

PORT ARTHUR HOUSING AUTHORITY

Port Arthur, Texas

HOUSING CHOICE VOUCHER HOMEOWNERSHIP PROGRAM

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HOUSING CHOICE VOUCHER HOMEOWNERSHIP PROGRAM

INTRODUCTION

The Port Arthur Housing Authority (hereinafter referred as PHA or Housing Authority) was established in 1949, and empowered with the responsibility and authority to maintain the Public Housing Program for the City of Port Arthur, Texas. The Section 8 Program was created by the Housing and Community Development Act of 1974 and amended by the Housing and Community Development Act of 1981 and the Quality Housing and Work Responsibility Act of 1998.

The Homeownership Option was authorized pursuant to the Section 8 Homeownership Program Final Rule published in the Federal Register on September 12, 2000. Under the homeownership option (hereinafter referred as Section 8 Housing Choice Voucher (HCV) Homeownership Program (HCVHP)) the PHA may provide monthly tenant-based assistance payments to an eligible family residing in a home purchased and owned by one or more members of the family.

The PHA has the capacity to operate a successful HCVHP and shall administer it compliance with Fair Housing and Equal Opportunities (FHEO), HUD regulations/notices, the PHA Plan, the Section 8 Administrative Plan, and State and local housing laws. The HCVHP shall also follow and comply with the City of Port Arthur, Texas Consolidated Plan.

GENERAL

To goal of the HCVHP is to improve the housing need, create new options, preserve the housing stock and expand homeownership opportunities for families who participate in the HCV program.

The PHA shall not set aside a portion of its funding solely for the HCVHP. The PHA has not established limits on the number of vouchers that may be used for the HCVHP.

For purposes of administering the HCV Homeownership Program, the PHA may establish partnerships with local agencies to assist in the implementation of the program by providing services, support and expertise in various areas. Such partnerships may be revised as the PHA determines necessary to best administer the HCVHP.

The PHA shall encourage participants in the Family Self-Sufficiency (FSS) program to make homeownership a goal, if appropriate, and to utilize the HCV Homeownership Program.

CHAPTER 1: HOMEOWNERSHIP OPTION

The HCVHP is designed to provide assistance generally for first-time homebuyers or for families acquiring shares in a cooperative. The assistance may be used to purchase a home that is existing or under construction at the time the PHA determines that the family is eligible for HCVHP assistance.

The PHA shall offer the HCVHP to both non-elderly/disabled and to elderly/disabled families. The PHA has the sole responsibility of determining whether it is reasonable to implement a program as a reasonable accommodation. The PHA will make a determination based on the specific circumstances and individual needs of the person with a disability. The PHA may determine that it is not reasonable to offer homeownership assistance in cases where the PHA has otherwise opted not to implement a homeownership program.

The family chooses whether to participate in the homeownership option if offered by the PHA. The PHA may establish a homeownership program list of interested participants.

FORMS OF HOMEOWNERSHIP ASSISTANCE

The PHA may provide one of two forms of homeownership assistance for a family:

1. Monthly assistance payments; or,
2. A single down payment assistance grant.

The PHA offers the monthly assistance payments. The PHA will offer either form of assistance if necessary as a reasonable accommodation for a person with disabilities in accordance with 24 CFR 982.601(b)(3).

The family may only receive one form of HCVHP assistance. An adult member of a family that previously received either of the two forms of assistance may not receive the other form of assistance from any PHA.

Note: The PHA will publish and post any decision made regarding implementation of the homeownership assistance option and the form(s) of assistance to be made available.

The following specify what regulatory provisions are applicable to either or both forms of assistance:

1. Common to both forms of assistance:
 - a) General – Sec. 982.625;
 - b) Initial Requirements – Sec. 982.626;
 - c) Eligibility Requirements for Families – Sec. 982.627;
 - d) Eligible Units – Sec 982.628;
 - e) Additional PHA requirements for Family Search and Purchase – Sec. 982.629;

- f) Homeownership Counseling – Sec. 982.630;
 - g) Home Inspections, Contract of Sale and PHA disapproval of seller – Sec. 982.631;
 - h) Financing Purchase of Home; Affordability of Purchase – Sec. 982.632;
 - i) Portability – Sec. 982.636;
 - j) Denial or Termination of Assistance for Family – Sec. 982.638;
 - k) Applicability of Other Requirements – Sec. 982.641.
2. The following provisions only apply to assistance in the form of monthly payments:
- a) Continued Assistance Requirements; Family Obligations – Sec. 982.633;
 - b) Maximum Term of Homeownership Assistance – Sec.982.634;
 - c) Amount and Distribution of Monthly Assistance Payment – Sec. 982.635;
 - d) Move with Continued Tenant-Based Assistance – Sec 982.637;
 - e) Administrative Fees – Sec 982.639.
3. The following provision only applies to the down payment assistance grant:
- a) Down payment Assistance Grants – Sec 982.643.

CHAPTER 2: FAMILY ELIGIBILITY REQUIREMENTS

INITIAL REQUIREMENTS

The family must satisfy the family eligibility requirements as listed below to be approved for participation in the HCVHP. The PHA shall not provide homeownership assistance for a family unless the PHA has determined that the family meets the eligibility requirements for all program requirements at the commencement of the homeownership assistance for the family. The family must meet the following initial HUD and PHA requirements prior to commencement of homeownership assistance:

1. The family must be a current HCV participant or has been admitted to the HCV program.
2. The family must be a first-time homeowner:
 - a) To a family to be considered a first-time homebuyer, no family member owned any present ownership interest in a residence of any family member during the three (3) years before commencement of homeownership assistance for the family.
 - b) The term "first-time homeowner" includes a single parent or displaced homemaker (as those terms are defined in 12U.S.C. 12713) who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse.
 - c) A family of which one or more members owns membership shares in a cooperative.
 - d) A family which a family member is a person with disabilities, and the use of the homeownership option is needed as a reasonable accommodation so that the program is readily accessible to and usable by such person.
3. At commencement of monthly homeownership assistance payment for the family or at the time of a down payment assistance grant for the family, the adult family members who will own the home at commencement of homeownership assistance must meet the minimum annual income requirements:
 - a) Disabled Family: The monthly federal Supplemental Security Income (SSI) benefit amount for an individual living alone multiplied by 12; or
 - b) Other Families: The federal minimum wage multiplied by 2,000 hours.
 - 1) One or more of the adult members of the family who owns the home must maintain an annual income of no less than the federal minimum wage multiplied by 2,000 hours throughout the family's participation in the HCVHP.
 - 2) Failure to maintain the minimum annual income requirements for three (3) consecutive months in a twelve (12) month period will result in termination of the homeownership assistance payment and all housing assistance payments.

NOTE: Except in the case of an elderly/disabled family, the PHA shall not count any welfare assistance received by the family in determining the minimum annual income.

- c) The PHA has established a minimum annual income of \$14,500, however, if the family meets the applicable HUD minimum annual income requirement and not the minimum annual income established by the PHA, the PHA shall consider the family to have satisfied the minimum annual income requirement if:
- 1) The family demonstrates that it has been pre-qualified or pre-approved for financing;
 - 2) The pre-qualified or pre-approved financing meets all PHA established requirements for financing the purchase of the home (including qualifications of lenders and terms of financing; and
 - 3) The pre-qualified or pre-approved financing amount is sufficient to purchase housing that meets HQS in the PHA's jurisdiction.
4. The family must satisfy the employment requirement.
- a) One or more of the adult members of the family who owns the home must be currently employed on a full-time basis ("full-time" employment means not less than an average of 30 hours per week), and
 - b) Has been continuously employed during the year before commencement of homeownership assistance for the family.
- NOTE:** Consistent employment is defined as employment without interruption during the 52 weeks prior to commencement of the homeownership assistance, unless potential lenders permit interruptions during the year before homeownership. The extent of the interruptions is defined by the lender.
- c) If self-employed, demonstrate self-employment through financial records verifying regular Social Security and Income Tax payments and full-time employment for 52 weeks prior to commencement of homeownership assistance.
 - d) The employment requirement does not apply to elderly or disabled families. If a family, other than an elderly/disabled family, includes a person with disabilities, the PHA will grant an exemption from the employment requirement if the PHA determines that an exemption is needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.
5. The family must be in full compliance with their current lease with no lease violations in the prior 12 months.
6. The family must be in good standing with the PHA, having no outstanding debts to the PHA or another PHA.
7. The family must not currently owe outstanding debts pursuant to a court judgment for damages or unpaid rent and have a limited history or late rental payments
8. Except for cooperative member who have acquired cooperative membership shares prior to the commencement of homeownership assistance, the family must not have entered into Contract of Sale.

9. The family must not have defaulted on a mortgage securing debt incurred to purchase a home under the HCVP.
10. The family must satisfactorily complete and provide verification of participation in a pre-assistance homeownership counseling, financial literacy training and home maintenance training by a homeownership counseling agency approved by the PHA and/or HUD. (See Chapter 7)
11. The family must have a FICO score of 620 or greater. If the score is less than 620, with lender approval based on Federal Housing Administration (FHA) or conventional financing guidelines.
12. Prior to commencement of homeownership assistance, the family must execute a Statement of Homeownership Family Obligations, in which the family agrees to comply with all the family obligations under the HCVHP.

CHAPTER 3: ELIGIBLE UNITS

The Homeownership Option may be utilized in two types of housing:

1. A single unit property owned by the family. Homes previously occupied under a lease-purchase agreement are eligible; or
2. A single dwelling unit in a cooperative or condominium. One or more family members hold membership shares in the cooperative or condominium association.

Prior to commencement of HCVP assistance, the PHA must determine that the unit satisfies all of the following requirements:

1. The unit is either a one-unit property (including a manufactured home) or a single dwelling unit in a cooperative or condominium.
2. The unit must be an existing unit or a unit under construction at the time the sales contract is executed.
3. Condominium with cooperative group ownership
4. PHA owned units: The family may purchase a unit owned by the PHA only if the following conditions are met:
 - a) The PHA must inform the family, both orally and in writing, that the family has the right to purchase any eligible unit
 - b) The PHA owned unit must be freely selected by the family without PHA pressure or steering
 - c) The unit is not ineligible housing

- d) The PHA must obtain the services of an independent agency to perform the following functions (24 CFR 982.352(b)(iv), (B) and (C);
 - 1) Inspection of the unit for compliance with HQS
 - 2) Review of the independent inspection report
 - 3) Review of the Contract of Sale
 - 4) Determination of the reasonableness of the sales price and any PHA provided financing and other supplementary guidance established by HUD
5. The unit has been inspected by a PHA inspector and by an independent inspected designated by the family
6. The unit passes a HQS inspection
7. Foreclosure units will not be approved for purchase under the HCVHP except for the following reasons:
 - a) The foreclosure unit meets HQS and passes the independent inspection; and
 - b) Any repairs will be complete prior to closing by the seller. The family does not assume any responsibility for repairs of the foreclosure unit.

CHAPTER 4: ENVIRONMENTAL REQUIREMENTS

The PHA will require the purchaser to obtain and maintain flood insurance for units in special flood hazard areas, prohibit assistance for acquiring units in the coastal barriers resource system, and require notification to the purchaser of units in airport runway clear zones and airfield clear zones.

CHAPTER 5: SELLER QUALIFICATIONS

The PHA will not commence homeownership assistance for occupancy of a home if the PHA has been informed, by HUD or otherwise, that the seller of the home is debarred, suspended, or subject to a limited denial of participation by HUD.

Lease-purchase agreements are prohibited.

The PHA has the discretion to approve or disapprove any seller it deems inappropriate for the homeownership program to include but not limited to, sellers identified above and those who have been consistently in noncompliance as property owners and/or landlords under the HCV tenant-based assistance program.

CHAPTER 6: SEARCH AND PURCHASE

HOMEOWNERSHIP VOUCHER ISSUANCE

Families determined eligible to participate in the HCVHP shall be issued a voucher to search and locate a unit to purchase. The voucher will be issued for an initial 60 days. The voucher size will be consistent with the subsidy standards provided in the PHA's HCV Administrative Plan.

SEARCH TERM

The family shall have 60 days from the date of the issuance of the homeownership voucher to locate a home and enter into a "Contract of Sale" for the purchase of the home. The family will be required to make weekly verbal progress reports on the family's progress in locating and securing a Contract of Sale for the home.

EXTENSIONS

If the family is unable to locate and enter into a "Contract of Sale" on a home within the 60 days' time limit, the family may request an extension in writing. The PHA may grant a 60-day extension for a maximum of 120 days. Any other subsequent extensions will be at the discretion of the Executive Director.

If the family is unable to locate and secure a Contract of Sale for a home within the maximum time granted by the PHA, the family will be notified in writing by the PHA that they are no longer eligible for the HCVHP and the voucher issued for the homeownership search will be cancelled. The family will be notified that they are not eligible to participate in the HCVHP for 12 months after cancellation of the voucher issued for the homeownership search. The family can remain on the tenant-based program or be issued a HCV voucher for regular tenant-based assistance.

CHAPTER 7: HOMEOWNERSHIP COUNSELING

Before commencement of homeownership assistance, all families must attend and satisfactorily complete the pre-assistance homeownership counseling. The counseling may be conducted by the PHA, a HUD-approved housing counselor, or an agency offering counseling consistent with HUD approved counseling.

PRE-ASSISTANCE COUNSELING

Pre-assistance counseling may include, but is not limited to:

1. Home maintenance, including grounds care;
2. Budgeting and money management;
3. Credit counseling;
4. How to negotiate the purchase of a home;
5. How to obtain mortgage financing and loan preapprovals;

6. Descriptions and types of financing that may be available; including finance literacy training;
7. Pros and cons of different types of financing;
8. Pros and cons of the Down Payment Assistance Grant vs. Monthly Assistance Payments;
9. Information about homeownership opportunities, schools and transportation in the PHA's jurisdiction;
10. Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas;
11. Information about fair housing;
12. Information about the Real Estate Settlement Procedures Act, State and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions;
13. The legal role of the real estate agent;
14. The search, inspection, disclosure, negotiation, finance and contract processes;
15. How to choose a real estate agent;
16. How to choose a lender;
17. How to locate an appropriate inspector;
18. How to determine the prospective growth in housing values in a particular neighborhood;
19. How to locate down payment funds;
20. How to choose the best home insurance;
21. How to determine the need for repair and replacement insurance;
22. Home warranties and warranty service;
23. Utility company options;
24. How to purchase appliances;
25. How to identify all personal specifications for a house and a search strategy.

POST-PURCHASE COUNSELING

The PHA will not require the family to attend and successfully complete ongoing post-purchase homeownership counseling.

CHAPTER 8: HOME INSPECTIONS

HOUSING QUALITY STANDARDS INSPECTION (HQS)

The PHA will not commence monthly homeownership assistance payments or provide a down payment assistance grant until the PHA has inspected the unit and has determined the unit passes HQS.

The HQS inspection does not constitute a guarantee of the condition of the unit by the PHA. Nor does it replace, in whole or in part, the required pre-purchase inspection by a qualified independent inspector or an appraisal inspection. The unit may be disqualified as a result of the HQS inspection.

The PHA assumes no responsibility for deficiencies which exist at the date of the homeownership assistance or thereafter. Homeownership assistance will not be provided on any unit not meeting HQS.

Prior to the family entering into a Contract of Sale, the family must notify the PHA of the unit and assist in arranging a PHA inspection of the unit. The PHA must conduct a HQS inspection on the unit prior to the family entering into a Contract of Sale. By conducting the HQS inspection prior to entry into a Contract of Sale, the family may avoid paying for an independent inspection on the unit that failed to meet the PHA's minimum housing quality standards. The HQS inspection may also serve to alert the family to any physical conditions that would be HQS pass-with comment items which could prove costly at a later date should the family select the unit. The Real Estate Agent may negotiate the price of the home after any HQS repairs are completed.

INDEPENDENT INSPECTION

The unit must be inspected by a qualified independent inspector selected and paid by the family. The PHA will not commence monthly homeownership assistance payment or provide a down payment assistance grant for the unit until the PHA has reviewed the inspection report of the independent inspector.

The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical and HVAC systems, and other items recommended by nationally recognized home inspection organizations.

The independent inspector must provide certification or other verification of qualification to inspect all required components. The independent inspector must show the family and the PHA proof of membership in the American Society of Home Inspectors or a similar national organization. The home inspector must carry and provide verification of appropriate insurance before the inspection.

The PHA will not require the family to use an independent inspector selected by the PHA. The inspector shall not be a PHA employee, contractor, or other person under control of the PHA.

The independent inspector must provide a copy of the inspection report both to the family and the PHA. If the unit otherwise complies with HQS, the PHA shall have discretion to disapprove the unit for assistance under the homeownership option due to information in the independent inspection report. The PHA notices will inform the family in writing about the information in the

independent inspection report and provide recommendations to resolve the problem or stop the purchase process. The PHA's action or in-action does not constitute a guarantee of the condition of the unit by the PHA.

LEAD BASED PAINT

If the house was constructed prior to 1978 and if the family has a child under the age of six (6), the seller shall provide the HUD Lead-Based Paint Disclosure form to the family.

CHAPTER 9: CONTRACT OF SALE

Before commencement of monthly assistance payments or receipt of a down payment assistance grant, a member or members of the family must enter into a Contract of Sale with the seller of the unit. The family must provide the PHA a draft copy of the Contract of Sale prior to its execution. The PHA will have ten (10) business days to review and approve or disapprove the Contract of Sale.

The Contract of Sale must:

1. Specify the price and other terms of sale by the seller to the purchaser;
2. Provide that the purchaser will arrange for pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser;
3. Provide that the purchaser is not obligated to purchase the unit unless the independent inspection is satisfactory to the purchaser and the PHA;
4. Provide that the purchaser is not obligated to pay for any necessary repairs
5. Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation in HUD programs.
6. The PHA has administrative discretion to deny approval of a seller for any reasons provided for PHA disapproval of an owner as in 24 CFR 982.306(c).

CHAPTER 10: FINANCING PURCHASE OF HOME

The family is responsible for obtaining and securing financing for the purchase of the home. Financing must be provided by a qualified lender. The lender must be insurance or guaranteed by the State or federal government, comply with secondary mortgage market underwriting requirements, and comply with generally accepted private sector underwriting standards. The PHA will review lender qualifications and loan terms before authorizing homeownership assistance.

The PHA assumes no responsibility for the finance arrangements. The family is encouraged to apply all principles identified during the housing counseling and training sessions, especially relative to affordability.

The PHA prohibits balloon payments, seller-financing, subprime and variable interest rates loans and lenders.

If the purchase of the home is financed with FHA mortgage insurance, such financing is subject to FHA mortgage insurance requirements.

The PHA requires a minimum down payment of 3% of the purchase price of the home for the family to participate in the HCVHP with at least 1% of the purchase price to come from the family's personal resources. The minimum down payment of 1% of the purchase price is intended to be used for the independent inspection, appraisal, credit report, earnest money, option fees, and/or closing costs.

The PHA reserves the right to deny the homeownership assistance if it is determined that the proposed financing or other debt to be unaffordable or if the lender or loan term do not meet with the PHA qualifications. In making this determination, the PHA will consider other family expenses such as child care, unreimbursed medical expenses, homeownership expenses and other family expenses the PHA deems appropriate.

CHAPTER 11: CONTINUED ASSISTANCE REQUIREMENTS

OCCUPANCY OF THE HOME

Homeownership assistance will only be paid while the family is residing in the home. If the family moves out of the home, the PHA will not continue homeownership assistance after the month in which the family moves out. The family or lender is not required to refund to the PHA the assistance for the month in which the family moves out.

FAMILY OBLIGATIONS

In addition to the family complying with the pre-assistance counseling requirements, the family must also comply with the following Homeownership Family Obligations:

1. Comply with the terms of any mortgage securing debt incurred to purchase the home (or any refinancing of such debt), including:
 - a) Information to determine if the family has defaulted on the debt and the nature of any such default.
 - b) Information on the satisfaction payment of the mortgage debt.
2. Six (6) months after date of purchase and during each annual reexamination, the family must submit documentation showing the family is current on the mortgage, insurance, utility, home warranty, and property tax payments.
3. The family must provide information as required to the PHA regarding:
 - a) Any sale or other transfer of any interest in the home; or
 - b) The family's homeownership expenses.

4. Prohibition against conveyance or transfer of home. So long as the family is receiving homeownership assistance, the family must:
 - a) Use the assisted unit for residence by the family and the unit must be the family's only residence.
 - b) Supply any information or certification requested by the PHA to verify that the family is living in the unit, or relating to family absence from the unit, including any PHA requested information or certification on the purposes of family absences. The family must promptly notify the PHA of absence from the unit.
 - c) The family may not sublease the unit.
5. The family must notify the PHA before moving out of the unit.
6. The composition of the family residing in the unit receiving homeownership assistance must be approved by the PHA.
 - a) The family must request approval from the PHA to add any other family member as an occupant of the property.
 - b) The family must promptly notify the PHA if any family member no longer resides in the unit receiving homeownership assistance.
7. The family must promptly inform the PHA of the birth adoption or court-awarded custody of a child.
8. The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the program.
9. The members of the family may not engage in drug-related criminal activity or violent criminal activity.
10. An assisted family or members of an assisted family may not receive any other type of housing subsidy for the same or a different unit under any federal, State or local housing assistance program.
11. The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
12. Throughout the participation in the HCVHP, the family must maintain full-time employment (at least 30 hours per week) to for continue to receive homeownership assistance. This requirement does not apply to elderly or disabled participants.
13. The family must maintain the home in such manner that it passes HQS inspections, which will be conducted biennially (every two years).
14. The family must comply with the obligations of a participant family described in 24 CFR 982.551. The provision is 24 CFR 982.551(c), (d), (e), (f), (g), and (j) do not apply.

CHAPTER 12: 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 within three (3) calendar days of receipt of notification of such default. The family is solely responsible for any proceeding initiated as a result of a mortgage loan default.

The family who defaults on its mortgage loan will not be able to utilize the voucher issued for homeownership purposes for rental housing assistance, but may reapply for HCV when the waiting list is opened.

PROHIBITION ON OWNERSHIP INTEREST IN A SECOND RESIDENCE

During the time the family receives homeownership assistance, no family member may have any ownership interest in any other residential property.

CHAPTER 13: MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE

Maximum Term of Homeownership Assistance

Except for elderly or disabled families, members of the family who have an ownership interest in the homeownership assisted unit shall not receive homeownership assistance for more than:

1. Fifteen (15) years if the initial mortgage incurred to finance purchase of the home has a term of twenty (20) years or longer; or
2. Ten (10) years in all other cases.

APPLICABILITY OF MAXIMUM TERM

The maximum term applies to any member of the family who:

1. Has an ownership interest in the unit during the time that homeownership payments are made; or
2. Is the spouse of any member of the household who has an ownership interest in the unit during the time homeownership payments are made.

EXCEPTION FOR ELDERLY AND DISABLED FAMILIES

As noted above, maximum term of homeownership assistance does not apply to elderly and disabled families. In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family.

If during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date the homeownership assistance commenced. Such family shall be provided at least six (6) months of homeownership assistance after the maximum term becomes applicable provided the family is otherwise eligible to receive homeownership assistance.

HCVHP ASSISTANCE FROM DIFFERENT PHAs

If a family has received homeownership assistance for different homes, or from different PHAs, the total period of such assistance is capped at the maximum terms stated above.

CHAPTER 14: AMOUNT AND DISTRIBUTION OF MONTHLY HOMEOWNERSHIP ASSISTANCE PAYMENT.**AMOUNT OF MONTHLY HOMEOWNERSHIP ASSISTANCE PAYMENT**

While the family is residing in the home, the PHA will pay a monthly homeownership assistance payment equal to the *lower* of:

1. The Payment Standard minus the Total Tenant Payment; or
2. The family's Monthly Homeownership Expenses minus the Total Tenant Payment.

PAYMENT STANDARD FOR FAMILY

The Payment Standard is the *lower* of:

1. The Payment Standard based on the family unit size; or
2. The Payment Standard for the size of the home.

NOTE: If the home is located in an exception Payment Standard area, the PHA will use the appropriate Payment Standard for the exception Payment Standard area.

The Payment Standard applicable to the family's monthly homeownership assistance will be the greater of:

1. The Payment Standard at the commencement of the homeownership assistance for occupancy of the home; or
2. The Payment Standard at the most recent regular reexamination of family income and composition since the commencement of homeownership assistance for occupancy of the home.

The PHA must use the same Payment Standards for the homeownership program as it uses in the Housing Choice Voucher Program.

HOMEOWNERSHIP EXPENSES

Homeownership expenses for a homeowner (other than a cooperative member) may only include amounts allowed by the PHA to cover:

1. Principal and interest on initial mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home;
2. Real estate taxes and public assessments on the home;

3. Home insurance;
4. The PHA allowance for maintenance expenses¹;
5. The PHA allowance for costs of major repairs and replacement²;
6. The PHA utility allowance for the home³;
7. Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements, or improvements for the home. If a member of the family is a person with disabilities, debts incurred by the family to finance reasonable costs needed to make the home accessible to such person may be included. The PHA must preapprove these costs in writing.
8. Land lease payments (where a family does not own fee title to the real property on which the home is located)
9. The payment of a home warranty policy

¹ The PHA Schedule of Maintenance Costs is based on type of construction and size of unit. The PHA schedule of maintenance costs is reviewed annually and updated by the Cost of Living or similar measure.

² The PHA schedule for major repairs and replacements is equal to the amount that the assisted family is encouraged to have on deposit at the time of closing on the home loan.

³ The PHA's schedule for Utility Allowances for the Section 8 Homeownership Program is the same as used for the Housing Choice Voucher Program.

HOMEOWNERSHIP EXPENSES FOR A COOPERATIVE MEMBER

Homeownership expenses for a cooperative member may only include amounts allowed by the PHA to cover:

The cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home;

1. Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt;
2. Home insurance;
3. The PHA allowance for maintenance expenses¹;
4. The PHA allowance for costs of major repairs and replacement²;
5. The PHA utility allowance for the home³;
6. Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements, or improvements for the home. If a member of the family is a person with disabilities, debts incurred by the family to finance reasonable costs needed to make the home accessible to such person may be included.

If the home is a cooperative or condominium unit, homeownership expenses may also include cooperative or condominium operating charges or maintenance fees assessed by the condominium or cooperative homeowner association.

THE HOMEOWNERSHIP HOUSING ASSISTANCE PAYMENT (HAP)

The PHA will pay homeownership payments directly to the lender on behalf of the family by direct deposit.

If the PHA makes the HAP payment directly to the lender and if the assistance payment exceeds the amount due to the lender, the excess amount must be paid to the family by the PHA.

AUTOMATIC TERMINATION OF THE HOMEOWNERSHIP HOUSING ASSISTANCE PAYMENT

Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family.

CHAPTER 15: PORTABILITY

Families that are determined eligible for homeownership assistance may exercise the homeownership option outside of the initial PHA's jurisdiction if the receiving PHA is administering a HCV Homeownership Program and is accepting new homeownership families into their program.

The general portability administrative responsibilities of the initial PHA and the receiving PHA are the same for the HCVHP as for the regular tenant-based vouchers.

The family must attend the briefing and counseling sessions required by the receiving PHA. The receiving PHA will determine whether the financing for, and the physical condition of the unit, is acceptable. The receiving PHA must notify the initial PHA if the family has purchased an eligible unit under the HCVHP or if the family was unable to purchase a home with the maximum time established by the PHA.

CHAPTER 16: MOVE WITH CONTINUED TENANT-BASED ASSISTANCE

A family receiving homeownership assistance may move to a new unit with continued tenant-based assistance or homeownership assistance no more than once in any one-year period.

The PHA will not prohibit more than one move by the family in any one-year period if the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and the move is needed to protect the health or safety of the family or family member, or any family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move.

The family may not receive assistance for occupancy of the new unit so long as any family member owns any title or other interest in the prior home.

If the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and the move is needed to protect the health or safety of the family or family member (or any family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move), the family or family member may be assisted with continued tenant-based assistance even if the family or family member owns any title or other interest in the prior unit.

The family must meet all initial requirements of the homeownership program except the requirement to be a first-time homeowner and to complete pre-assistance counseling. The PHA may, however, require that the family complete additional counseling prior to moving into a new unit.

DENIAL OF PERMISSION TO MOVE WITH CONTINUED ASSISTANCE

The PHA may deny permission to move with continued rental or homeownership assistance if the PHA determines it does not have sufficient funding to provide continued assistance.

CHAPTER 17: DENIAL OR TERMINATION OF ASSISTANCE FOR THE FAMILY

The PHA will terminate homeownership assistance and deny voucher assistance for the family for:

1. Failure to comply with the Obligations of the Family found in 24 CFR 982.551.
2. HUD specified grounds for denial or termination of assistance found in 24 CFR 982.552.

3. Crime by family members as found in 24 CFR 982.553.
 - a) The family may not be denied tenancy or occupancy rights solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking if:
 - 1) The criminal activity is engaged in by a member of the household of the family or any guest or other persons under the control of the family, and
 - 2) The family or an affiliated individual of the family is the victim or threatened victim of domestic violence, dating violence, sexual assault or stalking.
4. The family moved from the homeownership assisted unit without giving proper notice to the PHA.
5. The family notifies the PHA that it wishes to terminate its homeownership assistance.
6. Mortgage default. Voucher homeownership assistance shall be terminated for any member of the family dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage incurred to purchase or refinance the home or refinancing of such debt. The PHA may permit the family to move to a new unit with continued voucher rental assistance. The PHA will deny such permission if:
 - a) The family defaulted on a FHA insured mortgage; and
 - b) The family fails to demonstrate that:
 - 1) The family fails to convey title to the home to HUD or HUD's designee; and
 - 2) The family fails to move from the home in the period approved by HUD
7. Willful fraud or intent to deceive the PHA in regards to income, household composition, assets, and/or deductions.

CHAPTER 18: VIOLENCE AGAINST WOMENS REAUTHORIZATION (VAWA) ACT 2013

The PHA will provide the applicant or family a Notice of Occupancy Rights (form HUD-5380), including the right to confidentiality, and the Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation (form HUD-5382, herein referred as Certification form) no later than at each of the following times:

1. At the time the applicant is denied assistance or admission;
2. At the time the individual is provided assistance or admission;
3. With any notification of eviction or notification of termination of assistance; and
4. On or before December 16, 2017 either during the annual reexamination process or if there will be no annual reexamination on or before December 16, 2017, through other means.

The Certification form must be in a form approved by HUD is to be completed by the victim to document an incident of domestic violence, dating violence, sexual assault or stalking and that:

1. The applicant or family is a victim of domestic violence, dating violence, sexual assault, or stalking;
2. The incident of domestic violence, dating violence, sexual assault, or stalking is the ground for protection meets the applicable definition for such incident; and
3. Includes the name of the individual who committed the domestic violence, dating violence, sexual assault or stalking if the name is known and safe to provide.

The Notice of Occupancy Rights and the Certification form will be available in multiple languages in accordance with Executive Order 13166 (Improving Access to Services for Persons with Limited English Proficiency, signed August 11, 2000, and published in the Federal Register on August 16, 2000, 65FR 50121).

Limitations of VAWA Protections: The PHA shall not be limited of its authority when notified of a court order to comply with a court order with respect to:

1. The rights of access or control of property, including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, or stalking; or
2. The distribution or possession of property among members of a household.

The PHA may terminate assistance to a family for any violation not premised on an act of domestic violence, dating violence, sexual assault, or stalking that is in question against the family or an affiliated individual of the family. The PHA will not subject the family, who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, or is affiliated with an individual who is or has been a victim of domestic violence, dating violence, sexual assault or stalking, to a more demanding standard than other families in determining whether to terminate assistance.

The PHA may terminate assistance to a family if the PHA can demonstrate an actual and imminent threat to other families, PHA staff or persons providing service to PHA property would be present if that family or lawful occupant is not terminated from assistance. Words, gestures, actions, or other indicators will be considered an "actual and imminent threat".

Any termination of assistance should be utilized by the PHA only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence or develop other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat. Restrictions predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual residents.

The PHA shall follows the provisions in the PHA's Violence Against Women Reauthorization Act 2013 Policy.

CHAPTER 19: INFORMAL HEARINGS

The PHA must grant families who are being terminated from the HCVHP because of the family's action or failure to act, the opportunity for an informal hearing as provided in 24 CFR 982.555 and the PHA's Administrative Plan.

CHAPTER 20: RECAPTURE

The PHA will not impose or enforce any requirement for the recapture of voucher homeownership assistance on the sale or refinancing of a home purchased with assistance under the homeownership option.

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