



We know the way home.

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Housing Choice Voucher Homeownership Program

Steps to Homeownership

Overview:

Housing Works (HW) participates in the Housing Choice Voucher Homeownership Option (HCV HO Option). The Homeowner Voucher is used to help a family purchase a home. The only difference between a Rental Voucher and a Homeownership Voucher (HOV) is the additional calculation for home expenses. Otherwise, they are calculated the same. The holder of the HOV must comply with the same HUD regulations as the HCV in addition to the HomeOwnership obligations. This includes annual recertification and HQS inspections.

1. Family receives Rental Voucher and leases unit.
 - (a) The Housing Specialists are responsible for the family.
2. Family must be on the HCV program for at least 1 year and be in good standing with HW and their landlord. (The Family may start working toward homeownership at initial acceptance into the HCV program, but they cannot move into homeownership until their one year lease is up.)
3. The Family meets with the Homeownership Manager to review program requirements and determine eligibility.
 - (a) The family is a first-time homeowner (no ownership interest in the past 3 years or a single parent or displaced homemaker who while married, owned a home with his or her spouse).
 - (b) Meet the minimum income requirement (Federal minimum wage multiplied by 2,000 hours or in the case of a disabled family, SSI benefit for an individual living alone).
 - (c) Continuous employed full-time, not less than an average of 30 hours per week, for one year (except for elderly or disabled families).
 - (d) Are in good standing with HW and their Landlord, passing all inspections and not owing HW or landlord any monies.
 - (e) Have never defaulted on a mortgage supported by the Housing Choice Voucher HO Option.
4. The Family addresses credit issues, establishes a monthly budget and starts a savings account.

5. The family meets with lender to receive a preapproval
6. HW provides provisional maximum subsidy (calculation one) that can be provided to the family and submit it to the lender.
7. The family locates a home and executes a purchase offer and earnest money agreement along with the HCV HO Option addendum.
8. HW completes HQS inspection. (Process stops if house reasonably will not be habitable)
9. The family orders and pays for a professional home inspection.
10. Purchase and sales agreement finalized with addendum requirements satisfied (repairs, etc.).
(a) The purchase and Sales agreement must be approved by HW.
11. Appraisal, title insurance and escrow ordered and performed.
(a) Typically the realtor or the lender does this.
12. Review by HW to establish:
(a) The family can logically afford to enter into the loan.
(b) Proper lending and real estate practices are being adhered to.
13. HW issues final assistance calculations to lender.
14. Loan closes.
15. HW and family pay first payment at end of first month of occupancy.
(a) Housing Works can either give the HAP to the family or to the loan company directly. Generally to the loan company.
16. Each year, the family will be recertified and have an HQS inspection. They may also be required to meet with the Homeownership Manager and/or complete post purchase classes.
17. For 30 year mortgages, assistance may continue until fifteen years of closing. Disabled and elderly may get assistance for life of the loan.