



MARIN HOUSING'S SECTION 8 / HCV HOME OWNERSHIP PROGRAM

Below is general information about the federal program that allows the HAP (Housing Assistance Payment) Subsidy to be used for a mortgage payment instead of rental assistance.

Eligibility Requirements:

- ◆ Have a HCV Rental Voucher for at least one year; with no debts owed to MHA (or other HA)
- ◆ Head of Household or Responsible Adult must be employed for **minimum** of one year at 30 hrs/week **(unless Elderly/Disabled)**
- ◆ Must be first time homebuyer
- ◆ Must participate in HUD certified Homeownership Counseling Course- see list of courses on our webpage
- ◆ Must attend a MHA HCV Homeownership Orientation with staff

Minimum Income Requirements:

- ◆ The family must have a gross annual income equal to the Federal minimum wage multiplied by 2000, based on the income of adult family members who will own the home
- ◆ For disabled families, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone, multiplied by 12
- ◆ Welfare assistance is not accepted as income, but would be used in calculating rent
- ◆ **Must have at least enough for DOWN PAYMENT and CLOSING costs (closing costs are approximately 6% of purchase price; 20% of the purchase price for down & closing is realistic)**

Special Exceptions for Elderly/Disabled Households

- ◆ No time limits of assistance – will continue for the life of mortgage if eligibility continues
- ◆ No minimum work requirements
- ◆ **Elderly/Disabled applicants still need to secure their own financing and to have adequate funds for down payment & closing costs**
- ◆ **This most realistically works for households who receive inheritances, special needs trusts, or have a large lump sum for down payment**

Aspects to consider:

- ◆ **Household must qualify and secure their own financing from a bank (MHA will refer you to a lender familiar with the program)**
- ◆ **Must secure a 30 year FIXED Rate loan – no Adjustable Rate Mortgages**
- ◆ **Household would need to find a unit that they could afford (a below market rate unit)**
- ◆ The assistance from the Housing Authority lasts for a maximum of 15 years (except elderly /disabled)
- ◆ Program is essentially established for communities where housing is more affordable – in the \$100k - \$200k range- very difficult in Marin & Bay Area; Program may be used with the BMR Lottery Program

How it actually works – THE FORMULA:

- ◆ Total housing costs (mortgage, prop. taxes, homeownership dues, insurance) should not exceed the payment standard for voucher size held (if 2BR: \$3005); then family will pay only 30% of income
- ◆ If housing costs exceed payment standard, Marin Housing will allow household to pay maximum of 40% of monthly adjusted gross income out of pocket

For more information contact:

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