



PRE-ASSISTANCE HOMEOWNERSHIP COUNSELING

An eligible family must participate in a homeownership counseling program. The program may be administered by the PBHA or another entity that is approved by the PBHA. Topics include: (1) Home maintenance, (2) Budget Management, (3) Credit counseling and credit repair, and (4) Financing.

FINDING AN ELIGIBLE HOME

It's the family's responsibility to find a home that is eligible for the voucher homeownership assistance. If the family is already a rental voucher participant and is determined to be eligible, PBHA may authorize the family to search for a home to purchase without the interruption of their rental assistance.

Homes are eligible for this program are new construction, manufactured housing, pre-owned units and units owned or controlled by a Public Housing Agency.



When a family locates a unit they wish to purchase, they are responsible for insuring that an independent professional inspector is hired to inspect the proposed unit. The purpose of this inspection is to identify home defects and assess the adequacy and life span of major systems, appliances and other structural components. This inspector must be certified of the American Society of Home Inspectors or similar national organization. On new construction, a current Certificate of Occupancy and Builder's Warranty will be required in place of the independent inspection.



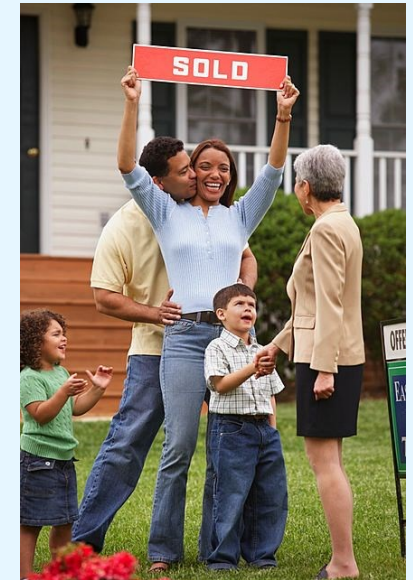
If a family feels they meet the eligibility requirements, they should contact PBHA. Owning something is freedom. Many people do not understand that owning a home is dream that can come true.

Homeownership is a process that PBHA can help you with.



For More Information Contact:
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PBHA HOUSING CHOICE VOUCHER HOMEOWNERSHIP PROGRAM



"Making Dreams Realty"



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Pine Bluff Housing Authority
"More Than Just Housing"





HCV HOMEOWNERSHIP PROGRAM

The basic idea of the Housing Choice Voucher (HCV) Homeownership Program is to provide vouchers to assist first-time homeowners with their monthly home ownership expenses in lieu of a rental subsidy.

MONTHLY HOMEOWNERSHIP EXPENSES:

- Mortgage principal and interest
- Mortgage insurance premium
- Real estate taxes and homeowner insurance
- PBHA allowance for utilities
- PBHA allowance for routine maintenance costs
- PBHA allowance for major repairs & replacements
- Principal and interest on debt to finance major replacements for the home
- Principal and interest on debt to finance costs to make the home accessible for a family with disabilities
- Co-op or condo operating charges or maintenance fees (if applicable)

WHO QUALIFIES?

- Current HCV participants
- First-time homeowner or cooperative member
- A family where no member of the family has owned or had ownership of their residence for at least 3 years
- A family who, except for cooperative members, has no ownership interest in residential property
- The family must meet the minimum income requirement
- The family must meet the PBHA employment requirement
- The family must attend and satisfactorily complete the PBHA pre-assistance homeownership and housing counseling program. The family must also meet additional eligibility requirements set by the PBHA



FINANCING

It is anticipated that mortgage lenders will consider the voucher assistance when underwriting the loan and the underwriting standards of the individual lender and/or financing program will apply. Voucher funds may not be used to assist with financing costs, such as down-payment or closing costs.

The participating family is ultimately responsible for securing its own financing. PBHA develops partnerships with lenders to assist the family in obtaining financing, but does not require the use of certain lenders.



HOW MUCH CAN PBHA PROVIDE FINANCIALLY?

PBHA uses its normal voucher program payment standard to determine the amount of subsidy. PBHA will make the housing assistance payment (HAP) directly to the lender on behalf of the family, unless other arrangements are made by the family and lender and approved by PBHA.

FAMILY SHARE

The family is responsible for 3% of the sales price of the home as the down payment. Of this 3%, the higher of 1% of the sales price or \$500 must come from the family's personal resources.

The family is responsible for all homeowner expenses not covered by the HAP payment. For example, if the monthly homeownership expenses exceeds the payment standard, the family is responsible for paying the difference in addition to the required Total Tenant Payment (TTP).



LIMITATIONS ON A HOME

There is no time limit for elderly and disabled households. For all others, there is a mandatory term limit of 15 years if the initial mortgage for the home is 20 years or longer. For all other cases, the maximum term of homeownership assistance is 10 years. Families participating in the program may select an eligible unit anywhere within the PBHA's jurisdiction. The home must pass both an initial housing quality standards inspection conducted by PBHA, as well as an independent professional home inspection prior to the PBHA's approval for purchase.



A family may purchase a home outside PBHA's jurisdiction if: (1) The public housing authority in the new jurisdiction administers a homeownership voucher program and receives new families into the program and (2) the family is income-eligible in the area where they are purchasing the home.

An eligible family new to the program will have 60 days to complete their First-Time Homebuyers Training and pre-qualify with a HUD approved lender. If the family is unable to do so, they will be given a rental voucher for an additional 30 days to secure a rental unit; otherwise they will have to reapply for placement on the waiting list.

TERMINATION OF ASSISTANCE

PBHA may deny or terminate homeownership assistance: (1) The family does not comply with voucher program requirements at 24CFR 982.552 or for criminal activity as defined by 24CFR 982.553 and (2) The family does not comply with family obligations described at 24CFR 982.551 or 24CFR 982.633. PBHA must terminate voucher homeownership assistance for the family if the family is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage-securing debt incurred to purchase the home.