



Housing Choice Voucher

Homeownership Program Action Plan

**AUBURN HOUSING AUTHORITY
HOUSING CHOICE VOUCHER HOMEOWNERSHIP PROGRAM
ACTION PLAN**

1. GENERAL PROVISIONS

Auburn Housing Authority's (AHA) Housing Choice Voucher Homeownership Program (HCVP HOP) permits eligible participants in the Housing Choice Voucher Program (HCVP) the option of purchasing a home with their housing assistance rather than renting.

Eligible applicants for the HCVP HOP must have completed an initial lease term of at least one year, may not owe AHA or any other Housing Authority an outstanding debt, and must meet the eligibility criteria set forth herein.

Housing Choice Voucher Homeownership assistance may be used to purchase the following type of homes within Lee County: a new or existing single unit dwelling, for example, a single-family house or a single unit in a condominium or cooperative. The house must pass an inspection performed by the AHA's inspector and by a professional home inspector hired by the family. HCVP HOP families must live in the house they buy. AHA will also permit portability of Housing Choice Voucher Homeownership assistance to another jurisdiction, provided the receiving jurisdiction operates a HCVP HOP for which the Housing Choice Voucher Homeownership applicant qualifies or authorizes AHA to administer the homeownership assistance in their jurisdiction.

2. FAMILY ELIGIBILITY REQUIREMENTS

Participation in the HCVP HOP is voluntary. Each Housing Choice Voucher Homeownership applicant must meet the general requirements for admission to the HCVP as set forth in AHA's Administrative Plan. Such Housing Choice Voucher holders must also be eligible to participate in the homeownership program. The additional eligibility requirements for participation in AHA's HCVP HOP require that the family:

- A. The family must have been admitted to the Housing Choice Voucher program.**
- B. The family must qualify as a first-time homeowner, or may be a cooperative Member or Have a Member Who is a Person with Disabilities**

Each Housing Choice Voucher holder, except families with a disabled member, must be a first-time homeowner. By HUD definition, a first-time homeowner is someone buying a home where no member of the household has had any 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 HCV homeownership option; and 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."

C. The family must meet the Federal minimum income requirement without Counting Income from "Welfare Assistance" Sources.

The PHA will not establish a higher minimum income standard for disabled and/or nondisabled families.

1. Amount of Income

With the exception of elderly and disabled households, at 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 minimum hourly wage multiplied by 2,000 hours.

2. Exclusion of Welfare Assistance Income

With the exception of elderly and disabled families, AHA will disregard any "welfare assistance" income in determining whether the family meets the minimum income requirement. 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. The disregard of welfare assistance income under this section affects the determination of minimum monthly income in determining initial qualification for the homeownership program. It does not affect the determination of income-eligibility for admission to HCV Program, calculation of the family's total tenant payment, or calculation of the amount of homeownership assistance payments.

3. Disabled Families

The minimum income requirement is equal to the current SSI monthly payment for an individual living alone, multiplied by 12.

4. Elderly/Disabled Families

Welfare assistance payments for adult family members who will own the home will be included in determining whether the family meets the minimum income requirement. It will not be included for other families.

D. Meet the Requisite Employment Criteria

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. Families will be considered “continuously employed” if the break in employment does not exceed four months.

The PHA will count self-employment in a business when determining whether the family meets the employment requirement.

The employment requirement does not apply to elderly and disabled families. In addition, if a family, other than an elderly or disabled family includes a person with disabilities, the PHA must grant an exemption from the employment requirement if the PHA determines that is a needed a s a reasonable accommodation.

E. Have Completed an Initial Lease Term in the HCVP of at Least One Year

Applicants for, and new participants in, the HCV Program shall be ineligible for participation in the HCV Homeownership Program until completion of an initial lease term of at least one year and the participant’s first annual recertification in the HCV Program. Nothing in this provision will preclude Housing Choice Voucher holders who have completed an initial lease term in another jurisdiction from participating in the HCV Homeownership Program.

F. Have Fully Repaid Any Outstanding Debt Owed to AHA or Any Other Housing Authority

Participants in the HCV Program shall be ineligible for participation in the HCVP HOP in the event any debt or portion of a debt remains owed to AHA or any other Housing Authority. Nothing in this provision will preclude Housing Choice Voucher holders who have fully repaid such debt(s) from participating in the HCVP HOP.

G. Not Defaulted on a Mortgage Securing Debt to Purchase a Home Under the Housing Choice Voucher Program Homeownership Option

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 HCVP HOP, the family will be ineligible to participate in the homeownership program.

Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, no family member has a present ownership interest in a residence at the commencement of homeownership assistance for the purchase or any home.

Except for cooperative members who have acquired cooperative membership shares prior to the commencement of homeownership assistance, the family has entered a contract of sale in accordance with 24 CFR 982.631 (c).

H. Meet Additional Eligibility Criteria

1. The family has had no family-caused violations of HUD's Housing Quality standards within the past year.
2. The family is not within the initial one-year period of a HAP contract.
3. The family does not owe money to the PHA.
4. The family has not committed any serious or repeated violations of a PHA assisted lease within the past year.

3. SELECTION OF FAMILIES

The PHA will administer up to 5 new homeownership units per year. The PHA may exceed the number of units planned per year if it is necessary as a reasonable accommodation for a person with a disability. If this occurs, the PHA may reduce the number of homeownership units offered in subsequent years.

Families who have been participating in an economic self-sufficiency program for at least six months, or have graduated from such a program, will be given preference over other families. Elderly and disabled families will automatically be given this preference.

Within preference and non-preference categories, families will be selected according to the date and time their application for participation in the homeownership option is submitted to the PHA.

4. ELIGIBLE UNITS

In order for a unit to be eligible, the PHA must determine that the unit satisfies all of the following requirements:

The unit must meet HUD's "eligible housing" requirements. The unit may not be any of the following:

1. A public housing or Indian housing unit;
2. A unit receiving project-based voucher assistance;
3. A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services;
4. A college or other school dormitory;

On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.

1. The unit must be under construction or already exist at the time the family enters into the contract of sale.
2. The unit must be a one-unit property or a single dwelling unit in a cooperative or condominium.
3. The unit must have been inspected by the PHA and by an independent inspector designated by the family.

4. The unit must meet Housing Quality Standards (see Chapter 8).
5. For a unit where the family will not own fee title to the real property (such as a manufactured home), the home must have a permanent foundation and the family must have the right to occupy the site for at least 40 years.
6. For PHA-owned units all of the following conditions must be satisfied.
 1. The PHA informs the family, both orally and in writing, that the family has the right to purchase any eligible unit and a PHA-owned unit is freely selected by the family without PHA pressure or steering.
 2. The unit is not ineligible housing
 3. The PHA 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 HA provided financing. All of these actions must be completed in accordance with the program requirements.

The PHA must not approve the unit if the PHA has been informed that the seller is debarred, suspended, or subject to a limited denial of participation.

5. ADDITIONAL PHA REQUIREMENTS FOR SEARCH AND PURCHASE

A. Search Timeframe

The family will be allowed 120 days to identify a unit and submit a sales contract to the PHA for review. The family will be allowed an additional 120 days to close on the home. PHAs may grant extensions to either of these periods for good cause. The length of the extension(s) will be determined on a case-by-case, but in no case will an extension exceed a total of 125 days. The maximum amount of time a family will be given to locate and complete the purchase of a home under the homeownership option is 365 days.

During these periods, the family will continue to receive HCV rental assistance in accordance with any active lease and HAP contract until the family vacates the rental unit for its purchased home.

All requests for extensions must be submitted in writing to the PHA prior to the expiration of the period for which the extension is being requested. The PHA will approve or disapprove the extension request within 10 business days. The family will be notified of the PHA's decision in writing.

The family will be required to report their progress on locating and purchasing a home to the PHA every 30 days until the home is purchased.

If the family cannot complete the purchase of a unit within the maximum required time frame, and is not receiving rental assistance under a HAP contract at the time the search and purchase time period expires, the family will be issued a voucher to lease a unit. The family not re-apply for the homeownership program until they have completed an additional year of participation on the HCV Program following the initial determination of their eligibility for the homeownership option.

B. Lease Purchase Option

Families may enter into lease-purchase agreements while receiving Housing Choice Voucher rental assistance. All requirements of the HCV Program apply to lease-purchase agreements, except that families are permitted to pay an extra amount out-of-pocket to the owner for purchase of related expenses-- a "homeownership premium." Any "homeownership premium," defined as an increment of value attributable to the value of the lease-purchase right or agreement, is excluded from AHA's rent reasonableness determination and subsidy calculation, and must be absorbed by the family. When a lease-purchase participant family is ready to exercise their option, they must notify AHA and apply for the homeownership option. If determined eligible for homeownership assistance, the family may be admitted to the homeownership program and must meet all the requirements of these policies.

C. Homeownership Counseling and Other Requirements

A family's participation in the homeownership program is conditioned upon the family attending and successfully completing a home buying education and housing counseling program provided by a HUD-approved education & counseling program prior to commencement of homeownership assistance. The home buying and counseling program will cover home maintenance; budgeting and money management; credit counseling; negotiating purchase price; securing mortgage financing; finding a home; and the advantages of purchasing and locating homes in areas that do not have a high concentration of low-income families. Before commencement of homeownership assistance for a family, the family must attend and satisfactorily complete the pre-assistance homeownership and housing counseling programs listed below. The counseling must be provided by a HUD-approved counseling agency.

1. Credit Workshop
2. Financial Management/Budget Counseling
3. Pre-purchase Homebuyer Education Workshops
4. Pre-purchase Counseling
5. Mortgage Delinquency and Default Resolution Counseling

Families are required to participate in post-purchase homeownership counseling on a continuing basis as assigned by AHA. The following counseling is required. Additional counseling may be assigned to the family as determined by AHA. The counseling must be provided by a HUD-approved counseling agency.

1. Non-Delinquency Post Workshops

D. Meet Monthly with the HCV Homeownership Program Coordinator

Upon initial application submission, the HCV homeowner applicant will be scheduled for an initial intake meeting with the HCV Homeownership Program Coordinator and provided with a letter and checklist of items that must be submitted throughout the home buying process in order to maintain eligibility for continued housing assistance through the HCVP HOP. Once determined to be eligible to participate in the HCVP HOP, a family's

program participation is conditioned upon the family attending monthly meetings, at a minimum, with the HCV Homeownership Program. These monthly meetings will be used to ensure timely submission of program required documents and to ensure that program processes are followed and eligibility for assistance maintained.

E. Execute form HUD-52649, the *Statement of Homeowner Obligations*

F. Document Savings

A family's participation in the homeownership program is conditioned upon their successful financial management, which must include building savings as a means of establishing an emergency reserve for future homeowner expenses such as routine monthly maintenance and major repairs. Families must evidence a minimum savings rate of \$25 a month with a total savings goal of \$300 prior to closing. Families are required to continue this rate of savings on a continuing basis following closing. Families' savings rate of \$25 a month, or \$300 a year, must be documented at each annual recertification of continued homeownership program eligibility. Any savings rate below this minimum may be acceptable when evidence is documented through receipts for home maintenance and/or major repairs.

6. HOME INSPECTIONS, CONTRACT OF SALE, AND PHA DISAPPROVAL OF SELLER

A. Home Inspections

When the family locates a home they wish to purchase and submits a copy of their purchase offer/contract, the PHA will conduct a housing quality standards (HQS) inspection within 10 business days. Any items found not to meet HQS must be repaired before the unit can be determined eligible for the homeownership program.

The family must hire an independent professional inspector. The independent professional inspector will be selected by and paid by the family. The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical, and heating systems. The independent inspector must be qualified to report on property conditions, including major building systems and components.

The independent professional inspector, whose report must be submitted to the PHA for review. This inspector must be a member of the American Society of Home Inspectors (ASHI) or other recognized professional society, or a licensed engineer. The inspector may not be a PHA employee.

AHA will review the professional report in a timely fashion and, based on the presence of major physical problems, may disapprove the purchase of the home.

If AHA disapproves the purchase of a home, the family will be notified in writing of the reasons for the disapproval.

B. Contract Sale

Before commencement of monthly homeownership assistance payments, a member or members of the family must enter into a contract of sale with the seller of the unit to be acquired by the family. The family must give the PHA a copy of the contract of sale. The contract of sale must:

1. Specify the price and other terms of sale by the seller to the purchaser;
2. Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser;
3. Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser;
4. Provide that the purchaser is not obligated to pay for any necessary repairs; and
5. Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under CFR part 24.

Disapproval of a Seller

In its administrative discretion, AHA may deny approval of a seller for the same reasons AHA may disapprove an owner under the regular HCV program a family's participation in the HCV HOP will be subject to the Homeownership Program and policies of the receiving jurisdiction.

C. FINANCING

As a check against predatory lending, AHA will review the financing of each purchase transaction, including estimated closing costs. AHA will review the loans for features, such as balloon payments, adjustable rate mortgages, and unusually high interest rates, all of which are prohibited. AHA also will not approve "seller financing" or "owner-held" mortgages. Beyond these basic criteria, AHA will rely on the lenders to determine that the loan will be affordable to program participants.

The mortgage the family applies for must require a minimum down payment of at least 3% of the sales price with 1% of the down payment coming from the purchaser's personal funds. AHA will not require that the family have any more than the minimum of 1% of their own money in the transaction. However, in cases where a lender is requiring a larger amount, the family may be held to the underwriting guidelines set by their lending institution.

AHA will approve a family's request to utilize its Family Self-Sufficiency escrow account for down payment and/or closing costs when purchasing a unit under the HCV homeownership option.

D. CONTINUED ASSISTANCE REQUIREMENTS; FAMILY OBLIGATIONS

Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, the PHA may not continue homeownership assistance

after the month when the family moves out. The family or lender is not required to refund to the PHA the homeownership assistance for the month when the family moves out.

Before commencement of homeownership assistance, the family must execute a statement in which the family agrees to comply with all family obligations under the homeownership option.

The family must comply with the following obligations:

1. The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt.
2. The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to 24 CFR 982.551 (h) and (i).
3. The family must supply information to the PHA or HUD as specified in 24 CFR 982.551(b). The family must further supply any information required by the PHA or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.
4. The family must notify the PHA before moving out of the home.
5. The family must notify the PHA if the family defaults on the mortgage used to purchase the home.
6. No family member may have any ownership interest in any other residential property.
7. The family must comply with the obligations of a participant family described in 24 CFR 982.551, except for the following provisions which do not apply to assistance under the homeownership option: 24 CFR 982.551(c), (d), (e), (f), (g) and (j).
8. The family must comply with any additional requirements for continuation of homeownership assistance for the family.
9. The PHA will not conduct ongoing HQS inspection.

7. MAXIMUM TERM OF HOMEOWNER ASSISTANCE

Except in the case of a family that qualifies as an elderly or disabled family, other family members (described below) shall not receive homeownership assistance for more 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 years, in all other cases.

The maximum term described above applies to any member of the family who:

3. Has an ownership interest in the unit during the time that homeownership payments are made; or
4. Is the spouse of any member of the household who has an ownership interest in the unit during the time homeownership payments are made.

In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least 6 months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive homeownership assistance).

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

8. HOMEOWNERSHIP HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES

A. Amount of Homeownership Payment

The monthly homeownership assistance payment is the lower of: the voucher payment standard minus the total tenant payment, or the monthly homeownership expenses minus the total tenant payment.

In determining the amount of the homeownership assistance payment, AHA will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described elsewhere in this plan for the Housing Choice Voucher program. The payment standard for a family is the greater of (i) The payment standard as determined at the commencement of homeownership assistance for occupancy of the home, or (ii) The payment standard at the most recent regular reexamination of family income and composition since the commencement of homeownership assistance for occupancy of the home.

B. Party AHA pays homeownership payments to

AHA's housing assistance payment will be paid directly to the family. It will be the family's responsibility to make the entire payment to the lender. The PHA may make an exception if the family requests the payment to go directly to the lender, and this arrangement is acceptable to the mortgage company. If the assistance payment exceeds the amount due to the lender, the PHA must pay the excess directly to the family.

C. Termination of homeownership payments and relief

Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family. However, AHA may grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

In order for AHA to consider granting relief from the requirement to automatically terminate homeownership assistance 180 days following AHA's last housing assistance payment on behalf of the family, the family must submit a request to AHA at least 30 days prior to the date of automatic termination. The request must include an explanation of the circumstances that will cause an extreme hardship for the family (e.g., the imminent loss of income or employment) as well as documentation supporting the request. The PHA will determine on a case-by-case basis whether to grant relief from the requirement and for what period of time. In no case will the PHA postpone termination beyond an additional 90 days.

D. Homeownership expenses

Homeownership expenses (not including cooperatives) only include amounts allowed by AHA. to cover:

1. Principal and interest on initial mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home;
2. Real estate taxes and public assessments on the home;
3. Home insurance;
4. AHA allowance for maintenance expenses;
5. AHA allowance for costs of major repairs and replacements;
6. AHA utility allowance for the home;
7. Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if AHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person;
8. Land lease payments where a family does not own fee title to the real property on which the home is located; [see 24 CFR 982.628(b)].
9. For a condominium unit, condominium operating charges or maintenance fees assessed by the condominium homeowner association.

Homeownership expenses for a cooperative member may only include amounts allowed by AHA to cover:

1. The cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home;
2. Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt;
3. Home insurance;
4. AHA allowance for maintenance expenses;
5. AHA allowance for costs of major repairs and replacements;
6. AHA utility allowance for the home; and
7. Principal and interest on debt incurred to finance major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if the PHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.

8. Cooperative operating charges or maintenance fees assessed by the cooperative homeowner association.

The PHA will allow the following homeownership expenses:

Monthly homeownership payment. This includes principal and interest on initial mortgage debt, taxes and insurance, and any mortgage insurance premium, if applicable.

Utility allowance. AHA's utility allowance for the unit, based on the current HCV utility allowance schedule.

Monthly maintenance allowance. The monthly maintenance allowance will be the annual maintenance allowance, divided by twelve. The annual maintenance allowance will be set at .5 percent of purchase price of the home.

Monthly major repair/replacement allowance. The monthly major repair/replacement allowance will be the annual major repair/replacement allowance divided by 12. The annual major repair/replacement allowance will be set at .5 percent of purchase price of the home.

Monthly co-op/condominium assessments. If applicable, the monthly amount of co-op or condominium association operation and maintenance assessments.

Monthly principal and interest on debt for improvements. Principal and interest for major home repair, replacements, or improvements, if applicable.

9. PORTABILITY

Subject to the restrictions on portability included in HUD regulations and AHA's policies, a family may exercise portability if the receiving PHA is administering a voucher homeownership program and accepting new homeownership families. The receiving PHA may absorb the family into its voucher program, or bill the initial PHA.

The family must attend the briefing and counseling sessions required by the receiving PHA. The receiving PHA will determine whether the financing for, and the physical condition of the unit, are acceptable. The receiving PHA must promptly notify the initial PHA if the family has purchased an eligible unit under the program, or if the family is unable to purchase a home within the maximum time established by the PHA.

10. MOVING WITH CONTINUED ASSISTANCE

For families participating in the homeownership option, requests to move will be approved and/or denied in accordance with AHA's policies in Chapter 10 of the Administrative Plan.

AHA will not require additional counseling of any families who move with continued assistance.

Default on FHA-Insured Mortgage

If the family defaults on an FHA-insured mortgage, AHA may permit the family to move with continued Housing Choice Voucher 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.

Default on Non-FHA-Insured Mortgage.

If the family defaults on a mortgage that is not FHA-insured, AHA may permit the family to move with continued Housing Choice Voucher rental assistance if the family demonstrates that it has (1) conveyed title to the home to the lender, to AHA or to its designee, as may be permitted or required by the lender; and (2) moved from the home within the period established or approved by the lender and/or AHA.

11. DENIAL OR TERMINATION OF ASSISTANCE

AHA will terminate a family's homeownership assistance if the family violates any of the homeowner obligations listed in Section 1, as well as for any of the reasons listed in Section 2 of form HUD-52649, Statement of Homeowner Obligations Housing Choice Homeownership Voucher Program.

In making its decision to terminate homeownership assistance, AHA will consider alternatives as described in Section 12-II.C and other factors described in Section 12-II.D. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

Termination notices will be sent in accordance with the requirements and policies set forth in Section 12-II.F.

APPENDIX A:
HOUSING CHOICE VOUCHER
HOMEOWNERSHIP OBLIGATIONS ADDENDUM

This form is to be signed by the home buyer(s), along with form HUD-52649, the *Statement of Homeowner Obligations*, in the presence of the Auburn Housing Authority (AHA's) Housing Choice Voucher Homeownership Program Coordinator. The Coordinator will explain any and all clauses which you, the home buyer(s), may not understand.

The following paragraphs describe your responsibilities under the Housing Choice Voucher Homeownership Program. If you or members of your household do not meet these responsibilities, through your actions or your failure to act, you may be terminated from the Housing Choice Voucher Homeownership Program.

1. Family Obligations: You must comply with all Family Obligations of the Housing Choice Voucher Program, excepting only the prohibition against owning or having an interest in the unit. *Family Obligations §§§§ 982.551(c),(d),(e),(f),(g) and (j) do not apply to the Section 8 Homeownership Program.*

2. Monthly HCV HOP Meetings: You must attend monthly meeting with the HCV HOP Coordinator once you have submitted your application and been determined eligible. Upon initial application submission, you will be scheduled for an initial intake meeting with the HCV Homeownership Program Coordinator and provided with a letter and checklist of items that must be submitted throughout the home buying process in order to maintain eligibility for continued housing assistance through the HCV HOP.

Once determined to be eligible to participate in the HCV HOP, your program participation is conditioned upon your attendance at monthly meetings, at a minimum, with the HCV HOP Coordinator. These monthly meetings will be used to ensure timely submission of program required documents and to ensure that program processes are followed and eligibility for assistance maintained.

3. AHA HCV HOP Eligibility Letter: You must not execute any *Offer to Purchase* or *Contract of Sale* for the intended purchase of an existing home nor begin the construction of a new home, including purchasing the land or beginning any grading, other land preparation or construction of your new home prior to receiving your HCV HOP Eligibility Letter.

4. Housing Counseling: All participating family members (i.e. those signing the purchase offer and loan documents) must satisfactorily complete an AHA provided and/or AHA and HUD-approved counseling program prior to commencement of home ownership assistance. AHA may require any or all participating family members to attend additional housing counseling classes as a condition of continued assistance.

5. Purchase Contract: You must include contract conditions in any *Offer to Purchase* or *Sales Contract* that give AHA a reasonable time (a) to inspect the home for compliance with HUD's Housing Quality Standards; (b) to review and approve a professional home inspection report

obtained by you from a AHA approved inspector; and (c) approve the terms of your proposed financing. Advise your Realtor of these requirements.

6. Mortgage Obligations: You must comply with the terms of any mortgage incurred in the purchase of the property and must notify AHA's Housing Choice Voucher Homeownership Program Coordinator within five (5) days of receipt of any late payment or default notice.

7. Occupancy: You must occupy the unit as your principal residence. You may not transfer, sell, or assign any interest in the property without AHA's prior written consent. You may not rent or lease any part of the premises without AHA's prior written consent. You must notify AHA in writing at least 30 days prior to moving out of the house for a period of 30 days or longer or prior to any sale, transfer, assignment, lease or other form of alienation of the assisted property.

8. Maintenance: You must maintain the property in a decent, safe, and sanitary manner. You must allow AHA to inspect the property within one-week of a demand by AHA to conduct an inspection. You must correct any notice of deficiency issued by AHA within the time limit specified in the notice. If you fail to adequately maintain the property, AHA may divert the maintenance and replacement reserves portions of the Homeownership Assistance Payment to an escrow account to be used to pay for reasonable and necessary maintenance expenses.

9. Annual Re-examination: You must annually provide AHA with current information regarding family income and composition in a format required by AHA.

10. Refinancing: You must notify AHA in writing of any proposal to refinance the original purchase mortgage or of any proposal to encumber the property with secondary financing and obtain AHA's written approval of such financing prior to executing any loan documents.

11. Default: In the event of a default on your mortgage obligation, you must cooperate with AHA and the lender to minimize any loss to the lender in order to maintain your eligibility to continue as a participant in the Housing Choice Voucher Program.

12. HCV HOP Action Plan: You must read and certify that you have read and understand the HCV HOP Action Plan.

Home Buyer Signature

Date

Home Buyer Signature

Date

AHA HCV HOP Coordinator Signature

Date