

FRESNO HOUSING HCV HOMEOWNERSHIP PROGRAM

OVERVIEW

The Housing Choice Voucher Homeownership Program (HCV HOP) allows eligible HCV participants the option of purchasing a home and receiving monthly homeownership assistance instead of tenant-based rental assistance. Instead of the PHA paying the housing assistance payment (HAP) to a landlord, the PHA would instead assist with paying the mortgage. The program is voluntary and subject to availability, except when needed as a reasonable accommodation for a person with a disability.

FAMILY ELIGIBILITY REQUIREMENTS

To be eligible, families must:

- Be a current HCV participant or a new applicant admitted to the program;
- Be a first-time homeowner, as defined in 24 CFR 982.627, unless the household includes a person with disabilities;
- Meet federal minimum income requirements (Federal minimum wage x 2000 hours; or for disabled families, SSI individual rate x 12);
- Satisfy employment requirements (30 hours/week for at least 1 year prior to assistance), unless elderly or disabled;
- Have no outstanding debt to the PHA and no serious/repeated lease violations in the last year;
- Not be in the initial 12-month lease term unless porting in or approved otherwise;
- Not have previously defaulted on a mortgage under this program;
- Complete HUD-certified homeownership counseling prior to assistance commencement.

ELIGIBLE UNITS

Units must:

- Meet HUD "eligible housing" criteria (no project-based, nursing homes, etc.);
- Be a one-unit dwelling or single unit in a condo/co-op;
- Pass both HQS and independent inspection;
- For manufactured homes, include a permanent foundation and a minimum 40-year site lease;
- Be subject to environmental review if new construction or PHA-owned.

SEARCH AND PURCHASE TIMELINE

The family will receive:

- 120 days to locate and submit a contract;
 - Search time will begin upon written approval from the PHA
- Additional 120 days to close;
- Maximum of 365 days total;

Written extension requests will be considered on a case-by-case basis.

Families may continue receiving HCV rental assistance during search period.

*The above timeline does not apply to new construction. See PHA for more info.

FINANCING

- Must comply with private sector or secondary mortgage market standards;
- No balloon payments or predatory terms allowed;
- No seller financing or owner-held mortgages permitted;
- Use of FSS escrow funds for down payment or closing costs is allowed.

CONTRACT OF SALE REQUIREMENTS

Must include:

- Sale price and terms;
- Independent inspection contingency;
- Environmental review clause (if applicable);
- Seller certification regarding debarment status.

HOMEOWNERSHIP COUNSELING

At least one adult purchasing the home must complete HUD-certified homeownership counseling before assistance begins. Topics must include budgeting, mortgage options, fair housing, and home maintenance.

INSPECTIONS

- PHA will inspect within 10 business days of receiving a contract;
- Unit must pass HQS;
- Independent inspection is required and reviewed by the PHA;
- PHA conducts HQS inspections every other year after purchase.

CONTINUED ASSISTANCE OBLIGATIONS

- Homeownership assistance ends when family vacates the home;
- Must comply with all mortgage, program, and reporting obligations;
- Family must notify PHA of any move or mortgage default;
- No other ownership interests in residential property are allowed during assistance.

MAXIMUM TERM OF ASSISTANCE

- 15 years if mortgage term ≥ 20 years;
- 10 years for mortgages < 20 years;
- No time limit for elderly or disabled families (if status met at commencement);
- Families losing elderly/disabled status post-commencement get a minimum of 6 months continued assistance.

HOMEOWNERSHIP ASSISTANCE PAYMENT CALCULATION

Assistance is the lower of:

- Payment standard minus TTP;
- Homeownership expenses minus TTP.

Eligible expenses include:

- Principal and interest on mortgage;
- Real estate taxes and insurance;
- FHA mortgage insurance (if applicable);
- Utility allowance per HCV schedule;
- Maintenance allowance (\$120/month);
- Condo/HOA dues;
- Land lease (if applicable);
- Debt service on improvements (if applicable).

Assistance may be paid to the family or the lender, depending on family and lender agreement.

Note: There is no cap on the mortgage amount a family may obtain; however, the homeownership assistance payment Fresno Housing provides is capped as described above. If the family's monthly homeownership expenses exceed the combination of their TTP and the applicable payment standard, the family is responsible for paying the difference out-of-pocket. Fresno Housing will not cover any amount above this assistance cap.

TERMINATION OF ASSISTANCE

- May be terminated for grounds listed in 24 CFR 982.552, 982.553, or for default, lease violations, or non-compliance with obligations;
- Automatic termination occurs after 180 days without a housing assistance payment, unless a hardship exemption is granted (up to 90 additional days);
- Assistance is terminated upon foreclosure.