



Fairfield Housing Authority **Section 8 Homeownership Option - FAQ's**

WHAT IS SECTION 8 HOMEOWNERSHIP?

The Section 8 Homeownership Program assists qualified Housing Choice Voucher participants by paying a portion of the month mortgage payment. The Mortgage Assistance Payment is paid to the lender for the home that the participant purchases. Section 8 participants who are consistently employed and elderly or disabled tenants with adequate monthly income can be eligible for the program. The Section 8 Homeownership Program will be targeted to participants in the FHA Family Self Sufficiency (FSS) Program, although families not participating in FSS may apply if they are elderly or disabled families that otherwise qualify for HOP. Homeownership Vouchers are limited. Each Housing Authority determines the number of vouchers issued. The total number of Section 8 Homeownership Vouchers issued per year will be limited to no more than two percent (2%) of the total number of Section 8 Vouchers administered by the Fairfield Housing Authority (FHA).

FIRST STEPS TO HOMEOWNERSHIP

- 1) Complete a HUD certified Homebuyer's Class.
- 2) Obtain a credit report showing your FICO score at all three credit reporting agencies
- 3) Have at least 3% of the purchase price in a qualified account (e.g. FSS, IDEA account) or in personal savings. A family will need \$6,000 in savings for a home purchased at \$200,000.

AFTER a participant is approved for financing through a participating lender the Homeownership Voucher will be issued. The voucher allows the participant 6 months to search for a suitable home to purchase. During the 6-month voucher search period, the participant will remain on the rental assistance program and is responsible for all the rules and obligations of the program for rental assistance.

* NOTE: Do not sign a sales agreement until it is reviewed and approved by the local Housing Authority

ELIGIBILITY REQUIREMENTS

First preference will be given to applicants who are successful graduates of the FSS Program. Elderly or disabled families that otherwise qualify for HOP will also receive first preference.

Second preference will be given to applicants who have not graduated from the FSS Program, but otherwise qualify for HOP and can demonstrate the ability to secure a mortgage for the purchase of an eligible unit under the Section 8 HOP guidelines.

The Family Must:

- Be a first time homeowner
- Complete an initial Section 8 lease term and completed the family's first annual recertification in the Section 8 Housing Choice Voucher Program.
- Have at least one adult be currently employed with an average of 30 hours per week and continuously employed for one year prior to application to HOP.
- Complete a housekeeping and home maintenance course approved in advance by the FHA.
- Complete a HUD certified First-Time Homebuyers class
- Have acceptable credit and income as determined by the mortgage lender
- Be in good tenant standing with its landlord and the FHA. This includes, but is not limited to: complying with all Family Obligations under the Section 8 Program, adhering to the landlord's lease, having no outstanding debts to the landlord, and passing the most recent two years' Housing Quality Standards (HQS) inspections with no significant tenant-caused failure items.

The Family Must Not Have:

- Debts with any Housing Authority
- Violations of the Section 8 Family Obligations or of the rental lease agreement
- Defaulted on a previous mortgage while participating in the Section 8 Homeownership Program
- Ownership interest in any other property or residence

Eligible Participants will:

- Attend a Homeownership briefing
- Sign the Homeownership Participant Obligations
- Receive the Homeownership Voucher
- Work with a participating realtor or agent to locate suitable housing
- Submit an approvable sales agreement before the voucher expiration date.

PROGRAM GUIDELINES

The Homeownership Program provides monthly mortgage assistance to eligible households under the following terms and conditions:

- Assistance provided for 15 years if the mortgage incurred is 20 years or longer. 10 years if the mortgage term is less than 20 years. (These maximums do not apply to eligible elderly or disabled families), or
- The family is income eligible to receive Mortgage Assistance Payments based on the total household income, or
- The client no longer participates in the Homeownership Program.

OTHER FACTS TO CONSIDER

The home must pass a Housing Quality Standard inspection.

The participant must arrange and pay for a second inspection conducted by a licensed home inspector and submit a copy of that inspection to the Housing Authority.

ELIGIBLE HOUSING TYPES

- No fixer-uppers (must pass both inspections)
- New construction (footers must be poured)
- Single family dwelling (not income producing)
- Single dwelling unit in a cooperative or condominium
- Unit the homeowner does not owe fee title to real property (must have permanent foundation and at least a 40 year lease, i.e. mobile home park).