracted with Mark Johnson Construction for provision of three more homes, all of which were occupied by May of 2006. Each of these homes had three bedrooms and two baths, with an attached garage.

In 2006, the HDC Purchased lots at the former site of East Junior High School. The HDC has contracted with Mark Johnson Construction for provision of ten homes. Nine of these homes have been sold, with three purchased by SHA residents.

In order to make the homes affordable, the HDC has worked in cooperation with the City of Superior and Douglas County to secure building sites at little or no cost. The City has made CDBG funds available to make any necessary site improvements, and HOME funding (in the form of down payment assistance) of up to \$25,000 to individuals or families purchasing the homes. WHEDA offered mortgages with discounted interest rates for this project. Catholic Community Services provides the required homebuyer education component, and SHA staff work with the HDC to provide construction oversight, marketing, accounting and clerical support.

All of the homes constructed by the Housing Development Corporation have been "Wisconsin Energy Star Certified" for energy efficiency. Superior Water Light and Power Company has funded the cost of the certifications.

Further Information:

For further information on the Superior Housing Authority's Homeownership program, please contact Laura Hursh (Laura@superiorhousing.org) or Debra Waterman (Deb@superiorhousing.org).

Another of the SHA's home sold under their homeownership program

"To make homes affordable, the HDC has worked...with the City of Superior and Douglas County to secure building sites at little or no cost."

Please Help Us!



Name Our Newsletter!

Got an idea for what we could name our newsletter? We're looking for a creative title we could use for next quarter's edition. Please submit any ideas you may have by January 31st to Caleb Kopczyk at Caleb_G_Kopczyk@hud.gov. All ideas will be posted and voted on by Milwaukee Field Office Staff from all divisions. The one receiving the most votes will be the new name of our newsletter.

Got a Story to Share?

We're looking for stories (both good and bad) about experiences you have had with HUD's programs. Please let us know about the difficulties you have faced, the successes you have had, and above all, stories about the families affected by HUD's programs!

HCV Homeownership Workshops/Training

- } January 9-10: Glen Allen, Virginia
- } February 4-5: Fort Worth, Texas
- } **March 6-7: Milwaukee, Wisconsin**
- } March 31-April 1: Sumter, South Carolina
- } April 17-18: St. Louis, Missouri
- } May 20-21: Ocean City, Maryland

MARCH 2008

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Homeownership Vouchers

Did you know that Housing Choice Vouchers can be used to help renters buy their homes? As part of your PHA plan, you can use your vouchers, under Section 8(y), to help your voucher holders pay their mortgages for up to 15 years!

Those who are eligible to participate in this program are first-time homebuyers, have not owned a home in the past three years, meet income requirements, are employed, elderly, or disabled, and attend homeownership counseling.

Housing Authorities are also permitted to establish their

own criteria for participation. These criteria are stated in the annual PHA plan.

Though PHAs cannot maintain a separate waiting list for this program, they can set aside funding for special housing types (elderly/disabled/family) and may require that the family purchase a particular type of residence (single family home, condo, etc).

There are minimum income requirements established for families who want to participate in this program. In particular, except in the case of elderly or disabled families, welfare payments cannot be considered as income for this

program. The PHA may establish a higher income threshold at their discretion.

It should be noted that portability does apply here—a family can purchase a home outside of the PHAs jurisdiction. The PHA may not restrict participants to certain lenders, sellers, or neighborhoods. The choice of where to live is entirely up to the family.

More information is available on-line at <http://www.hud.gov/offices/pih/programs/hcv/homeownership/index.cfm>.



Homeownership Vouchers can help pay portions of mortgages for up to 15 years!



“To become a first-time homebuyer, you need to know where and how to begin.”

Homeownership: The American Dream

SUBMITTED BY DIANE WALLER, HOUSING PROGRAM SPECIALIST

CAN I REALLY BUY A HOUSE?

For millions of people every year, the answer is "yes", and an FHA mortgage might be the way you can. Every year FHA helps thousands of first-time homebuyers just like you move into the house of their dreams. A home is an investment, it can save you money and it's a place to live and raise children. It's a plan for the future and an investment in your community. That's why we at FHA want all Americans to have an opportunity to enjoy the benefits of owning a home.

Knowledge opens doors. This is literally true when it comes to buying a home. To become a first-time homebuyer, you need to know where and how to begin the home buying process. The following questions and answers will give you basic knowledge from deciding whether you're ready to buy, all the way to that final proud step, getting the keys to your new home!

ARE YOU READY TO BUY A HOME?

You can find out by asking yourself some questions:

- Do I have a steady source of verifiable income? Have I been employed on a regular basis for the last 2-3 years? Is my current income reliable?
- Do I have a good record of paying my bills?
- Do I have few outstanding long-term debts, like car payments?
- Do I have money for a down payment?
- Do I have the ability to pay a mortgage every month, plus additional costs?

If you can answer "yes" to these questions, you are probably ready to buy your own

ISN'T BUYING A HOME REALLY HARD? DON'T YOU NEED A LOT OF MONEY DOWN AND PERFECT CREDIT?

It's not nearly as hard as you might think. FHA understands that many first-time homebuyers may have had some financial problems in the past and don't have a lot of money saved. That doesn't mean you can't buy a home. Because FHA insures your mortgage, lenders are more willing to give loans with lower qualifying requirements, making it easier for you to qualify (or get approval). Even if you have had credit problems such as bankruptcy, it is easier for you to qualify for an FHA loan than a conventional loan. FHA has a low 3% down payment requirement, and that money can come from a family member, employer or charitable organization. Many other conventional loans don't allow this.

WHY CHOOSE AN FHA LOAN?

There are lots of good reasons to choose an FHA loan, especially if one or more of the following apply to you:

- You're a first-time homebuyer
- You don't have a lot of money to put down on a house
- You want to keep your monthly payments as low as possible
- You're worried about your monthly payments going up
- You're worried about qualifying for a loan
- You don't have perfect credit

(CONTINUED ON PAGE 7)

Section 8 Homeownership (Continued)

US Census data shows an 18 percent increase in median household income in Dane County from 2000 to 2007 while the median price of a home increased by 43 percent over this same period. Because of the high cost of housing in Dane County, the DCHA Section 8 Homeownership Program is small but effective. It takes many community programs working together to bridge the gap between household ability to pay and housing cost. Deep subsidies and community-minded lenders is the key to success with Section 8 Homeownership transactions.

A relationship with a valued community partner, Anchor Bank fsb, made the dream of homeownership possible for Ms. Maloney. Anchor Bank has been on the forefront of addressing housing affordability issues in Dane County. Also, Anchor Bank's Affordable Lending Department staff does a phenomenal job of thinking outside of the box with regard to loan origination and loan servicing. Anchor Bank embraces opportunities to service our Section 8 Homeownership Program customers. Following is a Summary of Ms. Maloney's transaction and words from her about her homeownership experience.

Purchase Price:	\$184,500
Closing Cost:	\$2,212
Total Funds	\$186,712
1 st Mortgage Amount: (WHEDA)	\$123,610
Home Start (Central WI Housing Foundation)	\$3,000 (S. Cen-
DCHA	\$9,000 (HOME)
Movin' Out, Inc	\$9,000 (HOME)
Movin Out, Inc.	\$30,500 (Chicago)
Federal Home Loan Bank AHP)	
Homebuy	\$3,100 (HCRI)
Gift	\$5,000
Earnest Money	\$1,000

Customer Prepaid Fees	\$350
<hr/>	
Total Funds	\$184,560
Seller Paid Taxes 1/06-6/06	\$2,152
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TOTAL	186,712
Principal & Interest:	\$786.92
Homeowners Insurance	\$24
Property Taxes:	\$283
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TOTAL PITI	\$1,093.92
LESS HAP	\$591
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Ms. Maloney's Payment	\$502.92
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"I wanted to say how grateful I am for the Section 8 Homeownership Program. Since the purchase of my home (in 2006) my family has been so much happier. My kids have their own yard to play in, driveway to play basketball, a garage to park their bikes in and a place to call their real home. For example, if I want to paint the kids room I can without having to ask permission or if I want to plant flowers outside I can with no problems. There are some downfalls to owning compared to renting like having to pay for all repairs but in the long run it pays off and you have a place to call home and that means a lot."

-- Shannon Maloney, Section 8 Homeowner



"My kids have their own yard to play in, driveway to play basketball...and a place to call their real home."
-Shannon Maloney

FHA Mortgages (continued)

Shop for a loan

Save money by doing your homework. Talk to several lenders, compare interest rates, and negotiate or bargain to get a better deal. Consider getting pre-approved for a loan.

Find a Housing Counselor

If you want advice on buying a home or credit issues, HUD sponsors certain housing counseling agencies throughout the country who in turn give

advice free or at low cost through homebuyer education seminars.

Search online for a counseling agency near you, or call HUD's interactive voice response system at: (800) 569-4287.

For further information, contact the FHA Resource Center at 1-800-225-5342.

Brown County Housing Authority Partnership Makes Housing Choice Voucher Homeownership Work

Submitted by Keith A. Pamperin, Housing Administrator, Brown County Housing Authority



Since the initiation of the Brown County Housing Authority Housing Choice Voucher Homeownership Option in August of 2001, the Brown County Housing Authority, (BCHA) in partnership with Integrated Community Services, (ICS) has assisted 111 families purchase homes. Analysis indicates that of the 111 closings, 23 occurred in 2007; 14 occurred in 2006; 16 occurred in 2005; 25 occurred in 2004; 13 occurred in 2003; 17 occurred in 2002; and 3 occurred in 2001.

Statistical analysis of participating Homeownership households concludes that approximately 45 percent of head-of-households and/or their spouse have a disability. Further statistical analysis indicates that the ethnic breakdown of Homeownership households is as follows:

Caucasian/Non-Hispanic	48%
Asian	39%
Caucasian/Hispanic	8%
Native American	3%
African American	2%

The average purchase price in the Brown County Housing Authority Housing Choice Voucher Homeownership Option has been approximately \$103,300, with an average loan amount totaling \$88,500. Of the 111 Homeownership closings, 59 households obtained WHEDA loans, 11 obtained FHA loans, 1 obtained a VA loan, 1 obtained a USDA Rural Development loan, 5 obtained Habitat for Humanity, and 25 obtained adjustable rate mortgage financing through local lenders.

In 2007 a tandem Home Maintenance and Repair Program was made possible through a grant received from the local Greater Green Bay Community Foundations for Housing Choice Voucher Homeownership Option Home buyers.

The Home Maintenance and Repair Program, provides homeowners with an opportunity to become skilled at basic maintenance and repair needs in their home. Through this program, ICS staff conducts two home visits to guide and train participating clients on home maintenance and repairs.

During the first visit, ICS staff helps to increase the homeowner's awareness on maintenance needs and serves as a source to address any questions or concerns the homeowner may have concerning needed repairs. The staff then instructs the homeowner to purchase the necessary materials required for immediate repairs or maintenance.

"I'm a part of a community. I'm a taxpayer, and I'm in touch with neighbors and the neighborhood watch program. My kids are doing better in school because they are secure at home."

Along with the Homeownership Program, the Brown County Housing Authority, in partnership with Integrated Community Services, provides a Family Self Sufficiency Program. Currently, there are eight homeowners participating in the FSS program.

Because the Brown County Housing Authority has enjoyed a successful Housing Choice Voucher Homeownership Program and Integrated Community Services maintains a knowledgeable and dedicated staff, ICS is now offering consultation and training services to other Housing Authorities involved in the Housing Choice Voucher Homeownership and Family Self Sufficiency programs.

Provided below are a few quotes collected from participating clients concerning the Brown County Housing Authority, Housing Choice Voucher Homeownership Option and Family Self Sufficiency Homeownership Program.

“I am very happy to be the owner of my house. It has taken awhile to get to where we are, and to have the final result of owning my home is very good.”

“The ability to purchase our present home came at a time of huge life changes, as I was going through my divorce. Becoming a homeowner at this time helped my daughter and I find a place where we felt safe and secure. I, once again, have the freedom to be creative both inside and out. Homeownership gave us both a boost of self-esteem, at a time when we needed it the most.”

“I am grateful for the program that gives me assistance to own my own home. However, being a low-income family, I find it difficult to find money to fix up around the home.”

“Owning a home has brought such joy to myself and my children. Sure, problems arise that you as the owner are responsible for, but there is no greater joy than knowing you own the property. What a wonderful confidence booster!”

“Owning a home helps me save money and actually have a place to call home. It’s a place where my family and I can grow up together and not have to move place to place. The programs you, at ICS offer, helped me through a lot of finances and buying a house. It’s great. Keep up the good work, ICS!”

“This program has helped our family buy our first home ever in America! I don’t think we would have been able to without the Homeownership Program, the banker, the realtor, and Integrated Community Services.”

“It has been the best thing to happen to me, as well as my family and children. My self-worth and security has increased. My children now have a yard to play in and not the parking lot that they previously had. I cannot thank you enough!”

“I believe homeownership brings up the appearance and pride that a home and/or residents of a community have. In most instances, homeownership helps to bring area residents into a feeling of belonging to a community rather than just a person who lives somewhere.”

“I believe having homeowners in a community helps to stabilize the environment. I think it helps to build friendships, trust, and a sense of togetherness. Each neighbor gets to know the other and truly cares about helping out, watching out, and reaching out.”

“I believe the pride I have in my home (keeping up the yard, decorating my home, etc.), as well as continuing to be responsible with bills, etc., is rubbing off on my children, which will make them more responsible adults. It also gives them hope (let’s them see they have a chance at bettering themselves, college, etc.). Being a good neighbor has already shown its affects on me. I love my neighbors.”

“By owning my own house, I hope it’s going to be a good step towards adapting to America. My kids will be happier that they have a house. I feel like I belong more to the community owning this house.”



U.S. Department of Housing

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HUD's mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination. To fulfill this mission, HUD will embrace high standards of ethics, management and accountability and forge new partnerships—particularly with faith-based and community organizations—that leverage resources and improve HUD's ability to be effective on the community level.

Comments? Questions? E-mail Us!

Homeownership Resources on the Internet

Public Housing Homeownership:

Section 32 Homeownership

Overview:

<http://www.hud.gov/offices/pih/centers/sac/homeownership/>

Desk Guide:

<http://www.hud.gov/offices/pih/centers/sac/homeownership/section32deskguide.pdf>

Section 8 Homeownership Vouchers

Overview:

<http://www.hud.gov/offices/pih/programs/hcv/homeownership/>

Final Rule:

http://www.hudclips.org/sub_nonhud/cgi/pdf/22829a.pdf

Training:

<http://www.hud.gov/offices/pih/programs/hcv/homeownership/training.cfm>

Wisconsin Housing and Economic Development:

Main:

<http://www.wheda.com/>



Helping achieve the dream of homeownership

Homeownership

Overview of Products:

http://www.wheda.com/my_home.asp

HOME Loan:

http://www.wheda.com/CAT_SFB/home.asp

HOME Loan for Veterans:

http://www.wheda.com/CAT_SFB/home_vet.asp

HOME Plus Loan:

http://www.wheda.com/cat_sfb/home_plus.asp

Partnership for Homeownership:

http://www.wheda.com/cat_sfb/rural_dev.asp

Lindsey Heights (Milwaukee):

<http://www.wheda.com/programs/lindsay/default.asp>