



THE RESIDENT

NEWSLETTER

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UPCOMING EVENTS

- » **NeighborWorks Training Institute**
December 12-16, 2011
Washington, DC
<http://bit.ly/o0g0GY>

PHAs and Partners Help Residents Save for the Future

Saving money can be difficult for those already struggling to keep up with current bills. While there are many public programs that already help with immediate needs, Individual Development Accounts (IDA) are one option addressing long-term financial security.

IDAs are special savings accounts that help individuals meet important life goals, such as paying for education, starting a small business, or buying a home. Some IDA programs also allow participants to generate funding for home repairs, computers, automobiles, or retirement. For every dollar saved, the saver receives a matching deposit that serves as both a reward and savings incentive. The funds are matched by local nonprofits, foundation grants, employer contributions, or other public funds and the accounts are offered through banks and credit unions that have partnered with the local agencies.

One group that is contributing to local IDA accounts is the Wisconsin Women's Business Initiative Corporation (WWBIC). The group offers a personal money management program called Make Your Money Talk and has been actively partnering with the Housing Authority of the City of Milwaukee since 1989.

The six-session course covers personal budgeting, developing a savings plan and dealing with credit. Graduates of the program are eligible to open an IDA. WWBIC will match participant deposits (\$2 for every \$1 saved, up to \$6,000.) The IDA funds can be used to start a small business, purchase a first home or further the participant's education.

At the national level, HUD's HOME program distributes nearly \$2 billion among the States and hundreds of localities nationwide. HOME funds may be used as a source of matching funds for an IDA if an individual is seeking to buy a home and has an income at or below 80% of the median (middle) income in his or her geographic area.

Investing in the future is the goal of IDAs. According to one participant of the Alternatives Federal Credit Union IDA program in Ithaca, NY, "I started the IDA because of the match; it's hard to believe that anyone who had the opportunity would turn it down. Now my life is richer because of the IDA, I feel better about myself and I know what I can afford."

Public housing residents interested in participating in an IDA should contact their PHA to discuss the local IDA options in your community.

To learn more about WWBIC's IDA, visit: <http://www.wwbic.com>.
To learn more about Alternatives Federal Credit Union IDA, visit: <http://www.alternatives.org/ida.html>

We want to hear from you!

Write TheResident@HUD.gov with your questions comments and story ideas.

Program Helps Residents Go From Renters to Homeowners

Residents that wish to buy a home in their communities may have the chance to do so, with a little help from their local Public Housing agencies (PHA). The Public Housing Homeownership program (Section 32) allows PHAs to sell public housing units to public housing residents. Additionally, PHAs may provide financial assistance in the forms of closing cost assistance or down payment. The PHA may also help by providing second mortgages and below market interest rates on home financing.

Residents must meet the following eligibility requirements before buying their home:

- The purchasing resident cannot earn more than 80% of the Area Median Family Income (AMI) except when the resident is purchasing the home they are currently living in.
- The purchase must be affordable for the resident. The monthly mortgage principal and interest, insurance, real estate taxes, utilities and maintenance cannot exceed 35% of the resident's monthly adjusted income (including any monthly housing subsidy.)
- The purchased home must be used by the resident as their principal residence.
- The resident must pay a minimum down payment of 1% of the purchase price of the home and the down payment must be from the resident's own funds.
- The PHA may have additional local eligibility requirements such as: resident must be employment or residents must have no past criminal activity.

The Housing Authority of the City of San Antonio (SAHA) began a Section 32 homeownership program in December of 2004. In addition to the HUD eligibility requirements, SAHA requires residents to be first time home buyers, deposit a minimum of \$500 in earnest money (home deposit), attend a homeownership counseling class. More than 240 housing authority units are available for purchase. SAHA's homeownership program has two options – (1) down payment assistance in the form of a second mortgage and (2) a lease-purchase program. The second mortgage program provides up to \$12,000 at an annual interest rate of 1%. The lease-purchase program allows the resident up to 5 years to rent the unit before finalizing the sale. The rent will be 30% of their adjusted gross income with and amount paid over \$200 will be credited off the sale price of the home.

PHAs must have their Section 32 program approved by HUD before units can be sold to residents. Public housing residents interested in the program should contact their PHA.

More information on the Public Housing Homeownership program can be found on the HUD web site at: <http://1.usa.gov/hcbleS>

TIPS

Finding Free Winter Coats for Kids



As autumn turns to winter, many parents and guardians who find it difficult to afford warm coats for the children in their care. Fortunately, a number of charities and other places provide free winter coats for kids. Many of these coats are new or very gently used.

Consider the tips below to find out what is available in your area:

- 1) **Check with local charities.** The United Way (<http://liveunited.org>) sponsors various charities that may offer free items such as winter coats. Also Shriners Club (<http://www.shrinersinternational.org>) often provides various free items to children, such as coats and eyeglasses.
- 2) **Check your local paper to see if local churches or temples are advertising give-a-ways.** Many have clothing "stores" which provide free coats to children. If this is not advertised in your local paper, call one of the larger churches or temples in your area to see if they offer such services. If not, they likely will be able to direct you to an institution that does.
- 3) **Check out Coats for Kids** (<http://www.coats-for-kids.org>) **and Operation Warm** (<http://www.operationwarm.org>.) These charities are wonderful online nonprofit organization that delivers coats to families in need across the country. Over 150,000 coats were distributed in 2010 and in 2011 over 240,000 coats are estimated to be delivered. Coat deliveries for winter 2011 are in full swing. Coats for Kids and Operation Warm are providing coats to children in 33 states.

There are many options to help you keep your family warm this winter. Reach out and get the support you need.

Contact us:

**Public and Indian Housing
Information Resource Center (PIH IRC)**
2614 Chapel Lake Drive
Gambrills, MD 21054
Toll free number: 1-800-955-2232
Fax number: 1-443-302-2084
E-mail: pihirc@firstpic.org
(Put "Resident Newsletter" in subject line)

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HELP CORNER

Thanksgiving Meal Help

Thanksgiving brings thoughts of turkey, sweet potatoes and pumpkin pie but some public housing residents may not know where their Thanksgiving dinner will come from. In 2010, almost 49 million Americans lived in a food insecure household that includes more than 16 million children. The national non-profit Feeding America can connect families with local food banks in an effort to help put a Thanksgiving dinner on the table. Feeding America can be contacted at <http://www.feedingamerica.org>.