



## Housing Choice Voucher Homeownership Program Information for Applicants

This Housing Choice Voucher (HCV) Homeownership Program is designed to assist families in reaching the goal of homeownership, while having the security of Housing Choice Voucher assistance. The program allows the monthly Housing Assistance Payment (HAP) to be used to help pay for mortgage and homeownership expenses.

### Who is eligible?

- Applicant must currently hold a Housing Choice Voucher and have completed at least a 12 month initial lease with Augusta Housing or with another PHA.
- Applicants must be in good standing and have a good rental history.
- Applicants under the age of 62 who are not disabled must be currently be enrolled or have successfully completed the Family Self Sufficiency Program.

### Income and Savings Requirements

Head or Co-head of Household	Minimum Annual Income	Employment	Pre-purchase Savings
Under age 62 and does not have a disability	\$16,000	At least 30 hours a week continuous for the past year. One break is allowed of less than 30 days if interruption was beyond employee's control.	\$1,500 saved for unfunded expenses, not including down payment and closing costs
Age 62 or older OR Any age when head or the co-head has a disability	\$12,000 (TANF may be included as income for a disabled family for meeting the minimum requirement).	Waived	\$1,500 saved for unfunded expenses, not including down payment and closing costs

### Established Credit Requirement

- Because you must obtain your own financing, the requirements of a lender or federal agency must be met before you get a mortgage. This means established credit with positive payment history and a debt-to-income ratio that meets their requirements.

## Homeownership Costs

- You will need money for pre-closing costs. These include an independent home inspection, homeowners insurance, and earnest money. You may also need to cover closing costs unless eligible for grant funding, seller concessions, or a gift.
- You will need to be able to cover the ongoing costs of homeownership. These include utilities, maintenance, and repairs.

## First Time Homebuyers Education

- You will need to complete an approved homebuyer's education program within 24 months prior to your purchase. A list of classes can be found on the Maine Housing website: [www.mainehousing.org/education/home/homeworks-homebuyer-education-classes](http://www.mainehousing.org/education/home/homeworks-homebuyer-education-classes)

## Financing

- The family is responsible for securing its own financing.
- Augusta Housing will work with direct government loans and with approved lenders.
- Augusta Housing will prohibit the following forms of financing: Balloon Payment Mortgages, Variable Interest Rate Loans, Seller Financing, and Interest-first Mortgages.
- Augusta Housing has final approval as to whether the financing arrangement is affordable and within the parameters of the program.

## Other obligations:

- Applicant or other adult member has not defaulted on a mortgage securing debt to purchase a home under a HCV Homeownership Program.
- No family member has a present ownership interest in a residence at the commencement of homeownership assistance for the purchase of a home, except for cooperative members who have acquired cooperative shares prior to commencement of homeownership assistance.
- Applicant must be a first time homebuyer. Augusta housing defines a first-time homebuyer as a family of which no member owns any present ownership interest in a residence during the three years prior to receiving homeownership assistance. You can be considered a first-time homebuyer if you are a single parent or displaced homemaker who, while married, owned a home with your spouse, or resided in a home owned by your spouse.

## Eligible Units

- The home must be a single-family dwelling in the Augusta Housing Catchment Area.
- Units must have an independent inspection and a Housing Quality Inspection.
- If it is a mobile home, it must be on an approved permanent foundation and be on property that is either owned by the homebuyer or on land which the buyer has the right to occupy for 40 years.
- No multi-unit homes may be purchased using this program.

## Timeline for Assistance

- Nondisabled or non-elderly households may continue to receive assistance with their mortgage under this option for a maximum of 15 years for mortgages of 20 years or more. In all other cases, the maximum is 10 years.
- Disabled and elderly households will receive assistance for the life of their mortgage.