

Housing Choice Voucher Homeownership Program



www.mainehousing.org

Using your housing choice voucher to make payments on a home of your own



Frequently Asked Questions

- 1 What is the Housing Choice Voucher Homeownership Program?

The Housing Choice Voucher Homeownership Program allows you to use the monthly assistance payment from your housing choice voucher to make mortgage payments on a home of your own.
- 2 How do I know if I am ready for homeownership?

Attending a Homebuyer Education Class may help. It's a way to learn more about what is involved in buying and owning a home – the Purchase and Sale Agreement, financing options, how large a payment you can afford, budgeting for unexpected expenses, and more. Attending an approved class is required if you decide to participate in the voucher homeownership program.

More than 100 hoMEworks-approved Homebuyer Education Classes are held throughout Maine each year. Go to www.mainehomeworks.org for the schedule, or contact MaineHousing at 1-800-452-4668 for more information.
- 3 Am I eligible?

You may be eligible if:

 - You are a MaineHousing Section 8 Housing Choice Voucher participant in good standing and you participate in the MaineHousing Family Self-Sufficiency (FSS) Program.
 - You or another adult in your household work at least 30 hours per week and have been continuously employed for a year or more. (This employment requirement does not apply to elderly or disabled participants.)
 - The annual income of all adults who will be on the mortgage is at least \$13,100, excluding welfare (unless one of you is elderly or disabled, then the minimum income is \$8,088.)
 - You are a first time homebuyer, you have not owned a home within the past three years, or you are a single parent/displaced homemaker who owned a home with a prior spouse.
 - You complete a qualifying Homebuyer Education Class.
 - You can make a down payment of at least 1% of the home purchase price of the home from your personal funds.
 - You can pay for closing costs such as a property appraisal, title report and home inspection.
 - You can find a reputable lender who will provide a fixed rate mortgage that you can afford.

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| <p>4</p> <p>Where can I find an affordable fixed rate mortgage?</p> | <p>Options may include, but are not limited to:</p> <ul style="list-style-type: none">• USDA Rural Development's 502-Direct Program offers mortgages with interest rates as low as 1%. See http://www.rurdev.usda.gov/me/ or call 1-207-990-9160.• MaineHousing's First Home Program offers low, fixed rate mortgages to income eligible borrowers. Low down payment options are available. See www.mainehousing.org/FirstHome.aspx or call toll free 1-800-452-4668. <p>MaineHousing has final approval on whether the mortgage option you select is affordable for you. Approval will depend on how your total debt (both housing debt and non-housing debt) compares with your total income, and how much you have for savings. As a general rule your housing expenses cannot be more than 40% of your adjusted gross income (including the amount of your Section 8 assistance).</p> <p>You are encouraged to talk to a lender about what you can afford before you start shopping for a home.</p> |
| <p>5</p> <p>What other costs are involved in buying a home?</p> | <p>Depending on the mortgage option, you may be required to make a down payment ranging from 1% to 5% of the home purchase price.</p> <p>Closing costs include the various expenses associated with your real estate transaction, such as the property appraisal, title search, credit check, home inspection, and legal fees. Closing costs also may include escrowed taxes, insurance, and pre-paid interest.</p> <p>MaineHousing's Maine American Dream Initiative (MADI) can help eligible homebuyers with down payment and closing costs. It is not necessary to choose a MaineHousing mortgage in order to receive help from MADI. For more information see www.mainehousing.org or call toll free 1-800-452-4668.</p> |
| <p>6</p> <p>Is a home inspection required?</p> | <p>There are two required home inspections.</p> <ol style="list-style-type: none">1. You must hire a professional home inspector prior to closing your loan. A home inspection will tell you if the house has structural problems or needs repairs you may not know about.2. MaineHousing will provide an inspection to make sure the home complies with federal Housing Quality Standards (HQS), the same standards that apply to Section 8 rentals. |

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| 7 | How long will I continue to receive Section 8 Homeownership Assistance? | <p>To continue to receive benefits under this program, you must remain eligible for Section 8 assistance and comply with all of the associated rules, regulations, and family obligations. You must be recertified each year.</p> <p>You may be eligible to receive homeownership assistance for up to 15 years if the term of the mortgage is 20 years or more, and for up to 10 years for loans with terms of less than 20 years. For elderly or disabled homebuyers, the assistance may continue for the life of the loan.</p> <p>If your Section 8 assistance is terminated for any reason, you are responsible for the full mortgage payment.</p> |
| 8 | Can I sell my home? | <p>Yes, you may sell your home as long as you can pay your mortgage in full at the time of sale.</p> <p>If you want to sell at a price that is less than what you owe on the property, you will need approval from MaineHousing.</p> |
| 9 | How will the monthly mortgage be paid? | <p>MaineHousing will execute a “Statement of Homeowner Obligations”. As part of this contract, MaineHousing agrees to make payments directly to you. The amount MaineHousing will pay is the lower of:</p> <ol style="list-style-type: none">1. The current Payment standard minus the Total Tenant Payment, or2. The Monthly Homeownership expenses minus the Total Tenant Payment. <p>You, in turn, will make the mortgage payment. The additional amount you will pay from your personal funds is typically 30% to 40% of your adjusted gross income.</p> |
| 10 | Who do I contact for more information? | <p>Amanda Bartlett, Program Officer Housing Choice Voucher Program MaineHousing 353 Water Street Augusta, ME 04330 (207) 626-4685 1-866-357-4853 Ext. 685</p> |

Maine State Housing Authority (“MaineHousing”) does not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, ancestry, age, physical or mental disability, or familial status in the admission or access to, or treatment or employment in, its programs, and activities. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Mary Darling, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number (207) 626-4600 or 1-800-452-4668 (voice), or 1-800-452-4603 (TTY).

