

## **PART VII: HOMEOWNERSHIP**

[24 CFR 982.625 through 982.643]

### **15-VII.A. OVERVIEW**

**[24 CFR 982.625]**

The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family. A family assisted under this option may be newly admitted or an existing participant in the HCV program. BHA must have the capacity to operate a successful HCV homeownership program as defined by the regulations.

There are two forms of homeownership assistance BHA may offer under this option: monthly homeownership assistance payments, or a single down payment assistance grant. BHA may choose to offer either or both forms of homeownership assistance, or choose not to offer either. If BHA offers both forms of assistance, a family must choose which form of assistance to receive.

BHA must offer either form of homeownership assistance if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. It is the sole responsibility of BHA to determine whether it is reasonable to implement a homeownership program as a reasonable accommodation. BHA must determine what is reasonable based on the specific circumstances and individual needs of the person with a disability. BHA may determine that it is not reasonable to offer homeownership assistance as a reasonable accommodation in cases where BHA has otherwise opted not to implement a homeownership program.

BHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

#### BHA Policy

BHA currently offers one form of homeownership assistance. This option is monthly homeownership assistance payments.

### **15-VII.B. FAMILY ELIGIBILITY**

**[24 CFR 982.627]**

The family must meet all of the requirements listed below before the commencement of homeownership assistance. BHA may also establish additional initial requirements as long as they are described in the BHA administrative plan.

- The family must have been admitted to the Housing Choice Voucher program.
- The family must qualify as a first-time homeowner or may be a cooperative member.
- The family must meet the Federal minimum income requirement. The family must have a gross annual income equal to the Federal minimum wage multiplied by 2000, based on the income of adult family members who will own the home. BHA may establish a higher income standard for families. However, a family that meets the federal minimum income requirement (but not BHA's requirement) will be considered to meet the minimum income requirement if it can demonstrate that it has been pre-qualified or pre-approved for financing that is sufficient to purchase an eligible unit.

- For disabled families, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone, multiplied by 12.
- For elderly or 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.
- The family must satisfy the employment requirements by demonstrating that one or more adult members of the family who will own the home at commencement of homeownership assistance is currently employed on a full-time basis (the term 'full-time employment' means not less than an average of 30 hours per week); and has been continuously so employed during the year before commencement of homeownership assistance for the family.
- 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, BHA must grant an exemption from the employment requirement if BHA determines that it is needed as a reasonable accommodation.
- The family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option
- 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 of 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).

#### BHA Policy

Participant families must be first-time homeowners, where any family member must not have owned title to a principle residence in the last three years.

BHA defines continuous employment as “no gap in employment lasting more than 2 consecutive months”.

Part time employment by more than one family member does not constitute full time employment.

Self-employed participants will be determined continuously employed if they have been in business for 1 year or longer and have completed a tax return including a full year of their self-employment income. Self-employed participants will be income eligible if they meet the federal minimum income limit listed above.

BHA has the following additional eligibility requirements:

- All non-elderly and non-disabled families must be currently participating in the Family Self-sufficiency Program (FSS) or the family must have successfully completed the FSS program
- The family must be a current participant in BHA’s HCV program for at least one year (12 months) in good standing. Good standing for the purpose of BHA’s HCV to Homeownership Program means no program violations of any kind and no monies owed to any Housing Authority. The family may become eligible to reapply for the Homeownership Program on the first

anniversary date of the last action of bad standing, subject to meeting all other requirements of the Homeownership Program.

- The family must be in good standing with their landlord and their lease for one year (12 months prior to participation in BHA's HCV Homeownership Program. In this instance, BHA defines good standing as a participant having no lease violations, owing no rent or other amounts due under the lease, and not in a repayment agreement with the landlord, landlords designee or with anyone for amounts due under the lease (including utilities the family is responsible for under the lease).
- An applicant must demonstrate a minimum down payment of at least \$1,000.00 from the family's personal resources.
- An applicant must attend and satisfactorily complete a BHA pre-assistance housing counseling program, and any other counseling prescribed by BHA.
- If at any time during the shopping period, the family falls into bad standing the BHA to Homeownership Certificate of Eligibility would be void.
- Documentation of attendance at a Washington State Housing Finance Commission (WSHFC) approved First Time Homebuyer Class. A certificate of attendance must be attached to the pre-qualification application.

Lenders may have other requirements to qualify for their programs.

## **15-VII.C.SELECTION OF FAMILIES**

### **[24 CFR 982.626]**

Unless otherwise provided (under the homeownership option), BHA may limit homeownership assistance to families or purposes defined by BHA and may prescribe additional requirements for commencement of homeownership assistance for a family. Any such limits or additional requirements must be described in BHA's administrative plan.

If BHA limits the number of families that may participate in the homeownership option, BHA must establish a system by which to select families to participate.

#### BHA Policy

BHA will initially make available and administer 25 vouchers for the homeownership program. Upon use of all twenty-five (25) vouchers an additional set aside of 25 will be designated for homeownership based on availability.

The number of Housing Kitsap HCV vouchers that will initially be made available for the homeownership program will be limited to four (4).

Families will be selected according to the date and time of their application for participating in the homeownership option approved by BHA.

All families must meet eligibility requirements as defined in Section 15-VII.B of this plan.

**15-VII.D. ELIGIBLE UNITS**  
**[24 CFR 982.628]**

In order for a unit to be eligible, BHA 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:
  - A public housing or Indian housing unit;
  - A unit receiving Section 8 project-based assistance;
  - A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services;
  - A college or other school dormitory;
  - On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.
  
- The unit must be under construction or already exist at the time the family enters into the contract of sale.
  
- The unit must be a one-unit property or a single dwelling unit in a cooperative or condominium.
  
- The unit must have been inspected by BHA and by an independent inspector designated by the family.
  
- The unit must meet Housing Quality Standards (see Chapter 8).
  
- 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.
  
- For BHA-owned units all of the following conditions must be satisfied:
  - BHA informs the family, both orally and in writing, that the family has the right to purchase any eligible unit and a BHA-owned unit is freely selected by the family without BHA pressure or steering;
  - The unit is not ineligible housing;
  - BHA 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 BHA provided financing. All of these actions must be completed in accordance with program requirements.

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

BHA Policy

Families may enter into contracts of sale for units not yet under construction at the time the family enters into the contract for sale. However, BHA shall not commence homeownership assistance for the family for that unit, unless and until:

- (1) Either:

(i) The responsible entity completed the environmental review procedures required by 24 CFR part 58, and HUD approved the environmental certification and request for release of funds prior to commencement of construction; or

(ii) HUD performed an environmental review under 24 CFR part 50 and notified BHA in writing of environmental approval of the site prior to commencement of construction;

(2) Construction of the unit has been completed; and

(3) The unit has passed the required Housing Quality Standards (HQS) inspection and independent inspection.

BHA does not allow for Lease-to-Purchase agreements.

#### **15.VII.E. ADDITIONAL BHA REQUIREMENTS FOR SEARCH AND PURCHASE [24 CFR 982.629]**

It is the family's responsibility to find a home that meets the criteria for voucher homeownership assistance. BHA may establish the maximum time that will be allowed for a family to locate and purchase a home and may require the family to report on their progress in finding and purchasing a home. If the family is unable to purchase a home within the maximum time established by BHA, BHA may issue the family a voucher to lease a unit or place the family's name on the waiting list for a voucher.

##### BHA Policy

The initial term of the homeownership voucher will be 180 calendar days.

The family must find a home and enter into a Purchase Agreement within the 180-day period unless BHA grants an extension.

Any request for extension must be requested in writing before the expiration date on the homeownership voucher.

BHA will automatically approve one 60-day extension upon written request from the family when this is done before the expiration date.

BHA will approve additional extensions when:

- It is necessary as a reasonable accommodation for a person with disabilities.
- It is necessary due to reasons beyond the family's control, as determined by BHA. Following is a list of extenuating circumstances that BHA may consider in making its decision. The presence of these circumstances does not guarantee that an extension will be granted:
  - Serious illness or death in the family
  - Other family emergency
  - Obstacles due to employment

- Whether family size or other special requirements make finding a unit difficult
- The unit is under construction and has yet to be completed
- Other extenuating circumstances that may arise

Failure to complete the home purchase process does not disqualify the family from continued participation in the HCV rental program.

BHA will require periodic reports on the family's progress in finding, purchasing and/or building a home. Periodic reports must be provided to BHA by the family at thirty (30) day intervals. Thirty (30) day reports may be in writing, email, phone conversations or face to face conversations.

## **15-VII.F. HOMEOWNERSHIP COUNSELING**

### **[24 CFR 982.630]**

Before commencement of homeownership assistance for a family, the family must attend and satisfactorily complete the pre-assistance homeownership and housing counseling program required by BHA. HUD suggests the following topics for BHA-required pre-assistance counseling:

- Home maintenance (including care of the grounds);
- Budgeting and money management;
- Credit counseling;
- How to negotiate the purchase price of a home;
- How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing;
- How to find a home, including information about homeownership opportunities, schools, and transportation in BHA's jurisdiction;
- Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas;
- Information on fair housing, including fair housing lending and local fair housing enforcement agencies; and
- Information about the Real Estate Settlement Procedures Act (12 U.S.C. 2601 et seq.) (RESPA), state and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions.

BHA may adapt the subjects covered in pre-assistance counseling (as listed) to local circumstances and the needs of individual families.

BHA may also offer additional counseling after commencement of homeownership assistance (ongoing counseling). If BHA offers a program of ongoing counseling for participants in the homeownership option, BHA shall have discretion to determine whether the family is required to participate in the ongoing counseling.

If BHA does not use a HUD-approved housing counseling agency to provide the counseling, BHA should ensure that its counseling program is consistent with the counseling provided under HUD's Housing Counseling program.

#### BHA Policy

All families wishing to participate in the Homeownership Program must complete a minimum of the regular eight hours of pre-purchase homeownership counseling and any individually required counseling sessions.

BHA may also offer counseling or offer referrals for additional counseling after commencement of homeownership assistance.

### **15.VII.G. HOME INSPECTIONS, CONTRACT OF SALE, AND BHA DISAPPROVAL OF SELLER**

**[24 CFR 982.631]**

#### **Home Inspections**

BHA may not commence monthly homeownership assistance payments or provide down payment assistance grants for a family until BHA has inspected the unit and has determined that the unit passes HQS.

An independent professional inspector selected by and paid for by the family must also inspect the unit. 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.

BHA may not require the family to use an independent inspector selected by BHA. The independent inspector may not be a BHA employee or contractor, or other person under control of BHA. However, BHA may establish standards for qualification of inspectors selected by families under the homeownership option.

BHA may disapprove a unit for assistance based on information in the independent inspector's report, even if the unit was found to comply with HQS.

#### BHA Policy

A Housing Quality Standards (HQS) inspection is required whenever the home is 100% ready for occupancy. The condition of the home must satisfy HQS standards before a sale may occur. BHA will conduct a HQS inspection first, and if satisfactory, then require the independent inspection.

Non-compliance with HQS standards may jeopardize a family's housing assistance payment. If the home does not pass the initial HQS inspection, then BHA will discuss with the purchasing family whether it would be more feasible to locate another home to purchase, or to have the needed repairs completed prior to the sale.

BHA must not commence initial monthly homeownership assistance payments for a family until BHA has inspected the unit and has determined that the unit passes HQS and until BHA has received and reviewed the independent inspection report.

Annual HQS inspections are required to continue monthly homeownership assistance payments. BHA may conduct special HQS inspections; BHA may exercise this option if it has reason to believe the home would no longer meet HQS standards.

### **Contract of Sale**

Before commencement of monthly homeownership assistance payments or receipt of a down payment assistance grant, 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 BHA a copy of the contract of sale. The contract of sale must:

- Specify the price and other terms of sale by the seller to the purchaser;
- Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser;
- Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser;
- Provide that the purchaser is not obligated to pay for any necessary repairs; and
- 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.

### BHA Policy

BHA will require and provide an addendum that must be attached to the *Residential Purchase Agreement*

For units that are constructed the Addendum to the Residential Purchase Agreement will contain the following provisions:

1. Specify 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 and BHA.
4. Provide that the purchaser is not obligated to pay for any necessary repairs.
5. Specify that an HQS inspector be granted access to the property to perform an HQS inspection prior to closing. Homeownership assistance is contingent on satisfactory inspections by both inspectors and subject to approval by BHA.
6. Specify that the seller has not been debarred, suspended, or subject to a limited denial of participation in a HUD program under 24 CFR.
7. Specify that before Buyer is obligated under any contract to purchase Property, Seller shall permit Buyer a 10-day period (unless the parties mutually agree, in writing, upon a different period of time) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards. Buyer may waive the opportunity to conduct the risk assessment or inspection by so indicating in writing.

For units not yet constructed the Addendum to the Residential Purchase Agreement will contain the following additional provisions:



8. The purchaser is not obligated to purchase the unit unless an environmental review has been performed and the site has received environmental approval prior to commencement of construction in accordance with 24 CFR 982.628.

The construction will not commence until the environmental review has been completed and the seller has received written notice from BHA that environmental approval has been obtained. Conduct of the environmental review may not necessarily result in environmental approval, and environmental approval may be conditioned on the contracting parties' agreement to modifications to the unit design or to mitigation actions.

### **Disapproval of a Seller**

In its administrative discretion, BHA may deny approval of a seller for the same reasons BHA may disapprove an owner under the regular HCV program [see 24 CFR 982.306(c)].

## **15.VII.H. FINANCING**

### **[24 CFR 982.632]**

BHA may establish requirements for financing purchase of a home under the homeownership option. This may include requirements concerning qualification of lenders, terms of financing, restrictions concerning debt secured by the home, lender qualifications, loan terms, and affordability of the debt. BHA must establish policies describing these requirements in the administrative plan.

BHA may not require that families acquire financing from one or more specified lenders, thereby restricting the family's ability to secure favorable financing terms.

#### BHA Policy

The buyer may acquire financing through any lender. The program can be combined with a variety of mortgage loan products and other HUD programs to assist a potential home buyer in achieving the most favorable interest rate and terms of purchase.

BHA will not approve any loans that contain predatory practices. The buyer may not enter into mortgages with;

- balloon payments
- interest only
- variable interest rates
- seller financing
- lease-purchase agreement

#### **Underwriting Options**

The following underwriting options are suggested under this program. The lender will decide the option based upon income and borrower qualifications determined on a case-by-case basis by the lender, and dependent upon the specific loan products utilized.

##### **Option One: Deduct HAP from Principal, Interest, Taxes & Insurance (PITI)**

The borrower's HAP is applied directly to the PITI, and the housing debt to income ratio is calculated on the "net housing obligation" of the borrower.

##### **Option Two: Add HAP to Borrower's Income**

Calculate total income as a combination of the tax-exempt HAP (grossed up by 25%) and the borrower's income from employment using underwriting ratios specific to the loan product being used.

### **Option Three: Two Mortgage Approach**

Borrower qualifies for the first mortgage (PITI) using only earned income. The HAP is used to pay the full P&I for a second mortgage.

BHA must review lender qualifications and the loan terms before authorizing homeownership assistance. BHA may disapprove proposed financing of the debt if BHA determines that the debt is unaffordable. In making this determination, BHA will take into account family expenses such as childcare, un-reimbursed medical expenses, homeownership expenses, and other family expenses, in addition to the participant's income.

Independent of the lender's requirements, BHA has established criteria that the family cannot have a family share in excess of 45% of the monthly adjusted income at the time of the initial closing.

BHA must approve any proposed refinancing of the property. BHA staff will review all requests for refinancing.

- Refinancing the property, without prior written approval from BHA, may result in termination of the HCV Homeownership assistance.

Homeownership assistance may continue if refinancing is approved, but will be limited to the remaining term based on the initial mortgage loan

Beyond these basic criteria, BHA will rely on the lenders or the secondary market to determine the loan that will be affordable to program participants.

## **15-VII.I. CONTINUED ASSISTANCE REQUIREMENTS; FAMILY OBLIGATIONS**

### **[24 CFR 982.633]**

Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, BHA may not continue homeownership assistance after the month when the family moves out. The family or lender is not required to refund to BHA 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:

- The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt.
- 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).
- The family must supply information to BHA or HUD as specified in 24 CFR 982.551(b). The family must further supply any information required by BHA or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.
- The family must notify BHA before moving out of the home.

- The family must notify BHA if the family defaults on the mortgage used to purchase the home.
- No family member may have any ownership interest in any other residential property.
- 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).

### BHA Policy

BHA may deny or terminate assistance for violation of participant obligations as described in the “HUD Statement of Homeowner Obligations”, the *Family Obligations*, or other program requirements.

Participants must agree to attend post-purchase counseling sessions to continue to receive assistance. BHA may require families who become delinquent on their mortgage payments to participate in additional homeownership and/or credit counseling classes.

BHA has a continuous employment and/or income obligation for all non-elderly and non-disabled homeownership participants.

- Continuous Employment is defined as employment by the participating head of household or mortgagee with “no gap in employment lasting more than 2 consecutive months”.
- The continuous income obligation for all non-elderly and non-disabled households is equal to the extremely low-income limits published by HUD annually. To meet this requirement the family must have income equal to or greater than the current extremely low-income limit according to family size and applicable county. Welfare assistance payments will not be included in the determination of the continuous income requirement.

The continuous income obligation for elderly and disabled families is equal to the current SSI monthly payment for an individual living alone, multiplied by 12.

## **15-VII.J. MAXIMUM TERM OF HOMEOWNER ASSISTANCE**

### **[24 CFR 982.634]**

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:

- Fifteen years, if the initial mortgage incurred to finance purchase of the home has a term of 20 years or longer; or
- Ten years, in all other cases.

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

- Has an ownership interest in the unit during the time that homeownership payments are made; or
- 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 PHAs, the total of such assistance terms is subject to the maximum term described in this part.

### **15-VII.K. HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES**

#### **[24 CFR 982.635]**

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, BHA 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.

BHA may pay the homeownership assistance payments directly to the family, or at BHA's discretion, to a lender on behalf of the family. If the assistance payment exceeds the amount due to the lender, BHA must pay the excess directly to the family.

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

BHA must adopt policies for determining the amount of homeownership expenses to be allowed by BHA in accordance with HUD requirements.

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

- Principal and interest on initial mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home;
- Real estate taxes and public assessments on the home;
- Home insurance;
- The BHA allowance for maintenance expenses;
- The BHA allowance for costs of major repairs and replacements;
- The BHA utility allowance for the home;

- 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 BHA 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;
- 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)].
- 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 BHA to cover:

- 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 BHA allowance for maintenance expenses;
- The BHA allowance for costs of major repairs and replacements;
- The BHA utility allowance for the home; and
- 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 BHA 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.
- Cooperative operating charges or maintenance fees assessed by the cooperative homeowner association.

#### BHA Policy

BHA's housing assistance payment will be deposited directly into a bank account maintained by the family. BHA requires the family to supply a copy of these bank statements annually.

BHA will allow for the following additional homeownership expenses:

BHA will allow for monthly maintenance expenses according to the bedroom size when the family has demonstrated they have saved according to the schedule below over the 12 months prior to their move or annual reexamination.

- 1-bedroom = \$20/month
- 2-bedroom = \$30/month
- 3-bedroom = \$40/month
- 4-bedroom = \$50/month
- 5-bedroom = \$60/month

BHA will allow for monthly major repair and/or replacement expenses according to the bedroom size when the family has demonstrated they have saved according to the schedule below over the 12 months prior to their move or annual reexamination.

- 1-bedroom = \$30/month
- 2-bedroom = \$40/month
- 3-bedroom = \$50/month
- 4-bedroom = \$60/month
- 5-bedroom = \$70/month

When monthly maintenance or major repair and/or replacement expenses are being used as expenses the family is required to supply verification for any of these costs.

### **15-VII.L. PORTABILITY**

**[24 CFR 982.636, 982.637, 982.353(b) and (c), 982.552, 982.553]**

Subject to the restrictions on portability included in HUD regulations and BHA 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.

### **15-VII.M. MOVING WITH CONTINUED ASSISTANCE**

**[24 CFR 982.637]**

A family receiving homeownership assistance may move with continued tenant-based assistance. The family may move with voucher rental assistance or with voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home.

BHA may deny permission to move to a new unit with continued voucher assistance:

- If BHA has insufficient funding to provide continued assistance.
- In accordance with 24 CFR 982.638, regarding denial or termination of assistance.
- In accordance with BHA's policy regarding number of moves within a 12-month period.

BHA must deny the family permission to move to a new unit with continued voucher rental assistance if:

- The family defaulted on an FHA-insured mortgage; and
- The family fails to demonstrate that the family has conveyed, or will convey, title to the home, as required by HUD, to HUD or HUD's designee; and the family has moved, or will move, from the home within the period established or approved by HUD.

BHA Policy

In addition the family must follow the moving policy located in Chapter 10.

**15.VII.N. DENIAL OR TERMINATION OF ASSISTANCE**

**[24 CFR 982.638]**

At any time, BHA may deny or terminate homeownership assistance in accordance with HCV program requirements in 24 CFR 982.552 (Grounds for denial or termination of assistance) or 24 CFR 982.553 (Crime by family members).

BHA may also deny or terminate assistance for violation of participant obligations described in 24 CFR Parts 982.551 or 982.633 and in accordance with its own policy.

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

BHA Policy

Additionally, the family may be terminated in accordance with the program requirements listed in Chapter 12.