

SECTION 8 HOME OWNERSHIP PROGRAM

Basic Facts

The Section 8 Home Ownership rule was finalized in September 2000. The rule expands housing opportunities for families who receive assistance from a Housing Authority (HA) to include home ownership as an option. Offering the home ownership option is voluntary for all HA's. The San Francisco Housing Authority (SFHA) is in the process of developing its program.

WHO IS ELIGIBLE?

1. A participant must be a Section 8 Housing Choice Voucher Holder who has been a participant of the Section 8 program for at least one year.
2. Must be a first time homeowner. A first time home owner is defined as someone who has not owned title to a principal residence in the last three years. For qualification purposes a divorced homemaker who previously owned a home with his/her spouse while married is considered a first time home owner
3. Eligible participants includes families, elderly and disabled households who are in "Good Standing" with the HA, and have a history of full time employment. The employment requirement does not apply to the elderly or disabled.
4. Must be a participant of the Family Self Sufficiency (FSS) Program, and are meeting their FSS contract requirements. The elderly and disabled are exempt from the FSS requirement.
5. Each participant is required to participate in extensive pre-home buyer education.

WHO WILL FINANCE PARTICIPANT LOANS?

Participants must secure their own financing. However, all loans must be approved by the HA. Loans cannot include persons that are not listed on the family's Section 8 application. The HA may limit certain types of loans ie: balloon payments.

ARE THERE ANY MINIMUM DOWN PAYMENT REQUIREMENTS?

Yes. The participant is required to make a minimum down payment of 3% of the purchase price of the home, with at least 1% coming from the participant's own personal resources. The 3% down payment requirement applies even if the family secures a zero down financed loan.

WHAT IS THE TERM OF THE ASSISTANCE?

Home ownership assistance may only be paid for a maximum period of fifteen years if the initial mortgage incurred to finance the purchase of the home has a term of 20 years or longer. In all other cases the maximum term of assistance is ten years. Elderly and disabled families may receive assistance for the full term of their mortgage contract.

(OVER)

WHAT IS THE AMOUNT OF ASSISTANCE?

The amount of home ownership assistance shall be equal to the lower of:

1. The payment standard minus the total tenant payment: or
2. The family's monthly home ownership expenses minus the total tenant payment

WHO WILL THE ASSISTANCE PAYMENTS BE MADE TO?

The mortgage assistance payments will be made directly to the lender on the family's behalf.

WHAT INSPECTIONS ARE REQUIRED?

The home must pass a Housing Quality Standard (HQS) inspection completed by the HA, in addition to the standard home inspection completed when purchasing a home.

WHAT IF A FAMILY EXPERIENCES A LOSS OF INCOME?

The HA will conduct annual reviews of the family's income and composition to determine if the family continues to remain eligible for home ownership assistance. Families that experience a loss or reduction in income may request an interim review to re-determine the amount of mortgage assistance from the HA.

MAY A FAMILY MOVE WITH CONTINUED ASSISTANCE?

Yes. A family may relocate and purchase another home with continued assistance.