

Authority will give at least 120 days written notice of such termination to the family and the owner, and the Northeast Oregon Housing Authority will offer the family the opportunity for continued tenant-based assistance under the voucher program. The Northeast Oregon Housing Authority may deny the family the opportunity for continued assistance in accordance with 24 CFR 982.552 and 24 CFR 982.553.

23.0 SECTION 8 HOMEOWNERSHIP HOUSING CHOICE VOUCHER PROGRAM*

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Northeast Oregon Housing Authority (NEOHA) will participate in the Section 8 Homeownership Housing Choice Voucher Program. Home ownership assistance is available to purchase existing housing. Assistance is not available to purchase a home under construction.

FAMILY QUALIFICATIONS

To qualify a family must be:

- eligible for the Section 8 Housing Choice Voucher Program either as a participant or applicant
- be a first time homebuyer
- not receiving cash assistance from Adult and Family Services

A family at 50 to 80 percent of median income are not required to participate in the NEOHA's Family Self Sufficiency (FSS) Program. A family below 50 percent of median income must participate in the NEOHA's FSS Program.

OUTREACH FOR THE PROGRAM

NEOHA will provide a pamphlet describing the Program when a Section 8 application is received and at annual reexamination time. The Homeownership Voucher Program will be discussed at Section 8 briefing sessions.

* This document has been retyped from the original document provided by NE Oregon Housing Authority. Minor changes have been made to formatting that may cause the word count of some lines to vary from the original, but we have otherwise attempted to be true to the original.

FIRST TIME HOMEBUYER

A family cannot have owned title to a principal resident in the last three years. The right to purchase title under a lease-purchase option doesn't count as ownership interest.

MINIMUM INCOME REQUIREMENT

The head and spouse must demonstrate sufficient monthly gross income to meet the minimum income standard.

- Enough income to meet home ownership and other family expenses.
- A family cannot pay more than 40% of their adjusted monthly income for mortgage payment and utilities.
- The above requirements are applied only for initial qualification or subsequent purchase of a home.
- Income counted for minimum requirement must be received from sources other than Public Assistance.
- Public Assistance is only disregarded for minimum income requirement.
- Public Assistance must be counted for elderly or disabled families.

FULL TIME EMPLOYMENT REQUIREMENT

Families must demonstrate that the head or spouse is currently employed full time and has been continuously been employed for one year prior to home ownership assistance. An elderly or disabled head or spouse is exempt from the full time employment requirement.

NO PREVIOUS DEFAULT

The head or spouse may not have previously defaulted on a mortgage obtained through a homeownership program and will be barred from receiving future home ownership assistance.

PRE-ASSISTANCE COUNSELING

When a family has been determined eligible, they must attend and complete homeownership counseling sessions. NEOHA staff and/or an other entity, which is a HUD approved housing counseling agency, may provide free counseling.

Home ownership counseling requirements are:

- home maintenance
- budget and money management
- credit counseling
- how to get homeownership financing
 - o description of types of financing
 - o pros and cons of different types of financing
 - o how to find a home (close to schools or transportation)
 - o advantages of purchasing outside of low income areas
 - o how to locate homes outside areas of concentration of low-income families
 - o how to negotiate a purchase price

FINDING AND FINANCING A HOME

NEOHA must advise families of the below deadlines:

- | | |
|----------------------------------------------------------|---------|
| • Locate a home | 60 days |
| • Securing loan pre-approval | 15 days |
| • Financing and purchasing the home | 60 days |
| • An extension may be granted if purchase is in progress | 30 days |

NEOHA does not issue a voucher until the home is purchased.

If the family can't find a home to buy within the above deadline, a Voucher will be issued to the family to participate in the regular Housing Choice Voucher Program

PORTABILITY

A family may select an existing home anywhere within Baker, Grant, Union and Wallowa Counties.

A family may exercise portability if the receiving PHA is approving units under the Homeownership Voucher Program.

- The receiving PHA may absorb or bill
- The receiving PHA arranges for counseling
- The receiving PHA's homeownership policies apply

HOME INSPECTIONS

The home will have two inspections:

- 1) A NEOHA inspection using the Voucher Program Housing Quality Standards (HQS)
- 2) An independent professional inspection hired and paid for by the family

The HQS inspection doesn't cover the assessment of adequacy and life span of:

- major building components
- building systems
- appliances
- other structural components

The independent inspection must cover major building systems and components:

- foundation and structure
 - housing interior and exterior
 - roofing, plumbing, electrical and heating systems
-
- NEOHA may not require the family to use an independent inspector selected by NEOHA.
 - The independent inspector may not be a NEOHA employee, contractor, or other person under the control of NEOHA.

- The inspectors must be certified by the American Society of Home Inspection or another comparable certification program approved by NEOHA.
- The independent inspector must provide a copy of the report to the family and NEOHA.
- The NEOHA will review the report and may disapprove the home for homeownership on the basis of the report.
- The family and NEOHA must determine if any pre-purchase repairs are necessary.
- The family will not be obligated to pay for any necessary repairs.

CONTRACT OF SALE

The contract of Sale must include an inspection provision, which specifies:

- That the purchaser will arrange for an independent pre-purchase inspection.
- That the purchaser is not obligated to purchase unless the inspection is satisfactory to the purchaser.
- That the purchaser is not obligated to pay for any necessary repairs.

FINANCING

The family is responsible for securing their own financing.

- They may use local or state CDBG financing or other subsidized financing.
- All regular lender underwriting and property inspection requirements apply.
- HUD anticipates that mortgage lenders will consider Section 8 assistance as a source of income.
- NEOHA may determine that the family cannot afford the proposed financing.
- Section 8 funds may not be used to assist with financing costs (downpayment, closing costs, etc.)
- Section 8 housing assistance is provided monthly after closing to help the family meet mortgage payments and home expenses.

HOMEOWNERSHIP EXPENSES

Homeownership expenses include the following:

- Principal and interest
- Mortgage insurance premium
- Taxes and insurance
- NEOHA allowance for utilities
- NEOHA allowance for routine maintenance
- NEOHA allowance for major repairs and replacements
- Principal and interest on debt for improvements

NEOHA uses the voucher program utility allowance schedule.

ALLOWANCES FOR MAINTENANCE AND MAJOR REPAIRS

Maintenance and major repair allowances should not be based on the condition of the home.

- The Voucher Program utility allowance schedule will be used.
- NEOHA may contact counseling agencies and Realtors for advice.
- Families will not be required to actually escrow allowances or put the money in banks as replacement reserves.

STATEMENT OF HOMEOWNERSHIP OBLIGATIONS

The family and NEOHA will execute a Statement of Homeownership Obligations.

- No Request for Lease Approval, Lease Addendum or Housing Assistance Payment Contract will be required.

NEOHA will pay the Homeownership Assistance Payments directly to the family in a two party check made out to both the family and lender.

PAYMENT STANDARD

NEOHA will use its Voucher Program payment standard schedule. There will be no separate homeownership payment standard.

HOMEOWNERSHIP ASSISTANCE PAYMENTS

A modified Voucher calculation is used for the Homeownership Assistance Payments. It will be the lesser of:

- Payment Standard minus the Total Tenant Payment
- Family's monthly homeownership expenses minus the Total Tenant Payment

The family pays the expenses not covered by the Homeownership Assistance Payment.

TERM LIMIT

The maximum term of the homeownership assistance is 10 years. Elderly and disabled are exempt from the subsidy time limit.

CONTINUED ASSISTANCE

To receive continued assistance, the Family must:

- live in the home
- comply with the terms of the mortgage
- attend and complete homeownership counseling
- comply with the family obligations of the Section 8 Program

NEOHA ON-GOING FUNCTIONS

The following are NEOHA's responsibilities regarding the Homeownership Program

- An annual reexamination is required.
- There will be no annual HQS inspection conducted.
- NEOHA will receive a Voucher Program ongoing administrative fee.

SALE OF HOME

There are no sale recapture provisions.

- The family may keep profits or proceeds from the sale of the home.
- The sale is subject to financing conditions.

PURCHASE OF ANOTHER HOME

The family may purchase another home with Section 8 assistance if there is no mortgage loan default. The maximum term of homeownership assistance applies to the total time the family receives assistance, regardless of whether the family purchases another home.

The following requirements must be met to purchase another home:

- NEOHA's minimum income
- One year continuous full-time employment
- Two home inspections
- Additional counseling if required by NEOHA

Statement of Homeownership Obligations
Section 8 Tenant-Based Assistance
Housing Choice Voucher Program

Part A of the Statement of Homeownership Obligations

1.

Contents of Statement

This statement has two parts:
Part A: Statement of Information
Part B: Body of Statement
2.

Tenant
3.

Homeownership Unit
4.

Household

The following persons may reside in the unit. Other persons may not be added to the household without prior written approval of the owner and the PHA.
5.

Initial Term

The initial term begins on (mm/dd/yyyy):_____
6.

Homeownership Assistance Payment to Voucher Family

\$ _____
7.

Initial Homeownership Assistance Payment

The term commences on the day the statement is signed. At the beginning of the term, the amount of the homeownership assistance payment by the PHA to the Voucher Family is \$_____ Per month. The amount of the monthly homeownership- assistance payment is subject to change during the Statement term in accordance with HUD requirements.

Statement of Homeownership Obligations
Section 8 Tenant-Based Assistance
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Part B of Statement of Homeownership Obligations

1. Purpose

- a. This is a statement between the PHA and the Voucher Family. The statement is entered to provide assistance for the family under the Section 8 Voucher program (see HUD program regulations at 24 Code of Federal Regulations Part 982).
- b. The statement only applies to the household and unit.
- c. During the term, the PHA will pay homeownership assistance payments to the Voucher Family in accordance with the statement.
- d. The family will reside in the unit with assistance under the Section 8 Voucher program. The homeownership assistance payments by the PHA assist the family to buy the unit. The family and the PHA will execute a Statement of Homeownership Obligations. The PHA will pay the Homeownership Assistance Payments directly to the lender on behalf of the family.

2. Purchase of Homeownership Unit

- a. The Voucher Family has purchased the contract unit for occupancy by the family with assistance under the Section 8 Voucher program.
- b. The PHA has approved purchase of the unit in accordance with requirements of the Section 8 Voucher program.

3. Term of Statement of Obligations

- a. **Relation to term.** The maximum term of the homeownership assistance is 10 years or 15 years with a 20 year mortgage. Elderly and disabled are exempt from the subsidy time limit. To receive continued assistance, the Family must live in the unit, comply with the terms of the mortgage, attend and complete homeownership counseling and comply with the family obligations of the Section 8 Program.
- b. **When Statement terminates:**
 - (1) The PHA may terminate program assistance for the family for any grounds authorized in accordance with HUD requirements. If the PHA terminates program assistance for the family, the statement terminates automatically.
 - (2) If the family moves from the unit, the statement terminates automatically.

4. PHA Payment

- a. **When paid**
 - (1) During the term of the Statement the PHA will make monthly homeownership assistance payments on behalf of the family at the beginning of each month.
 - (2) The PHA will pay homeownership assistance payments promptly when due.
- b. **Voucher Family with Statement.** Unless the Voucher Family has complied with all provisions of the statement, the Voucher Family does not have a right to receive homeownership assistance payments under the Statement of Obligations.
- c. **Amount of PHA payment**
 - (1) The amount of the monthly PHA homeownership assistance payment shall be determined by the PHA in accordance with HUD requirements for a tenancy under the voucher program.
 - (2) The amount of the PHA homeownership assistance payment is subject to change during the statement term in accordance with HUD requirements. The PHA must notify the family of any changes in the amount of the homeownership assistance payment.
 - (3) The homeownership assistance payment for the first month of the statement term shall be pro-rated for a partial month.

- d. **Limit of PHA responsibility**
 - (1) The PHA is only responsible for making homeownership assistance payments to the voucher family in accordance with the statement and HUD requirements for a tenancy under the voucher program.
 - (2) The PHA shall not pay any amount in excess of the assistance payment. The PHA shall not pay any other claim by the voucher family.
- e. **Overpayment to voucher family.** If the PHA determines that the voucher family is not entitled to the homeownership assistance payment or any part of it, the PHA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the voucher family.

5. **Voucher Family's Breach of Statement**

- a. Any of the following actions by the voucher family (including a principal or other interested party) is a breach of the statement.
 - (1) If the voucher family has violated any obligation under any other housing assistance payments contract under the Section 8 Program.
 - (2) If the voucher family has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.
 - (3) If the voucher family has engaged in any drug-related criminal activity or any violent criminal activity.
- b. If the PHA determines that a breach has occurred, the PHA may exercise any of its rights and remedies under the statement, or any other available rights and remedies for such breach. The PHA shall notify the voucher family of such a determination, including a brief statement of the reasons for the determination. The notice by the PHA may require the voucher family to take corrective action, as verified or determined by the PHA, by a deadline prescribed in the notice.
- c. The PHA's rights and remedies for the voucher family breach of the statement include recovery of overpayments, suspension of homeownership assistance payments, abatement or other reduction of assistance payments, termination of assistance payments, and termination of the Statement of Homeownership Obligations.
- d. The PHA's exercise or non-exercise of any right or remedy for the voucher family breach of the statement is not a waiver of the right to exercise that or any other right or remedy at any time.

6. **Denial or Termination of Assistance for Family**

The PHA shall terminate homeownership assistance for the family, and shall deny voucher rental assistance for the family for the following reasons:

- a. Denial or termination of assistance under basic voucher program. At any time, the PHA may deny or terminate homeownership assistance in accordance with HUD regulations regarding grounds for denial or termination of assistance, or crime by family members.
- b. Failure to comply with family obligations. The PHA may deny or terminate assistance for violation of participant obligations.
- c. Mortgage default. The PHA must terminate voucher homeownership assistance for any member of family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage securing debt incurred to purchase the home, or refinancing of such debt.

7. **PHA Liability**

- a. The PHA does not assume any responsibility for injury to, or any liability to, any person injured as a result of the voucher family's action or failure to act in connection with the unit or the premises or with implementation of the statement, or as a result of any other action or failure to act by the voucher family.
- b. The voucher family is not the agent of the PHA, and the statement does not create or affect any relationship between the PHA and any lender to the voucher family or any suppliers, employees, contractors or subcontractors used by the voucher family in connection with the unit or the premises or with implementation of the statement.

8. **Written Notices**

Any notices by the PHA or the voucher family in connections with this statement must be in writing.

9. **Entire Agreement: Interpretation**

- a. The statement contains the entire agreement between the voucher family (buyer) and the PHA.
- b. The statement shall be interpreted and implemented in accordance with HUD requirements, including HUD Program regulations at 24 Code of Federal Regulations Part 982.

10. **Family Obligations**

The family must comply with the following obligations:

- a. Ongoing counseling. To the extent required by the PHA, the family must attend and complete ongoing homeownership and housing counseling.
- b. 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.)
- c. Prohibition against conveyance or transfer of home. (i) So long as the family is receiving homeownership assistance, use and occupancy of the home is subject to HUD guidelines on use and occupancy of unit, and absence from unit.
(ii) 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 operations of law to the descendant's executor or legal representative, so long as the home is solely occupied by remaining family members in accordance with use and occupancy of the unit.
- d. Supplying required information. (i) The family must supply required information to the PHA in accordance with obligation of participant.
(ii) In addition to other required information, the family must supply any information as required by the PHA or HUD concerning:
 - (1) 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;
 - (2) Any sale or other transfer of any interest in the home; or
 - (3) The family's homeownership expenses.
- e. Notice of move-out. The family must notify the PHA before the family moves out of the home.
- f. Notice of mortgage default. The family must notify the PHA if the family defaults on a mortgage securing any debt incurred to purchase the home.
- g. Prohibition of 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.
- h. Additional PHA requirements. The PHA may establish additional requirements for continuation of homeownership assistance for the family (for example, a requirement for post-purchase homeownership counseling or for periodic unit inspections while the family is receiving homeownership assistance). The family must comply with any such requirements.
- i. Other family obligations. The family must comply with the obligations of a participant family. However, the following provisions do not apply to assistance under the homeownership option:
 - (1) HQS breach caused by family.
 - (2) Allowing PHA inspection.
 - (3) Violation of lease.
 - (4) Family notice of move or lease termination.
 - (5) Owner eviction notice.
 - (6) Interest in unit.

11. **Statement of Homeowner Obligations**

The family hereby agrees to comply with all family obligations under the homeownership program.

Signatures:

Public Housing Agency

Print or Type Name of PHA

Signature

Print or Type Name and Title of Signatory

Date (mm/dd/yyyy)

Mail Payments to:

Voucher Family

Print or Type Name of Owner

Signature

Print or Type Name and Title of Signatory

Date (mm/dd/yyyy)

Name

Address (Street, City, State, Zip)