



Administrative Plan

SECTION 8 HOMEOWNERSHIP PROGRAM



Administrative Plan

SECTION 8 HOMEOWNERSHIP PROGRAM

Table of

Contents

I.	GENERAL PROVISIONS.....	5
II.	FAMILY ELIGIBILITY REQUIREMENTS.....	6
A.	First-Time Homeowner Criteria.....	6
B.	Minimum Income Requirments.....	7
C.	Housing Affordability Standards and Employment History.....	8
D.	Completion of Initial Lease Term.....	9
E.	Repayment of any Housing Authority Debts.....	9
F.	HUD Homeownership Counseling.....	9
G.	Necessary Funds.....	9
III.	SELECTION OF FAMILIES.....	10
IV.	FAMILY PARTICIPATION REQUIREMENTS.....	10
A.	Compliance with Family Obligations.....	11
B.	Pre-Purchase HUD Counseling and Lender Programs.....	11
C.	Locating and Purchasing a Home.....	12
1.	Locating a Home.....	12
2.	Type of Home.....	12
3.	Purchasing a Home.....	13
4.	Failure to Complete Purchase.....	13
5.	Lease-Purchase.....	14
D.	Sales Agreement.....	14
E.	Independent Initial Inspection Conducted.....	14
F.	Financing Requirements.....	15
G.	Compliance Lien.....	16
V.	MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE.....	16
A.	General Terms.....	16
B.	For Elderly and Disabled.....	17
C.	When Moving or Selling.....	17
VI.	AMOUNT OF ASSISTANCE.....	17
A.	Determining the Payment Standard.....	17

B.	Determining the Monthly Homeownership Expense	18
C.	Determining the Total Family Contribution	19
D.	Payment to Family or Lender	20
VII.	PORTABILITY	20
IX.	CONTINUED PARTICIPATION IN SECTION 8 HOUSING CHOICE VOUCHER PROGRAM.....	21
A.	Post-Purchase Homeownership Meetings.....	21
B.	In the Event that a Family Loses Their Job.....	21
C.	Moving.....	22
D.	Default on FHA-Insured Mortgage.....	22
E.	Default on non-FHA-Insured Mortgage	23
F.	Upon Death or Divorce.....	23
VIII.	TERMINATION OF SECTION 8 HOMEOWNERSHIP ASSISTANCE	23
A.	Grounds for Termination of Homeownership Assistance	23
B.	Procedure for Termination of Homeownership Assistance	24
X.	WAIVER OR MODIFICATION OF HOMEOWNERSHIP POLICIES	24

Administrative Plan

SECTION 8 HOME OWNERSHIP PROGRAM

The Section 8 Home Ownership Program Final Rule issued September 12, 2000, amends the regulations for the Section 8 tenant-based rental voucher program to allow Section 8 payments to be made for homeownership purposes under specified circumstances and at the discretion of the PHA. **As of 2020 HUD requires HUD Housing Counseling for ALL participants.**

This Administrative Plan is based on Federal Register/ Vol. 65, No. 177/ September 12, 2000/ Rules and Regulations and Federal Register/ Vol.67, No. 202/Friday, October 8, 2002 that amends and clarifies HUD 24 CFR Part 982. Any variances from these referenced documents to the HOSWWA Section 8 Homeownership Program Administrative Plan are allowed under these federal regulations and are incorporated within this document effective February 1, 2015. A PHA may, at its option, use a portion of its Section 8 vouchers for homeownership purposes. The Homeownership Program does not require additional vouchers. The Preamble gives the PHA the option of making the program available to applicants and/or current beneficiaries of Section 8 tenant-based assistance eligible for homeownership assistance. There are income and work requirements for applicants to the Homeownership Program that do not pertain to the Section 8 voucher rental program. HOSWWA not only has the option to decide whether to allow its voucher program to be used for homeownership but may specify additional eligibility and requirements. The purchase and lending procedures would be those of FHA or conventional loans; lenders would use their own underwriting standards and requirements. Because HOSWWA has an established Home Ownership Program, it does not have an option to deny a new Section 8 Housing Choice Voucher participant homeownership when it is deemed necessary (HOSWWA) as a reasonable accommodation for elderly and/or disabled family and/or a family with a disabled member.

The participant will be required to follow the HOSWWA Administrative Plan for Home Ownership with exception to the lease term, and the family must qualify for the mortgage with the program income standards (page 7) and Housing Affordability (page 8).

I. PROVISIONS

The Section 8 Homeownership Program of Housing Opportunities of SW Washington permits eligible participants in the Section 8 housing choice voucher program, the option of purchasing a home with their Section 8 assistance rather than renting. The homeownership option is limited to twenty-five (25) Section 8 vouchers administered by HOSWWA, provided that disabled families shall not be subject to the 25-voucher limit.

HOSWWA also will permit portability of Section 8 homeownership assistance to another jurisdiction, provided the receiving jurisdiction operates a Section 8 homeownership program for which the Section 8 homeownership applicant qualifies and is **absorbing** homeownership vouchers.

Eligible applicants for the Section 8 homeownership program can be referred to the program from their **Section 8 Advantage (FSS) Coach**. They may not owe HOSWWA or any other Housing Authority an outstanding debt and must be able to provide 3% of the home purchase price, as a down payment with 1% from their own funds and must meet the eligibility criteria set forth herein. At least one percent of the home purchase price must come from the family's personal resources, i.e. money that has been saved or comes from a family's FSS escrow account, (this one percent cannot include grants or loans).

Section 8 homeownership assistance may be used to purchase a single housing unit from the following type of homes within the HOSWWA jurisdiction: new or existing single-family, condominium, planned use developments, cooperatives, or a manufactured home to be situated on a privately owned lot.

II. FAMILY ELIGIBILITY REQUIREMENTS

Participation in the Section 8 homeownership program is voluntary. Each participant must meet the general requirements for admission to the Section 8 Housing Choice Voucher Program as set forth in HOSWWA's Administrative Plan. The Section 8 family must be referred by their Section 8 Advantage Coach to participate in the homeownership program. The eligibility requirements for participation in Section 8 homeownership program include that the family must:

- (A) be a first-time homeowner or have a family member who is a person with disabilities requiring home ownership as a reasonable accommodation.
- (B) meet a minimum income requirement (page7) and **housing affordability debt percentage standards (page 8)**.
- (C) except for elderly and disabled households, meet the requisite employment criteria.
- (D) have completed a one-year lease term in the Section 8 housing choice voucher program **or rental assistance program (when a voucher is available)**.
- (E) have fully repaid any outstanding debt owed to HOSWWA or any other Housing Authority.
- (F) **Participate in HUD Housing Counseling**
- (G) Necessary Funds

A. First-Time Homeowner Criteria

Each Section 8 family, except families with a disabled member; requiring home ownership as a reasonable accommodation must be a first-time homeowner. A "first-time homeowner" means that no member of the household has had an ownership interest in any residence during the three years preceding commencement of homeownership assistance. However, a single parent or displaced homemaker who, while married, owned a home with a spouse (or resided in a home owned by a spouse) is considered a "first-time homeowner."

For purposes of the Section 8 homeownership option; the right to purchase title to a residence under a lease-purchase agreement is not considered an "ownership interest." A member of a cooperative (as defined in § 982.4) also qualifies as a "first time homeowner".

If a head of household, spouse, or other adult household member who will execute the contract of sale, mortgage and loan documents, has previously defaulted on a mortgage obtained through the Section 8 homeownership program, the family will be ineligible to participate in the homeownership program.

B. Minimum Income Requirement & Housing Affordability

Income, Non Elderly or Non Disabled Family

Up to the time the family begins receiving homeownership assistance, the head of household, spouse, and/or other adult household members who will own the home, must have a gross annual income at least equal to the Federal current minimum hourly wage multiplied by 2,000 hours (\$7.25 as of 03/02/2020 X 2,000= \$14,500.00). Welfare assistance* for the adults that will own the home **will not** be counted in determining whether the family meets the minimum income requirement. The family must qualify for the home loan based on this income & their voucher assistance.

Income, Elderly Family

The qualified annual income of the adult family members who will own the home must not be less than the Federal minimum hourly wage multiplied by 2,000 hours (\$7.25 as of 08/15/2016 X 2,000= \$14,500.00). Welfare assistance* for the adults that will own the home **will be** counted in determining whether the family meets the minimum income requirement. The family must qualify for the home loan based on this income & their voucher assistance.

Income; Disabled Family

The qualified annual income of the adult family members who will own the home must not be less than the monthly Federal Supplemental Security Income (SSI) benefit for an individual living alone multiplied by 12. Welfare assistance* **will be** counted in determining whether the family meets the minimum income requirement. The family must qualify for the home loan based on this income & their voucher assistance.

*Welfare assistance includes assistance from Temporary Assistance for Needy Families ("TANF"); Supplemental Security Income ("SSI") that is subject to an income eligibility test; food stamps; general assistance; or other welfare assistance specified by HUD.

Housing Affordability Standards

Housing affordability standards for homeownership as defined by Washington State Housing Trust Fund (701.7 version 12/16/2019) occurs when a household's monthly housing costs are generally **no more than 38% of monthly household income and total debt is no more than 45% of monthly household income.**

Housing costs include mortgage principal, interest, property taxes, insurance, homeowner's association, and land lease fees, as applicable. Total other debt includes other family debt and utilities.

C. Employment History

With the exception of disabled and elderly households*, each family must demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance is employed full-time (an average of 30 hours per week) and has been so continuously employed for one year prior to execution of the sales agreement.

For a non-elderly/non-disabled family that includes a person with disabilities, HOSWWA may grant an exemption from the employment requirement if the family requests and provides adequate verification that it is needed as a reasonable accommodation.

HOSWWA's Executive Director or his/her designee may also consider whether and to what extent an employment interruption is considered permissible in satisfying the employment requirement. The Executive Director or his/her designee may also consider successive employment during the one-year period and self-employment in a business.

***Exception to Employment History**

Elderly and disabled families are exempt from the employment requirements set forth above. The family must qualify for the home loan based on their income & their voucher assistance.

D. Completion of Initial Lease Term

Applicants for and new participants in the Section 8 housing choice voucher program **shall be ineligible** for participation in the Section 8 homeownership program until completion of a one-year Section 8 **or rental assistance lease term** and the participant successfully completes their first annual recertification. Nothing in this provision will preclude Section 8 participants that have completed an initial lease term in another jurisdiction from participating in the Section 8 homeownership program.

E. Repayment of any Housing Authority Debts

Participants in the program shall be ineligible for participation in the Section 8 homeownership program in the event any debt or portion of a debt remains owed to HOSWWA or any other housing authority. Nothing in this provision will preclude participants that have fully repaid such debt(s) from participating in the Section 8 homeownership program.

F. HUD Homeownership Counseling

Pre and post purchase counseling provided by certified HUD housing counselors. Contact information is available at www.wshfc.org/buyers/counseling as availability fluctuates.

G. Necessary Funds

At a minimum, the participant will be required to provide three percent of the home purchase price as a down payment and **at least one percent** of the purchase price comes from the family's personal resources, (i.e. savings, FSS escrow funds)

The participant must provide documents to the Home Ownership Coordinator that verifies they have these funds available for the down payment, earnest money, private licensed home inspection requirements, and the source of these funds.

III. SELECTION OF FAMILIES

HOSWWA will maintain a Section 8 Homeownership Program waiting list if necessary. Families placed on the HOP waiting list will be invited to participate in chronological order with those on the list the longest being invited first.

Families interested in participating in Section 8 Homeownership and who meet eligibility requirements will schedule an appointment with the HOP Coordinator. A Family determined to be eligible will be considered an *active* participant in the Section 8 Homeownership Program after submitting the HOP financial application, providing all pre-qualifying documents required by the lender and signing the Statement of Homeownership Obligations.

IV. FAMILY PARTICIPATION REQUIREMENTS

Families participating in the program **must** comply with the following additional requirements:

(A) enter into a written agreement to comply with all its obligations under the Section 8 program (Statement of Homeownership Obligations).

(B) complete the HOP application and provide current documents for the Housing Specialist to calculate the participant's HOP voucher value using the formula from Section 8 tenant-based rental and homeownership voucher regulations.

(C) complete a pre-purchase homeownership counseling program approved by HUD prior to commencement of homeownership assistance.

(D) within a specified time, locate the home they propose to purchase.

(E) submit a sales agreement containing specific components to HOSWWA for approval.

(F) allow HOSWWA to inspect the proposed dwelling to assure that the dwelling meets appropriate housing quality standards.

(G) obtain an independent inspection covering major building systems; and

(H) obtain HOSWWA approval of the proposed mortgage (which must comply with generally accepted mortgage underwriting requirements).

Failure to comply with ALL program requirements may terminate the family's home ownership opportunity. (Federal Reg. /Vol. 65, No.177 Item # 982.633 "8")

A. Compliance with Family Obligations

A family must agree to comply with all family obligations under the Section 8 program and HOSWWA's homeownership policies by signing a Statement of Homeownership Obligations. These obligations include

- (1) attending ongoing homeownership appointments as required by the program; and
- (2) complying with the mortgage terms; and
- (3) contacting HOSWWA before selling or transferring the home to anyone; and
- (4) not refinancing or adding debt secured by the home without prior approval by HOSWWA; and
- (5) not obtaining a present ownership interest in another residence while receiving homeownership assistance; and
- (6) supplying all required information to HOSWWA, including but not limited to annual verification of household income, notice of change in homeownership expenses, notice of move-out, and notice of possible mortgage default.

Failure to comply with ALL program requirements may terminate the family's assistance.

B. Pre-Purchase HUD Counseling & Lender Programs

A family's participation in the homeownership program is conditioned on the family attending and successfully completing the pre-purchase homeownership counseling and lender programs provided or approved by HUD & HOSWWA prior to commencement of homeownership assistance.

The household is solely responsible for obtaining financing. HOSWWA does NOT finance home purchases but will assist with the process. The family will select a lender that is knowledgeable of and willing to accept the HUD Section 8 Home Ownership Program payment.

HOSWWA has a list of lenders but the family is not limited to those lenders if their choice of lender agrees to all the terms of financing required by HUD and this agency. All loans must meet FHA, Fannie Mae, Freddie Mac, reputable secondary

markets, or acceptable mortgage insurance credit underwriting requirements, or governmental instruments.

C. Locating and Purchasing a Home.

1. Locating a Home

After completion of all the pre-purchase HUD Counseling, a family shall have one hundred eighty (180) days to locate a home in an area that HOSWWA vouchers are eligible; Cowlitz (excluding the city limits of Kelso & Kalama), Wahkiakum, Pacific and Lewis Counties. A home shall be considered located if the family submits a proposed sales agreement with the requisite components to HOSWWA. For good cause, HOSWWA may extend a Section 8 family's time to locate the home for additional thirty (30) day increments. During a Section 8 participant's search for a home to purchase, their Section 8 rental assistance shall continue pursuant to the Administrative Plan.

The family must check in with the HOP Coordinator with an update on the progress of the search.

If a Section 8 homeownership family is unable to locate a home within the time approved this agency, their Section 8 rental assistance through the Section 8 housing choice voucher program shall continue.

2. Type of Home

A family approved for Section 8 homeownership assistance may purchase the following types of homes within HOSWWA's jurisdiction, new or existing:

- Single-family home,
- Condominium,
- A home in a planned use development, or cooperative
- A manufactured home that is on a permanent foundation in which the family owns the land in fee simple title, or if the family does not own the land on which the home sits, the family has the right to occupy the land for at least forty years.

For HOSWWA-owned units all the following conditions must be satisfied:

- The agency informs the family, both orally and in writing, that the family has the right to purchase any eligible unit and a HOSWWA-owned unit is freely selected by the family without pressure or steering.
- The unit is not an ineligible housing unit and HOSWWA obtains the services of an independent agency to inspect the unit for compliance with HQS, review the independent inspection report, review the contract of sale, determine the reasonableness of the sales price and any in house provided financing. All these actions must be completed in accordance with program requirements.

For a home not yet under construction, families may enter into the contract of sale for the house. However, HOSWWA shall not commence homeownership assistance to the family for that house until the construction is completed and has passed HQS inspection. If HQS inspection is done within 60 days of completion and the home remains unoccupied; a licensed independent inspection will not be required.

3. Purchasing a Home

Once a home is located, the sales agreement must be approved by HOSWWA before being signed by the family. The family shall have up to three (3) months, or such other time as is approved by this agency's Executive Director, his/her designee or HOP Coordinator or as set forth in the approved sales agreement to purchase the home.

4. Failure to Complete Purchase

If a Section 8 participant is unable to purchase the home within the maximum time permitted by HOSWWA, because of unforeseen personal financial issues this agency may consider allowing the family participation in the Section 8 housing choice voucher program to continue.

Failure to complete the purchase for reason the family could have remedied; then the family may not re-apply for the Section 8 homeownership program until they have completed an additional homeownership pre purchase counseling program following the initial determination of their eligibility for the homeownership option.

If the failure to complete the purchase is beyond their control; the family may be allowed to restart their home search after meeting with the HOP Coordinator.

5. Lease-Purchase

Housing Opportunities of SW Washington does not allow Section 8 tenant based rental voucher participant to enter into Lease to Purchase agreements; therefore the Home Ownership Program will NOT qualify for this contract.

D. Sales Agreement

Prior to execution of a purchase and sale agreement, the purchase price and financing terms **must** be provided by the family to the HOP Coordinator for approval.

The sales agreement must provide for

- Inspection by HOSWWA and the independent inspection referred to in Section III (E) and
- must state that the purchaser is not obligated to purchase unless such inspections are satisfactory to HOSWWA and
- provide that the purchaser is not obligated to pay for any necessary repairs without approval by HOSWWA and
- provide that the purchaser is not obligated to purchase if the mortgage financing terms are not approved by HOSWWA and
- contain a seller certification that the seller is not debarred, suspended, or subject to a limited denial of participation under CFR part 24. In its administrative discretion, this agency may deny approval of a seller for the same reasons it may disapprove an owner under the regular HCV program [see 24 CFR 982.306(c)].

A copy of this addendum to the Purchase and Sale Agreement will be provided by the HOP Coordinator when the family is approved to start their home search.

E. Independent Initial Inspection Conducted

To assure the home complies with the housing quality standards (HQS) of the Section 8 program, homeownership assistance payments may not commence until the home passes HQS.

- An independent inspection of the home covering major building systems also must be completed by a professional selected by the family and approved by HOSWWA. This agency will not pay for the independent inspection.
- The independent inspector may not be a housing authority employee or contractor, or other person under the control of the housing authority. The independent inspector shall be certified by the American Society of Home Inspectors or one whose inspections are accepted by three local lenders. It shall be the responsibility of the family to verify that the inspector meets this certification qualification.
- The complete independent inspection report must be provided to the purchaser and HOP Coordinator.

HOSWWA may disapprove the unit due to information contained in the report for failure to meet federal housing quality standards.

If the home was constructed within 60 days of the Contract of Sale and has remained unoccupied during that time, the use and occupancy letter from the county Building and Planning Department can be substituted for the pre-purchase inspection.

F. Financing Requirements

The proposed financing terms must be submitted to and approved by the HOP Coordinator prior to being signed by the purchaser.

The HOP Coordinator shall determine the affordability of the family's proposed financing, based upon mortgage underwriting standards as described below.

In making such determination, the coordinator may take into account other family expenses, including but not limited to: child care, un-reimbursed medical expenses, and education and training expenses. **(Housing Affordability page 7)**

Certain types of financing that could be considered predatory in nature, including but not limited to, balloon payment mortgages, variable rate mortgages, early mortgage payoff penalties, are prohibited and will not be approved by HOSWWA.

Seller-financing mortgages shall be considered by this agency on a case by case basis. If a mortgage is not FHA-insured, this agency will require the lender to comply with generally accepted mortgage underwriting standards consistent with those of HUD/

FHA, Ginnie Mae, Fannie Mae, Freddie Mac, USDA Rural Housing Services, the Federal Home Loan Bank, or other private lending institution.

G. Compliance Agreement

At the closing of the purchase of the home, the family must execute documentation as required by HUD and HOSWWA, consistent with State and local law, securing this agency's entitlement to:

- (1) a first right of refusal to purchase the property in the event of a default; and
- (2) the right to review and approve any refinance of existing indebtedness; and
- (3) the right to review and approve additional indebtedness; and
- (4) the right to enforce other terms and conditions of the Agreement.

V. MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE

A. General Terms

Except in the case of a family that qualifies as an elderly or disabled family; the family shall not receive homeownership assistance for longer than:

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

The maximum term described above 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.

B. For Elderly and Disabled

Families that qualify as elderly at the commencement of homeownership assistance are not subject to a maximum term limitation.

Families that qualify as disabled families at the commencement of homeownership assistance or at any time during the term of homeownership assistance are not subject to a maximum term limitation.

If a disabled family or elderly family ceases to qualify as disabled or elderly, the appropriate maximum term becomes applicable from the date homeownership assistance commenced; provided, however, that such family shall be eligible for at least six additional months of homeownership assistance after the maximum term becomes applicable.

C. When Moving or Selling

For families who sell or purchase another home with continued homeownership assistance, **the maximum term commences upon the date of the purchase of the first home.**

If the family has received such assistance for different homes, or from different PHA, the total of such assistance terms is subject to the maximum term described in this part.

VI. AMOUNT OF ASSISTANCE

The amount of the homeownership assistance payment will be based on three factors: the voucher payment standard for which the family is eligible; the monthly homeownership expense; and the family's household income.

HOSWWA will pay the lower of either the payment standard minus the total family contribution (TFC) or the family's monthly homeownership expenses minus the TFC.

The Section 8 family will pay the difference.

A. Determining the Payment Standard

The voucher payment standard is the fixed amount this agency annually establishes as the "fair market" rent for a unit of a particular size located within each county of the

HOSWWA jurisdiction. In the homeownership program, the initial payment standard will be the **lower of either**

- (1) The payment standard for which the family is eligible based on family size; or
- (2) The payment standard which is applicable to the size of the home the family decides to purchase.

The payment standard for subsequent years will be based on the higher of:

- (1) The payment standard in effect at commencement of the homeownership assistance; or
- (2) The payment standard in effect at the most recent regular reexamination of the family's income and size.

The initial payment standard, for purposes of this comparison, shall not be adjusted even if there is a subsequent decrease in family size. HOSWWA will request HUD approval of a higher payment standard, up to 120% of the published Fair Market Rent limit, where warranted as a reasonable accommodation for a family that includes a person with disabilities.

The 40% limit used in the Section 8 tenant-based assistance program does not apply to the Section 8 homeownership program.

B. Determining the Monthly Homeownership Expense

Monthly homeownership expense includes all of the following:

- Principal and interest on the initial mortgage and any mortgage insurance premium (MIP) incurred to finance the purchase and any refinancing of such debt;
- Real estate taxes and public assessments; homeowner's insurance;
- Maintenance expenses per this agency's allowance;
- Costs of major repairs and replacements per this agency's allowance (replacement reserves);
- Utility allowance per this agency's schedule of utility allowances;
- principal and interest on mortgage debt incurred to finance major repairs, replacements or improvements for the home including changes needed to make the home accessible; and

- Homeowner association dues, fees or regular charges assessed, if any.

Homeownership expenses for a cooperative member may only include

- HOSWWA approved amounts for the cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home;
- Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt;
- Home insurance;
- The allowances for maintenance expenses, major repairs and replacements and utilities; and
- Principal and interest on debt incurred to finance major repairs, replacements, or improvements, including changes needed to make the home accessible.

C. Determining the Total Family Contribution (TFC)

The TFC is that portion of the homeownership expense that the family must pay. It is generally 30% percent of the family's adjusted income, plus any gap between the payment standard and the actual housing cost.

All family income (including Public Assistance) will be counted to determine the family's adjusted monthly income for purposes of determining the amount of assistance, subject to the same income exclusion regulations of the HUD/HOSWWA Section 8 Housing Choice Voucher Program.

Home affordability standards for homeownership as defined by Washington State Housing Trust Fund (701.7 version 12/16/2019) occurs when a household's monthly housing costs are generally **no more than 38% of monthly household income and total debt is no more than 45% of monthly household income.** Housing costs include mortgage principal, interest, property taxes, insurance, homeowner's association and land lease fees, as applicable. Total other debt includes other family debt and utilities.

D. Payment to Family or Lender

HOSWWA will provide the lender with notice of the amount of the housing assistance payment prior to close of escrow and will pay the contribution towards the family's homeowner expense into an account at a local financial institution; held jointly by agreement with this agency and the homeowner, from which the lender can make direct withdrawal of the monthly mortgage payment.

If the assistance payment exceeds the amount due the lender, with the family's permission, HOSWWA will deposit it into the account to accrue for maintenance and repairs.

The family will be responsible for depositing their portion of the monthly payment into this account.

Homeowners should be depositing additional funds to this account for emergency repairs & maintenance.

VII. PORTABILITY

A. Port-Out

Subject to the restriction on portability included in HUD regulations and HOSWWA policies, a family may exercise portability if the receiving PHA is administering a voucher homeownership program and **absorbing** new homeownership families.

B. Port-In

Subject to the restrictions on portability included in HUD regulations and this agency's policies, a Section 8 Rental Voucher holder may port in to Housing Opportunities of SW Washington jurisdiction and participate in the Homeownership Program if the agency is currently absorbing vouchers into the Section 8 Rental Assistance Program. The participant will have to meet all requirements of the Homeownership Program.

VIII. CONTINUED PARTICIPATION IN SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

Post-Purchase Homeownership Continued Assistance Obligations

A. Post-Purchase “Anniversary” Meeting

Attending a yearly post-purchase appointment will be required for those receiving Section 8 homeownership assistance. HOSWWA’s HOP Coordinator will contact participants that are receiving homeownership assistance every year near their “home closing anniversary” date for an appointment to check in & discuss any concerns.

- HOP payment assistance may be withheld if a participant fails to respond within 20 days after **the third request** to meet has been mailed.
- A notice will be sent informing the participant that assistance will not resume until they have attended a meeting with the HOP Coordinator.
- Participant will be responsible for the entire mortgage payment until obligations have been met. (**Federal Reg. /Vol. 65, No.177 Item # 982.633 “8”**)

B. In the Event that a Family Loses their Job: Back on Track

(1) The family must report the loss of employment immediately to their Housing Specialist and the Homeownership Coordinator in order to continue receiving homeownership assistance.

(2) After the family has been without a job for 2 weeks the family must make an appointment to meet with the HOP coordinator. The family must then begin working on a new budget and savings plan and creating employment goals. The family must be actively seeking employment and updating the coordinator every other week.

(3) If the family is still unemployed after one month from the day they lost employment the family must begin working extensively with homeownership

coordinator on money management and on mortgage default and prevention through weekly one on one appointment.

(4) In the event that the family does not comply with the above mentioned post purchase procedures the family's housing specialist will be informed and the homeownership assistance will be withheld until family begins to comply with the steps outlined in this section.

(5) If the family fails to comply even after the payments have been stopped then the proper process of termination from Section 8 assistance will begin.

C. Moving

HOSWWA *may* deny permission to move to a new unit with continued voucher assistance as follows:

- (1) Lack of funding to provide continued assistance;
- (2) In accordance with termination of assistance [24 CFR 982.638]; and
- (3) In accordance with this agency's policy regarding number of moves within a 12-month period.

D. Default on FHA-Insured Mortgage

If the family defaults on an FHA-insured mortgage, HOSWWA may permit the family to move with continued Section 8 housing choice rental assistance if the family demonstrates that it has

- (1) conveyed title to the home to HUD or its designee, as required by HUD; and
- (2) moved from the home within the period established or approved by HUD; and
- (3) participated in this agency's HOP foreclosure prevention assistance.

LHA will have first option to purchase the housing unit in the event of default.

E. Default on non-FHA-Insured Mortgage

If the family defaults on a mortgage that is not FHA-insured, LHA **may** permit the family to move with continued Section 8 housing choice voucher rental assistance if the family demonstrates that it has

- (1) contacted the HOSWWA HOP Coordinator, contacted the lender and
- (2) moved from the home within the period established or approved by the lender and/or this agency; and
- (3) participated in the HOP foreclosure prevention program.

HOSWWA will have first option to purchase the housing unit in the event of default.

F. Upon Death or Divorce

Upon death of a family member who holds, in whole or in part, title to the home or ownership of cooperative membership shares for the home, homeownership assistance may continue pending settlement of the descendant's estate, notwithstanding transfer of title by operation of law to the descendant's executor or legal representative, so long as the home is solely occupied by remaining family members in accordance with Section III (A) above.

In the case of divorce or family separation, the assistance shall follow what a court decrees.

IX. TERMINATION OF SECTION 8 HOMEOWNERSHIP ASSISTANCE

A. Grounds for Termination of Homeownership Assistance

You can lose your assistance for failure to follow through on post purchase obligations.

At any time, HOSWWA may deny or terminate homeownership assistance in accordance with this agency's Housing Choice Voucher program requirements in 24 CFR 982.552 (Grounds for denial or termination of assistance) or 24 CFR 982.553 (Crime by family members).

HOSWWA may also deny or terminate assistance for violation of participant obligations described in 24 CFR Parts 982.551 or 982.633

HOSWWA must terminate voucher homeownership assistance for any member of the family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any FHA mortgage securing debt incurred to purchase the home, or any refinancing of such debt.

B. Procedure for Termination of Homeownership Assistance

A participant in the Section 8 Homeownership program shall be entitled to the same termination notice and informal hearing procedures as set forth in the Administrative Plan of this agency for the Section 8 Housing Choice Voucher Program.

X. WAIVER OR MODIFICATION OF HOMEOWNERSHIP POLICIES

The Executive Director of Housing Opportunities of SW Washington shall have the discretion to waive or modify any provision of the Section 8 Homeownership Program or policies not governed by statute or regulation for good cause or to comply with changes in HUD regulations or directives.