Housing Choice Voucher Homeownership Program

Twelve years ago, HUD established the Housing Choice Voucher Homeownership (HCV/HO) program. Since then more than 18,500 families left the residential rental world and have become homeowners. The ranks of participating lenders have grown as national and local lenders have gained an understanding of and seen the stability of the HCV/HO program and families. Public housing agency (PHA) participation continues to grow, with currently 928 PHAs operating active HCV/HO programs. HUD continues to provide incentive funds to PHAs in the amount $1,000 for each closing. The incentive funds are funded for Fiscal Year 2011 budget. To receive the incentive funds, the PHA must properly complete the HUD-50058 as a homeownership participant.

PHAs can coordinate their HCV/HO programs with many Federal, State, and local homeownership assistance programs to increase resources for prospective homeowners. Family Self-Sufficiency (FSS) escrow account and HOME funds may be used for down payment assistance. Local savings programs such as Individual Development Accounts (IDA) are also compatible with the HCV/HO. An IDA is an enhanced savings account that usually involves matching funds and is administered by a bank or credit union with backing by a non-profit organization.

A family in rural southern California exemplifies the flexibility and benefit of the HCV/HO. While the family was a HCV rental participant, they spent 6 years in the FSS program working towards economic stability and homeownership. The family moved $5,000 from their FSS escrow account into a local IDA program that turned the $5,000 into $20,000 which could be used as a down payment on a home purchase. The IDA funds along with the HCV/HO assistance made homeownership affordable and allowed the family to reach their goal and realize their dream of owning a home.

For more information on, HCV/HO: http://1.usa.gov/frYn0A

PHAs interested in starting a HCV/HO program should contact the Public and Indian Housing Information and Resource Center at 1-800-955-2232 for more information.

PIH Notices

PIH 2011-22, “Promotion of Integrated Pest Management (IPM) as an environmentally sound, economical and effective means to address a major resident concern,” issued April 26, 2011. This Notice provides guidance to PHAs on the benefits of IPM. It provides links for additional training and technical assistance resources. HUD encourages the use of IPM as a way to prevent and reduce pests with reduced use of harmful pesticides. IPM is not a requirement.


Cont’d

PIH 2011-17, “Extension of Notice 2010-08 (HA) Renewal of Project-Based Certificate Housing Assistance Payments Contracts,” issued March 31, 2011. This Notice extends Notice 2010-08 for a year with no changes.


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**Successful HCV Homeownership Program Graduates Clients into Self-Sufficiency**

The Housing Authority of the City of Yuma (HACY) in Arizona had its first HCV/HO program closing in 2004 and has been going strong since. Family Self-Sufficiency (FSS) Coordinator Sandra Nunez shares some thoughts on their program.

1. **How many HCV Homeownership families has the HACY assisted?** “We currently have 24 active clients. At one point we had 59 clients. Thirty [families] have come off the program because their income has improved so they no longer need mortgage assistance. Five more were still income eligible, but told us they didn’t need the assistance any longer.”

2. **What do you see as the greatest barrier to implementing the program? Why?** “In my particular jurisdiction it was quite easy for us to adopt this program because we believe if we change our clients’ context it would change behavior. That is evidenced by the fact that 35 of our clients are making too much money and no longer need government assistance.”

3. **Has foreclosure become an issue with any of your HCV Homeownership participants?** “No, we have not had a single foreclosure and I communicate with my lenders on a regular basis. All of our loans have been sold on a secondary market because they're well seasoned. None of our clients were late for the first 12 months.”

4. **Share with me your relationship and coordination with the County HA HCV Homeownership Program.** “Actually, when we joined forces to draft the policies and procedures we came to the table as one and so our policies and procedures mirrored that of the county’s. Our jurisdiction is limited to the Yuma city limits. So, when our clients are ready for homeownership, they are welcomed and accepted into the county’s jurisdiction. We also welcome county clients if they are purchasing within the city limits; we will take on the voucher.”

5. **Share with us how HACY implements its HCV Homeownership general provisions.** “Our program is limited strictly to active HCV participants, no applicants. Once the participant is enrolled in the HCV program, they participate in a FSS program. Now, there is an exception to the rule where we will allow a HCV participant to come in if they have eligibility from a lender to participate in the program.”

6. **How many HCV Homeownership participants does HACY plan to have by the end of your FY 2011?** “We have six clients in our pipeline that we plan to close by June 30, 2011.”

7. **Ms Nunez, is there anything else you’d like to share with us?** “I find it to be wonderful that our clients take a pride in ownership as well as appreciate every hurdle they have had to go through to become a homeowner. As I drive by some of the neighborhoods, our clients have the most cared for properties on the block. I believe these programs are changing the future of our youth. It’s fantastic!”

To find out more, contact for Sandra Nunez at 928-782-3823 or by email at snunez@hacy.org.