The City of Des Moines Municipal Housing Agency has established a Housing Choice Voucher Tenant-based Voucher Home Ownership Option.

OVERVIEW

The Housing Choice Voucher Home Ownership Program of the City of Des Moines Municipal Housing Agency (DMMHA) permits eligible participants in the Housing Choice Voucher Program, including participants with portable vouchers, and Public Housing residents whom have been issued a Housing Choice rental Voucher the option of purchasing a home with their Housing Choice Voucher assistance rather than renting.

The home ownership option is limited to Family Self-Sufficiency (FSS) Program participants who have been in the FSS Program for at least one year or have been a successful graduate of the FSS Program within five calendar years of submitting a HCV Homeownership Program pre-application form and who have also completed at minimum a one-year lease term with Housing Choice Voucher rental assistance or Public Housing rental assistance, and who have completed all required homeownership counseling goals required by DMMHA as set forth herein. The only exception allowed to the FSS program participation requirement is in the cases of an elderly (as defined for purposes of this plan and the Home Ownership Program as 62 years old or older) or disabled (as defined for purposes of this plan and the Home Ownership Program by the Department of Housing and Urban Development) head of household. Additionally, the participant(s) must not owe DMMHA or any other housing authority an outstanding debt and must meet the eligibility criteria set forth herein. Contingent upon sufficient HUD funding, the DMMHA is allowing up to twenty-five (25) Home Ownership Vouchers to be used for this program. Eighty percent (80%) or twenty of the twenty-five (25) Home Ownership Vouchers will be utilized for the FSS program preference. If DMMHA has more families interested than the 25 home ownership vouchers available, DMMHA will create a Housing Choice Voucher Home Ownership Program waiting list according to the date and time that the Housing Choice Voucher Home Ownership Program full application is received by DMMHA.

Housing Choice Voucher home ownership assistance payments (referred to herein as “assistance”) may be used to purchase the following type of housing within Polk County: new or existing single-family units (the unit is either a one-unit property (including a manufactured home) or a single dwelling unit in a cooperative or condominium (24 CFR 982.628)). DMMHA will also permit portability of Housing Choice Voucher home ownership payments to another jurisdiction, provided that the receiving jurisdiction operates a Housing Choice Voucher Home Ownership Program for which the participant qualifies and which is accepting new families (24 CFR 982.636).

PHA CAPACITY

Since its inception in 1966, the Des Moines Municipal Housing Agency (DMMHA) has provided housing services for low to moderate-income residents through its Public Housing and rental assistance programs. Currently DMMHA has a voucher allocation of 3568 Housing Choice Vouchers for use in Polk County and has 424 units in its Public Housing program.
The DMMHA has also administered a Family Self-Sufficiency Program for both Public Housing and Housing Choice Voucher residents since 1991 and currently has three Family Self-Sufficiency Program Coordinators.

Additionally, since 1992, the DMMHA has successfully administered a 5(h) Affordable Home Ownership Program in which the agency sells former Public Housing single family homes for affordable homeownership. Since this program began in 1992, the DMMHA has sold a total of 92 homes. The DMMHA staff works closely with local public and private agencies, therefore knowing and learning of many resources available for homebuyers in the community.

The DMMHA staff have many years of expertise in the field of management, accounting procedures, home ownership requirements, real estate transactions, Federal rules and regulations, self-sufficiency programs, and reporting requirements for the U.S. Department of Housing and Urban Development. This program will be under the direction of the Housing Services Director, or his/her designee.

DMMHA will require that financing for purchase of a home under its Housing Choice Voucher Home Ownership program be provided, insured, or guaranteed by the state or Federal government, comply with secondary mortgage market underwriting requirements, or comply with generally accepted private sector underwriting standards (24 CFR 982.625(g)(2)(i-iii)) as further clarified in the Financing section of this plan.

QUALIFICATIONS FOR PARTICIPATION
The family must meet all of the following requirements prior to commencement of the Housing Choice Voucher Home Ownership assistance:

A. General Requirements (24 CFR 982.627). Participation in the Housing Choice Voucher Home Ownership Program is voluntary. Participants must be in the Family Self-Sufficiency program for at least one year prior to applying for the Housing Choice Voucher Home Ownership Program or be a successful graduate of the FSS Program within five calendar years of submitting a Housing Choice Voucher Home Ownership Program pre-application form. The only exception allowed to the FSS program participation requirement is in the cases of an elderly or disabled head of household. Each Housing Choice Voucher home ownership participant must be in compliance with the Housing Choice Voucher or Public Housing program requirements.

B. Previous Unsuccessful Participation (24 CFR 982.627(a)(5)). If a head of household, spouse or other adult household member who will hold ownership in the home has previously defaulted on a mortgage obtained through any Housing Choice Voucher Home Ownership Program, the family will be ineligible to participate in the home ownership program unless the default was the result of one of the titleholder(s) and/or employed household member’s death. Additionally, the DMMHA must deny participation to the Housing Choice Voucher Home Ownership Program if the family has previously defaulted on an FHA-insured mortgage under a Housing Choice Voucher Home Ownership Program.

C. Participants Must be First-time Homeowners (24 CFR 982.627(b)). Adult family member(s) must not have owned title to a residence in the last three years prior to commencement of home ownership assistance for the family (except for single-parents or displaced homemakers who, while married, owned a home with spouse or resided in a home owned by a spouse).
D. Homeownership Counseling Requirements (24 CFR 982.630). Program participants must complete homeownership education on topics including: home maintenance, homeowners insurance, homeowner warranties, budgeting and money management, credit counseling, negotiating purchase price of a home, how to obtain homeownership financing and loan pre-approvals—including a description of types of financing available and pros and cons of different types of financing, how to find a home—including information about homeownership opportunities, schools, and transportation, advantages of purchasing a home in an area that does not have a high concentration of poverty, closing documents, information on fair housing lending—including fair housing lending and local fair housing enforcement agencies, information on state and Federal truth-in-lending laws, information about the Real Estate Settlement Procedures Act (RESPA), and how to avoid loans with oppressive terms and conditions.

E. Minimum Income Requirements (24 CFR 982.627(c)). The purchasers' gross annual income must be at least $20,000 per year. Gross annual income may not include welfare assistance income unless the head of household or spouse is disabled (as defined for purposes of this plan and the Home Ownership Program by the Department of Housing and Urban Development) or elderly (as defined for purposes of this plan and the Home Ownership Program as 62 years old or older) at the time of application. For purposes of this Program, welfare assistance includes federal housing assistance, TANF, food stamps, or other assistance provided under a federal, state, or local program that assists families in meeting living expenses. For disabled families, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone multiplied by 12.

F. Employment Requirement (24 CFR 982.627(d)). One or more adult family members who will own the home must be employed an average of not less than 30 hours per week and have been continuously so employed (11 out of 12 months) throughout the year preceding the commencement of home ownership assistance. DMMHA will consider self-employment business income when determining whether the family meets the employment requirement. Families in which the head of household or spouse is disabled or elderly at the time of application are exempt from this requirement.

G. Successful Completion of One Year Lease Term in the Housing Choice Voucher program or Public Housing program. Participants in the Housing Choice Voucher Program or the Public Housing program must have completed a minimum one year lease term and participated in the first annual recertification.

H. Repayment of Any Housing Authority Debts. Participants in the Housing Choice Voucher Program or the Public Housing program shall be ineligible for participation in the Housing Choice Voucher Home Ownership Program if the family has a debt owing to DMMHA or any other Housing Authority.

I. Applicants who are in violation of the family obligations, while receiving Housing Choice Voucher or Public Housing assistance will be ineligible for participation in the Housing Choice Voucher Home Ownership Program.

J. Participants in the Housing Choice Voucher Home Ownership Program must not have filed for or been discharged from a bankruptcy within two calendar years prior to applying for the Program.
K. All settlement costs required in the purchase of a home, including but not limited to down payments, commissions, attorney, loan origination, application, appraisal fees, abstract and title searches, closing costs, and any other financial obligations, will be the responsibility of the participant. The DMMHA requires that a minimum of 1% of the purchase price must come from the participant’s own personal funds to go towards the down payment on the home. However, in cases where a lender is requiring a larger amount, the family will be held to the underwriting guidelines set by the lending institution. “Sweat equity,” such as, but not limited to, Habitat for Humanity requirements will be accepted in lieu of this requirement at the sole discretion of the DMMHA Director or his/her designee. DMMHA may approve a FSS participant’s request to utilize the FSS escrow account for down payment or closing costs when purchasing a unit through the Housing Choice Voucher Home Ownership Program per the FSS Program Policies.

L. In addition to escrows created for property insurance and property taxes, participating families upon loan closing must set up and maintain an emergency repair reserve account of at least $1,000; or have a minimum of $1,000 in their Family Self-Sufficiency escrow. These funds may come from Family Self-Sufficiency escrow, gift money, or other source. Participating families will be required to provide annual documentation of such account to DMMHA. In the event the account is not being maintained, the participant will be required to participate in post purchase counseling.

HOMEOWNER OBLIGATIONS

Before commencement of home ownership payments, the family must execute DMMHA’s Statement of Homeownership Family/Household Obligations, and DMMHA’s “Homeownership Agreement-Statement of Homeowner Obligations” in the forms prescribed by the DMMHA signifying a commitment to comply with responsibilities under the home ownership program in addition to HUD’s Statement of Homeowner Obligations form (HUD-52649) (24 CFR 982.633) (all collectively referred to herein as the “Agreements”).

To continue receiving home ownership assistance payments, the family must comply with all family obligations under the Agreements, the Housing Choice Voucher Home Ownership Program and DMMHA’s homeownership policies. Failure to comply with all Housing Choice Voucher Home Ownership Program obligations, as set forth in the Voucher, the Agreements, and in this Plan, may result in termination from the Program.

TIME FRAME FOR UTILIZATION OF HOME OWNERSHIP VOUCHER

An applicant will have a maximum of 120 days from the date of issuance of a home ownership voucher to find a home and enter into an Offer to Purchase. Participating families will be required to report monthly to DMMHA on progress made in locating and purchasing a home (24 CFR 982.629(b)). No extensions will be granted.

OFFER TO PURCHASE AND INSPECTION REQUIREMENTS

A. Offer to Purchase (Residential Purchase Agreement). Participants in the home ownership program must complete an Offer to Purchase with the owner of the property to be purchased.
The Offer to Purchase must include the home's price and terms of sale, the purchaser's pre-purchase inspection requirements and notice that the sale is conditional on the purchaser's acceptance of the inspection report, an agreement that the purchaser is not obligated to pay for necessary repairs, and certification that the seller is not disbarred, suspended, or subject to limited denial of participation in the Program (24 CFR 982.631(c)(2); 928.631(d)). The Offer to Purchase must also include a contingency that the seller allows the purchaser an opportunity to conduct a lead-based paint inspection and/or risk assessment before becoming obligated to purchase the home unless the purchaser waives this opportunity by indicating so in writing. DMMHA will provide the “Homeownership Program Information for Lenders/Realtors” document to the purchaser outlining these items for inclusion in the Offer to Purchase. DMMHA will also provide the purchaser with the “HCV Home Ownership Program Addendum to Residential Purchase Agreement” that includes all of these requirements and must be used as an attachment to the Offer to Purchase.

DMMHA screens potential sellers and may deny Program participation per the DMMHA’s policies stated within Chapter 13-I.D. of the DMMHA’s Administrative Plan.

B. Inspections (24 CFR 982.631). When the family locates a home to purchase and submits a copy of the Offer to Purchase to the City of Des Moines Municipal Housing Authority, two inspections are required on the property.

- The unit must pass a Housing Quality Standards (HQS) inspection. Any items found not to meet HQS on initial inspection must be repaired before the unit can be determined eligible for the Housing Choice Voucher Homeownership Program. If the unit was built prior to 1978 the HQS inspection will include a visual assessment of all painted surfaces (building components). Any deteriorated painted surface (interior and exterior) of the building will be required to be stabilized (corrected) in accordance with all lead safe work practice requirements and meet all requirements of 24 CFR Part 35.

- The purchaser must also obtain, at his/her own expense, an independent inspection by a professional inspector who is insured and bonded. The inspection must include major building systems and components, including but not limited to the foundation and structure, housing interior and exterior, roofing, plumbing, and electrical and heating systems. The independent inspection report must be provided to the DMMHA for review. DMMHA has the right to approve or disapprove the independent inspection.

C. DMMHA may disqualify a unit. The DMMHA Director or designee retains the right to disqualify the unit for inclusion in the home ownership program based on either the HQS inspection or the independent inspection report (24 CFR 982.631).

D. Environmental Requirements (24 CFR 982.626(c)). It must be determined if the unit is in a flood hazard area, or an airport runway or airfield clear zone. Units in flood hazard areas must be insured for flood damage. Units in airport runway clear zones and airfield clear zones require that the purchaser be notified.

E. Units not yet under construction (24 CFR 982.628(e); 982.626). Families may enter into contracts for sale of units not yet under construction at the time the family enters into the contract for sale. However, DMMHA may not begin home ownership assistance for the family for the unit until either (1) the responsible entity has completed the environmental review procedures required and HUD has approved the environmental certification and request for release of funds prior to
commencement of construction or (2) HUD has performed an environmental review and notified DMMHA in writing of environmental approval of the site prior to commencement of construction.

F. Time Frame. Once a home is located and DMMHA approves the offer to purchase signed by the family, the family shall have up to three (3) months from the date of DMMHA approval to close, or such other time approved by DMMHA Director or his or her designee (24 CFR 982.629 (a)).

FINANCING

The purchaser is responsible for obtaining their own financing for a home purchased under this Program.

A. Financing Terms (24 CFR 982.632). The proposed financing terms must be submitted to and approved by the DMMHA prior to closing the sale (24 CFR 982.632(d)). The mortgagee and DMMHA shall determine the affordability of the family’s proposed financing. The following may be taken into account when making such determinations: other family expenses, including but not limited to child care, non-reimbursed medical, education and training expenses, and other outstanding debts. Certain types of financing, including but not limited to, balloon payment mortgages and certain kinds of variable interest rates loans, are prohibited and will not be approved. No existing mortgages or loans may be assumed by the buyer unless approved by DMMHA Director or his/her designee. No pre-payment penalties on the mortgage(s) are allowed. No contract sale will be allowed. Lease-to-Purchase agreements are considered rental property and subject to the Housing Choice Voucher tenant-based assistance rules. All regulations of the Housing Choice Voucher Home Ownership Program will become effective at the time that the family executes the home ownership voucher. Seller-financed mortgages will be considered on a case by case basis. DMMHA reserves the discretion to disapprove proposed financing if it is determined that the debt is unaffordable, or if the rate and terms of the financing are not competitive with conventional market rates and terms. Rule of thumb: Families will spend at least 25% and not more than 31% (PITI) of the family’s gross annual income for housing and should not pay more than 41%-45% of the family’s gross annual income for all debts including all mortgage payments. If the proposed financing terms change prior to closing, the new terms must be submitted to DMMHA for review and approval.

B. Underwriting. If the mortgage of a home is financed using Federal Housing Administration (FHA) insurance, financing is subject to FHA mortgage underwriting standards (24 CFR 982.632(b)). If a mortgage is not a FHA-insured loan, the DMMHA will require the loan to comply with generally accepted private sector mortgage underwriting standards and secondary market underwriting requirements (i.e. Fannie Mae, Ginnie Mae, Freddie Mac) (24 CFR 982.632(b)).

C. Participant Obligations. All settlement costs required in the purchase of a home shall be treated as set forth above in “Qualifications for Participation”, Section K. An emergency repair reserve account will also be required as described above in “Qualifications for Participation”, Section L.

D. Refinancing. Participant is required to make a written request for approval to DMMHA thirty (30) calendar days prior to completion of refinancing.

DMMHA review and prior approval of any proposed refinancing or loans secured by home is required. In reviewing the proposed refinancing, DMMHA will use the same criteria as DMMHA
uses to review an initial mortgage loan including qualifications of the lender, terms of the loan and affordability for the family. (See section A- Financing.)

DMMHA will only approve refinancing if it is for a better rate and/or term than those included in the initial mortgage.

Home equity loans or lines of credit must be approved in advance by DMMHA. The participant is required to make a written request for approval thirty (30) days prior to closing of the loan.

Home equity loans or lines of credit will only be approved for the cost of repairs to the property or improvements to the property.

E. Continued Participation. To continue receiving home ownership assistance payments, the family must comply with all family obligations under the Agreements, the Housing Choice Voucher Home Ownership Program and DMMHA’s homeownership policies. Failure to comply with all Housing Choice Voucher Home Ownership Program obligations, as set forth in the Voucher, the Agreements, and in this Plan, may result in termination from the Program. Participants must keep mortgage payments current and agrees that if payments become delinquent, post-purchase education and counseling approved by DMMHA must be completed.

FAILURE TO COMPLETE PURCHASE

If a Housing Choice Voucher Home Ownership Program participant is unable to purchase a home within the maximum time permitted by DMMHA, the DMMHA shall continue the family’s rental assistance in the Housing Choice Voucher Program. If the family is not receiving assistance under a HAP contract at the time the search and purchase time period expires, the DMMHA will issue the family a voucher for rental assistance. The family may not re-apply for the Housing Choice Voucher Home Ownership Program for a period of 18-months from the expiration date of the Housing Choice Voucher Home Ownership voucher.

HOME OWNERSHIP ASSISTANCE PAYMENTS

A. Housing Choice Voucher home ownership assistance will only be provided for the months the family is in residence in the home (24 CFR 982.633(a)).

B. DMMHA will not recapture the home ownership voucher payments unless there was an act of fraud or misrepresentation of a material fact in order to obtain a benefit. The Housing Choice Voucher Home Ownership recapture provision does not apply to any other program funds that may be used in the transaction.

C. Determining Amount of Assistance Payment (24 CFR 982.635(a)).

Program Entry: The family's Housing Choice Voucher monthly home ownership assistance payment will be the lower of (1) the Housing Choice Voucher payment standard minus the total tenant payment or (2) the monthly homeowner expenses minus the total tenant payment.

Annual: DMMHA will annually reexamine family income and composition and make appropriate adjustments to the amount of the monthly housing assistance payment. The new home ownership payment standard is the greater of that determined (1) at the commencement of home ownership
assistance or (2) at the most recent regular reexamination since the commencement of home ownership assistance (24 CFR 982.635(b)(3)). Note: the payment standard never goes below the initial payment standard used. In determining the amount of the home ownership assistance payment, DMMHA will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described in the DMMHA’s Housing Choice Voucher Administrative Plan.

D. Reexaminations. The DMMHA completes Housing Choice Voucher Home Ownership Program reexaminations in accordance with Chapter 11 of the Housing Choice Voucher Administrative Plan with the following additions/exceptions:

- The Housing Choice Voucher Home Ownership Program household will be notified at least 30 days in advance of an increase in the family share of the rent that results from an annual or interim reexamination unless the family caused a delay in processing the reexamination in which cases, the family will forfeit their right to a 30 day notice.
- The Housing Choice Voucher Home Ownership Program family will be required to attend the annual and interim interview appointments.
- The Housing Choice Voucher Home Ownership Program household will have an interim reexamination conducted when the source of income has changed.
- A Housing Choice Voucher Home Ownership Program household will have an interim reexamination conducted in the event of any change that would result in a decrease in the monthly mortgage amount currently being paid by the family.

E. Expenses Included. Home ownership expenses include principal and interest on mortgage debt, real estate taxes, special assessments, homeowners’ insurance, mortgage insurance premium, routine maintenance and major repair expenses, the DMMHA utility allowance, cooperative or condominium operating charges or maintenance fees, land lease payments, and principal and interest on mortgage debt for major repairs. The DMMHA allowance for maintenance expenses and major repairs or replacements will be based on standard allowances (which will be reviewed on an annual basis). For families with a disabled or elderly member, allowances may include any debt incurred to make the home accessible for such persons (24 CFR 982.635(c)(2)(vii)). Verifications must be submitted by the participant in a timely manner as required by DMMHA.

F. Payment. Home ownership assistance payments will be made directly to the lender/mortgage company unless the lender has a different requirement. If the home ownership assistance payment is greater than the mortgage payment and the tax and insurance escrow payments, the difference will be paid to the family (24 CFR 982.635(d)(2)).

G. Graduation from Assistance. If a family’s adjusted annual income increases to the point that home ownership assistance payments are no longer being made, eligibility for such payments will continue for an additional 180 calendar days. At the end of 180 continuous calendar days without assistance payments, eligibility for Housing Choice Voucher home ownership assistance will automatically terminate (24 CFR 982.635(e)). If the family fails to contact DMMHA in writing to report a decrease in income prior to the end of the 180 day period, the family will no longer be eligible for the Program and the family will be removed from the Home Ownership Program.

H. Length of Assistance. The maximum length of assistance is 15 years for an initial mortgage amortized 20 years or more, and if less than a 20 year mortgage the maximum length of assistance
is 10 years of assistance (24 CFR 982.634). Elderly (62 or older) and disabled families are exempt from this time limit.

- In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the time of the initial purchase.
- In the case of a disabled family, the exception applies if at any time during receipt of home ownership assistance the family qualifies as a disabled family.
- If at any time the participating family ceases to qualify as elderly or disabled during the course of home ownership assistance, the maximum term becomes applicable from the date assistance commenced. However, such a family must be provided at least six months of home ownership assistance from the date upon which the maximum term becomes applicable (provided the family is otherwise eligible to receive home ownership assistance).
- If the purchaser refinances the mortgage, the initial term is used when calculating the time frame for assistance.
- If a family has received Housing Choice Voucher Home Ownership assistance for different homes, or from different PHAs, the total of such assistance terms is subject to the maximum term described above.
- The maximum term described above applies to any member of the family who has an ownership interest in the unit during the time that home ownership payments are made or if the spouse of any member of the household who has an ownership interest in the unit during the time home ownership payments are made.

CONTINUED PARTICIPATION

Failure to comply with all Housing Choice Voucher Home Ownership Program obligations, as set forth in the Voucher, the Agreements, and in this Plan, may result in termination from the Program. In addition to the other factors causing termination, the following requirements also apply:

A. Continuous Employment – Continuous employment is defined as 30 average hours per week with any break in employment not to exceed 90 consecutive days in the past calendar year. In order for a non-elderly/non-disabled family to continue to be assisted, the employment requirement of an average of not less than 30 hours per week must continue to be fulfilled.

An adult homeowner is expected to re-secure employment within 90 days of termination of previous employment. During times of unemployment the homeowner must show a plan to return to work in order to remain eligible for the program. On a monthly basis, the head of household must provide verification of the pursuit of employment to DMMHA. DMMHA will attempt to assist the participant with re-securing employment through linkages to available resources within the community that may assist with opportunities for education, job training, and job development. After six months of continuous unemployment, the homeowner may be terminated from the Housing Choice Voucher Home Ownership Program.

If a working family is subsequently determined by DMMHA to now qualify as a “disabled family,” as defined by HUD, the full-time employment requirement will no longer be applicable to that family.
A participant who is employed but is on leave from work due to maternity leave, FMLA or is receiving Workman’s Compensation, is exempt from the full-time employment requirement during the period of approved leave from work. Appropriate documentation will be required to be provided to DMMHA.

B. Homeownership Counseling - Participants may be required to attend post-purchase and other forms of ongoing homeownership education and counseling. The post-purchase homeownership counseling or education may include the following topics: interest and taxes, common repairs in the home and preventive maintenance; energy conservation and ways to save on utility bills; budget management and ways to save money; post-purchase predatory lending practices by credit card companies and home equity loans; and foreclosure prevention.

C. Inspections - DMMHA does not conduct routine HQS inspections on an annual basis. However, DMMHA retains the right to conduct a HQS inspection at any time if there is a complaint regarding the condition of a unit that is being assisted, or DMMHA observes a unit that is not in compliance with HQS standards. If a unit fails an HQS inspection DMMHA will require the family to participate in additional post-purchase education and counseling that includes home maintenance. Failure to comply with required post-purchase education and counseling may result in termination of the assistance.

MOVING WITH CONTINUED ASSISTANCE

For families participating in the homeownership option, requests to move will be approved and/or denied in accordance with both DMMHA policies in Chapter 10 of the DMMHA’s Housing Choice Voucher Administrative Plan and in accordance with this section. A participating family may purchase another home with Housing Choice Voucher Home ownership assistance upon the sale of the previously occupied unit, under the following conditions:

1. There is no default on any existing mortgage.
2. DMMHA has sufficient HUD funding.
3. The family is in compliance with all provisions of the Agreements and voucher.
4. No member of the household is under investigation for a program violation. Any previously approved move with assistance may be placed on hold at any point, up to and including closing. The participant will not be approved to relocate with continued assistance until the investigation has been completed and a determination has been made that the family has not violated the rules governing the program.
5. The family does not owe any money to DMMHA.
6. The family must meet all initial eligibility requirements per the “Qualifications for Participation” section.
7. The family may be required to update homeownership education and counseling to include the following topics: home maintenance, homeowners insurance, homeowner warranties, budgeting and money management, credit counseling, negotiating purchase price of a home, how to obtain homeownership financing and loan pre-approvals-including a description of types of financing available and pros and cons of different types of financing, how to find a home-including information about homeownership opportunities, schools, and transportation, advantages of purchasing a home in an area that does not have a high concentration of poverty, closing documents, information on fair housing lending-including fair housing lending and local fair housing enforcement agencies, information on state and Federal truth-in-lending laws, information
about the Real Estate Settlement Procedures Act (RESPA), and how to avoid loans with oppressive terms and conditions.

However, the participating family may not move more than one time in any one-year period (24 CFR 982.637(a)(3)) and/or may not move more than three times within a five-year period and continue to receive program assistance. The length of assistance is cumulative for all homes purchased, except for those purchased by elderly or disabled families (24 CFR 982.637).

**MOVES FROM HOUSING CHOICE VOUCHER HOME OWNERSHIP PROGRAM TO VOUCHER RENTAL ASSISTANCE PROGRAM**

A participating family may return to the Voucher Rental Assistance program provided the family is in compliance with this Plan, the Agreements, and the voucher, and the home ownership unit has been sold with prior written notice to DMMHA.

A participating family may return to the Voucher Rental Assistance program if DMMHA home ownership staff and housing counselors determine that the family is not able to maintain the home as evidenced by the house falling into disrepair, and/or failing to maintain timely payments on the mortgage, utilities, or taxes and/or failure to maintain stable employment or loss of family income. Voucher rental assistance cannot begin so long as any assisted household member holds title to the prior home.

**MOVING WITH CONTINUED TENANT BASED ASSISTANCE UNDER VAWA (PIH 2017-08)**

The VAWA Final Rule provides two new protections under the Home Ownership Voucher Program at 24 CFR 982.637.

1. An exception was created to the prohibition of offering continued tenant-based assistance for occupancy of a new unit so long as any family member owns any title or other interest in the prior home. (24 CFR 982.637(a)(2). When a family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, and the move is needed to protect the health or safety of the family or family member (or any family member has been the victim of a sexual assault that occurred on the premises during the 90 calendar day period preceding the family’s request to move), such family or family member may be assisted with continued tenant-based assistance even if such family or family member owns any title or other interest in the prior home.

2. An exception must be made to the policy on the number of moves for when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, and the move is needed to protect the health or safety of the family or family member, or any family member has been the victim of a sexual assault that occurred on the premises during the 90 calendar day period preceding the family’s request to move. (24 CFR 982.637(a)(3).

DMMHA must not continue homeownership assistance to a participant after commencing tenant-based rental assistance. Per 24 CFR 982.352(c)(2), a family may not receive the benefit of tenant-based assistance while receiving the benefit of other Section 8 assistance (including other tenant-based assistance). Additionally, per 24 CFR982.633(a), if the family moves out of the home, DMMHA may not continue homeownership assistance after the month when the family moves out.

Once the DMMHA has commenced tenant-based rental assistance and the participant is no longer a participant in the homeownership program, the participant’s sale of the home or the participant’s potential loss of the home due to foreclosure must not affect the participant’s continued participation in the housing
choice voucher program. Specifically, the obligation under 24 CFR 982.638(d) to terminate voucher homeownership assistance upon mortgage foreclosure only applies while the participant is still in the homeownership program, and does not apply to the termination of tenant-based rental assistance for a participant who is no longer in the homeownership program.

**INELIGIBILITY FOR CONTINUED HOUSING ASSISTANCE**

In addition to the other factors causing ineligibility as set forth in this plan, the following also apply:

1. A family will become ineligible for Housing Assistance Payments when the monthly subsidy is equal to or less than zero based on a recertification of income and household composition. When such a change does occur, DMMHA will prepare and forward a notification to the lender and the family. The family will remain on the Home Ownership Program for 180 days (six months) after the effective date of the recertification. If the family does not contact DMMHA in writing to report a decrease in income prior to the end of the six month period, the family will be removed from the program.

2. A family will become ineligible for Housing Assistance Payments when the family has reached the end of its maximum term for home ownership assistance. See “Length of Assistance”, Section H above under Home Ownership Assistance Payments.

**PROGRAM TERMINATION**

In addition to the other factors causing termination as set forth in this plan, the following also apply:

1. If a participant in the Housing Choice Voucher Home Ownership Program defaults on his or her home mortgage loan, DMMHA must terminate the home ownership assistance. The participant may reapply for the Housing Choice Voucher rental assistance waiting list if rental subsidy is still desired and the Housing Choice Voucher rental assistance waiting list is open, unless the financing had been secured with FHA insurance. If the family defaults on an FHA-insured home the family must be willing to convey the unit to HUD or HUD’s designee and move from the home within the timeframe established by HUD before the family will be eligible to apply for rental assistance (24 CFR 982.638(d)).

2. At any time, DMMHA may deny or terminate home ownership assistance in accordance with 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).

3. DMMHA may also deny or terminate assistance for violation of participant obligations described in 24 CFR Parts 982.551 or 982.633. However, the following provisions do not apply to assistance under the home ownership option: 24 CFR 982.551(c), (d), (e), (f), (g), and (j).

4. DMMHA will terminate a family’s home ownership assistance if the family violates any of the Homeownership Family/Household Obligations, as well as for any of the reasons listed in the Statement of Homeownership Obligations Housing Choice Voucher Homeownership Voucher Program HUD-52649, DMMHA’s Homeownership Agreement-Statement of Homeownership Obligations, DMMHA’s Homeownership Option Voucher, or violations of the Housing Choice Voucher Home Ownership Program. See Chapter 12 Terminations of DMMHA’s Housing Choice Voucher Administrative Plan.

The DMMHA will provide the participant a written notice of termination in accordance with the policies in Chapter 12.II.F of the DMMHA Housing Choice Voucher Administrative Plan.
REVIEW PROCEDURES
DMMHA will conduct informal hearings and reviews in accordance with the policies in Chapter 16, Part III of the DMMHA Housing Choice Voucher Administrative Plan.

PORTABILITY
A family may exercise portability to move outside of DMMHA’s jurisdiction with continued home ownership assistance under the Housing Choice Voucher Home Ownership Program if all of the following criteria apply:

1. The family meets all eligibility criteria set forth in the HUD regulations 24 CFR 982.353 and 24 CFR 982.355 and in Chapter 10, Part II of DMMHA’s Administrative Plan (Portability of Housing Choice Vouchers).
2. For home ownership assistance, the receiving PHA must be administering a voucher home ownership program, and be accepting new home ownership families.

The Family and the receiving PHA responsibilities for homeownership:

a. The family:
   • Must meet the eligibility requirements set forth in number 1 above
   • Must sell its current home in order to purchase another home in a different housing authority jurisdiction.
   • Must attend the briefing and counseling session required by the receiving PHA

b. The receiving PHA:
   • Will have the same administrative responsibilities of the DMMHA.
   • May absorb the family into its voucher home ownership program, or bill the DMMHA.
   • Will determine if financing and physical condition of the unit is acceptable and all receiving HA home ownership policies apply.
   • Must promptly notify DMMHA if the family has purchased an eligible unit under the Housing Choice Voucher Home Ownership Program, or if the family is unable to purchase a home within the maximum time established by the receiving PHA.

*Note: All portability policies that are in place for the HCV rental assistance program are applicable to the Housing Choice Voucher Home Ownership Program. All home ownership program eligibility criteria will apply per the “Qualifications for Participation” section of this plan.

HOME OWNERSHIP ASSISTANCE PAYMENT TERMINATIONS DUE TO INSUFFICIENT FUNDS
The DMMHA reserves the right to terminate home ownership assistance payments if DMMHA determines, in accordance with HUD requirements, that available program funding is not sufficient to support continued assistance for families in the Program. In the event that the DMMHA determines that the Agency has insufficient funds to make home ownership assistance payments for all of its current participants, home ownership assistance payments will be terminated on a last issued, first terminated basis. The number of home ownership assistance payments that will be terminated at any given time will be at the sole discretion of the DMMHA.
Termination letters will be sent to both the lender and participant no less than 60 days prior to the effective date of the termination.

DMMHA will maintain a separate waiting list of all participants whose HAP contract and home ownership assistance payments were terminated due to insufficient funding. At such time as DMMHA determines there is enough funding to re-issue the Housing Choice Vouchers and home ownership assistance payments to these families, and the families continue to qualify for assistance under this Program, DMMHA will re-issue on a first terminated, first issued basis. Re-issuance of assistance to participants terminated due to insufficient funds is at the sole discretion of the DMMHA.

WAIVER
The DMMHA Director or designee shall have the discretion to waive or modify any provision of the Housing Choice Voucher Home Ownership Program or policies not governed by statute or regulation for good cause or to comply with changes in HUD regulations or directives.