

AMENDMENT TO THE SECTION 8 ADMINISTRATIVE PLAN

HOMEOWNERSHIP

The Housing Authority of the County of Greene (HACG) promotes and supports first-time homeownership for low-income, working families. HACG’s Homeownership Program will move families from rental housing into affordable homes of their own.

The homeownership option allows one or more members of the family to purchase a home. HACG opts to offer only monthly homeownership assistance payments. Housing Choice Voucher (HCV) Payments will supplement the family’s income to facilitate the transition from rental housing to homeownership.

The HACG will offer the homeownership option to a total of three (3) participant families who meet the eligibility requirements.

ELIGIBILITY

The family must meet all of the requirements listed below before the commencement of homeownership assistance.

- A. The family must have been admitted to the HCV program. (If the family is not within the initial 1-year period of the HAP Contract, a written agreement between both landlord and tenant must be provided to the HACG allowing the tenant out of the lease.)
- B. Initial requirements:
 - 1. The family must be in good standing with HACG and the landlord.
 - 2. The family had no family-caused violations of HUD’s housing quality standards within the last 12 months.
 - 3. The family does not owe money to HACG.
 - 4. The family has not committed any serious or repeated violation of a HACG-assisted lease within the last 12 months.
- C. The family must qualify under one of the following: first-time homeowner, cooperative member, or a person with a disability.
 - 1. First-Time Homeowner: A family of which no member owned any present ownership interest in a residence of any family member during the three years before commencement of homeownership assistance for the family. The term “first-time homeowner” includes a single parent or displaced homemaker who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse.
 - 2. Cooperative Member: A family of which one of more members own membership shares in a cooperative. A cooperative is housing owned by a corporation or

- association, and where a member of the corporation or association has the right to resident in a particular unit and to participate in management of the housing.
3. Person with a Disability: A family of which a family member is a person with a disability, and use of the homeownership option is needed as a reasonable accommodation so that the program is readily accessible to and usable by such a person.
- D. 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. Income from welfare assistance will not be counted towards this requirement.
- E. For disabled families, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone multiplied by 12.
- F. 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.
- G. The family must satisfy the Federal minimum employment requirements. At least one or more adult members of the family who will own the home a commencement of homeownership assistance must be employed on a fulltime basis and has been continuously so employed during the year before commencement of homeownership assistance for the family.
1. The term “full-time employment” means not less than an average of 30 hours per week;
 2. A family member will be considered continually employed even it that family member has experienced a break in employment, provided that the break I employment: did not exceed thirty (30) calendar days; did not occur within the six-month period immediately prior to the family’s request to use the homeownership option; and, has been the only break in employment within the past twelve-month period.
 3. 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, HACG must grant an exemption from the employment requirement if HACG determines that it is needed as a reasonable accommodation.
- H. The family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option. (Any family member who has previously defaulted on a mortgage obtained through the homeownership option is bared from receiving future homeownership assistance.)
1. Family includes an individual who was an adult member of a family at the time when such family received homeownership assistance and defaulted on a mortgage securing debt incurred to purchase the home.

- I. Except for cooperative members who have acquired cooperative membership shares prior to the 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.
- J. 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).
- K. The family must be “mortgage-ready”. The family must submit written verification from one of the following.
 - 1. Human Services
 - 2. USDA/ Rural Development;
 - 3. Financial institutions that mortgage financing is provided, insured or guaranteed by a state or Federal government, complying with secondary mortgage market-underwriting requirements or comply with generally accepted private sector underwriting standards.

HOMEOWNERSHIP COUNSELING [24 CFR 982.630]

Before commencement of homeownership assistance, the family must attend and satisfactorily complete credit and homeownership counseling. HACG will partner with local agencies to conduct credit and homeownership counseling sessions. Counseling shall be consistent with HUD-approved housing counseling.

The following topics will be included in the credit and homeownership counseling sessions:

- A. Home maintenance, including care of the grounds;
- B. Budgeting and money management;
- C. Credit counseling and credit repair;
- D. How to negotiate the purchase price of a home;
- E. 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;
- F. How to find a home, including information about homeownership opportunities, schools and transportation.
- G. 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;
- H. Information on fair housing, including fair housing lending and local fair housing enforcement agencies; and
- I. 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.
- J. HACG shall have discretion in determining whether a family is required to participate in post-purchase counseling and delinquency intervention.

ELIGIBLE UNITS [24 CFR 982.628]

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

- A. The unit must meet HUD's "eligible housing" type:
 - 1. Single-family dwelling;
 - 2. Condominiums;
 - 3. Co-operatives;
 - 4. Manufactured housing, on a permanent foundation, placed on property that will be owned by the family; or
 - 5. Manufactured housing where the family will not own fee title to the real property; but the housing is on a permanent foundation and the family has the right to occupy (lease) the site for a least 40 years.

- B. The unit may not be any of the following:
 - 1. A public housing or Indian housing unit;
 - 2. A unit receiving Section 8 project-based 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;
 - 5. On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.

- C. The unit must be under construction or already exist at the time the family enters into the contract of sale.

- D. The unit must be inspected by HACG and the family must select and pay for an independent inspector.

- E. The unit must meet Housing Quality Standards (see Page 58).
HACG must not approve the unit if the housing authority has been informed that the seller is debarred, suspended, or subject to a limited denial of participation.

SEARCH AND PURCHASE REQUIREMENTS

The HACG has established the maximum time that will be allowed for a family to locate and purchase a home.

- A. The family's deadline date for locating a home and securing a sales agreement will be 120 calendar days from the date the family's eligibility for the homeownership option is determined. For good cause, HACG may extend a family's time to locate a home. Extensions will be approved in 30-day increments, not to exceed 60 days.
- B. The family must obtain financing for the home with 60 calendar days after signing their sales agreement. Extensions will be approved on a case-by-case basis.
- C. The family must purchase the home within 90 calendar days of obtaining financing. Extensions will be approved on a case-by-case basis.
- D. HACG will require periodic reports on the family's progress on locating and purchasing a home. The family will provide reports in 30-day intervals. If the family is unable to purchase a home within the maximum time limit, HACG will continue making HAP payments on the unit that the family currently leases.

HOME INSPECTIONS

HACG will not commence monthly homeownership assistance payments for a family until HACG has inspected the unit and determined that the unit passes HUD's Housing Quality Standards (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.

HACG will not require the family to use an independent inspection selected by the housing authority. The independent inspector may not be a HACG employee or contractor, or other person under control of the housing authority.

Upon request of HACG the independent inspector, selected by the family, must verify that they meet one of the following qualifications:

- A. Member of American Society of Home Inspectors; or
- B. Inspectors familiar with HUD minimum Housing Quality Standards and the requirement of local codes and ordinances of the jurisdiction; or
- C. Inspectors accepted by three local lenders.

The independent inspector must provide copies of the independent inspection report to the family and HACG. Based on the information in the report, the family and HACG will determine whether any pre-purchase repairs are necessary.

HACG 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.

CONTRACT OF 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 HACG a copy of the contract of sale. The contract of sale must:

- A. Specify the price and other terms of sale by the seller to the purchaser;
- B. Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser;
- C. Provide that the seller permits the HQS inspection by HACG;
- D. Provide that the purchaser is not obligated to purchase the unit unless the HQS and independent inspections are satisfactory to the purchaser and HACG;
- E. Provide that the purchaser is not obligated to pay for any necessary repairs;
and
- F. 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, HACG may deny approval of a seller for the same reasons a housing authority may disapprove an owner under the regular HCV program [see 24 CFR 982.306(c)].

FINANCING [24 CFR 982.632]

The family is responsible for security financing. HACG has established the financing requirements, listed below, and may disapprove proposed financing if HACG determines that the debt is not affordable.

- A. Mortgage financing must be provided, insured or guaranteed by the State of Federal government, complying with secondary mortgage market underwriting requirements or comply with generally accepted private sector underwriting standards.
- B. Down payment requirements:
 - 1. The HACG will require a minimum cash down payment of 3% of the purchase price with 1% coming from the family's resources.
- C. If the home is purchased using FHA mortgage insurance it is subject to FHA mortgage insurance requirements.
- D. Families locating a home in a special flood zone area must obtain flood insurance on the home and agree to maintain this insurance.
- E. HACG will prohibit the following forms of financing:
 - 1. Balloon payment mortgages;
 - 2. Variable interest rate loans;
 - 3. Seller financing;
 - 4. Any form of predatory lending.

CONTINUED ASSISTANCE

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

- A. The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt.
- B. As long as the family is receiving homeownership assistance, the use and occupancy of the home is subject to the following requirements [24 CFR 982.551 (h) and (i)];
 1. The family must use the assisted unit for residency by the family. The unit must be the family's only residence.
 2. The composition of the assisted family residing in the unit must be approved by HACG. The family must promptly inform the housing authority of the birth, adoption or court awarded custody of a child. The family must request housing Authority approval to add any family member as an occupant of the unit. No other person (i.e., nobody but members of the assisted family) may reside in the unit (except a foster child or line-in aide).
 3. The family must promptly notify HACG if any family member no longer resides in the unit.
 4. If HACG has given approval, a foster child or live-in aide may reside in the unit.
 5. HACG will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and useable by persons with disabilities.
 6. Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the family
 7. The family must not sublease or let the unit.
 8. The family must not assign the mortgage or assign the unit.
 9. The family must supply an information or certification requested by the housing authority to verify that the family is living in the unit, or relating to family's absence from the unit, including any housing authority requested information or certification on the purposes of the family's absences. The family must cooperate with the housing authority for these

purposes. The family must promptly notify the housing authority of absence from the unit.

- C. 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. The family must secure the written permission of HACG before it refinances any debt secured by the home or places any secured debt on the property.
- D. Upon the death of a family member who old, in whole or in part, title to the home or ownership of the cooperative member shares for the home, homeownership assistance may continue pending settlement of the decedent's estate, notwithstanding transfer of title by operation of law to the decedents' executor or legal representative so long as the home is solely occupied by remaining family members, in accordance with paragraph B above. In the case of divorce or family separation, the assistance shall follow what a court decrees.
- E. The family must supply information to HACG or HUD as specified in 24 CFR 982.551(b). The family must further supply any information required by HACG or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home or homeownership expenses. In particular this shall include information relating to the following:
 - 1. Citizenship o immigration related matters;
 - 2. Family income and composition;
 - 3. Social Security numbers;
 - 4. For any mortgage or other debt placed on the property;
 - 5. Any sale or transfer of interest in the home; and
 - 6. The family's homeownership expenses.
- F. The family must notify HACG before moving out of the home.
- G. The family must notify HACG if the family defaults on the mortgage used to purchase the home.
- H. No family member may have any ownership interest in any other residential property.
- I. The family must sign and comply with the Housing Choice Voucher Homeownership Family Obligations. These obligations are 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). See Attachment F.
- J. HACG will not do annual HQS inspections. The family is responsible for repair and maintenance.

- K. All taxes and insurance must be included in the mortgage payment
- L. HACG suggests that the family open and maintain a savings account to deposit maintenance and repair allowances. The savings account would be used for future maintenance and repairs to the family home.

MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE [24 CFR 982.634]

- A. Except in the case of a family that qualifies as an elderly or disabled family, the maximum term of homeownership is:
 - 1. Fifteen (15) years, if the initial mortgage is twenty (20) years or longer; or
 - 2. Ten (10) years, in all other cases.

- B. 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.

- C. 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.

- D. 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).

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

HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES

- A. 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.
- B. In determining the amount of the homeownership assistance payment, HACG 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.
- C. HACG will make homeownership assistance payments to the lender or to the family at the discretion of HACG and the lender, if the assistance payment exceeds the amount due to the lender, HACG must pay the excess directly to the family.
- D. Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family.
- E. Some homeownership expenses are allowances or standards determined by HACG in accordance with HUD regulations. These allowances are used in determining expenses for all homeownership families and are not based on the condition of the home.
- F. Homeownership expenses include:
 - 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 home insurance;
 - 3. HACG utility allowance used for voucher program;
 - 4. HACG allowance for routine maintenance costs (\$25);
 - 5. HACG allowance for major repairs and replacement (\$25);
 - 6. 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 HACG 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;
 - 7. If the home is a cooperative or condominium, expenses also include operating expenses or maintenance fees assessed by the homeowner association.
 - 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.
- G. Homeownership expenses for a cooperative member may only include amounts allowed by the PHA 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. HACG utility allowance for the home;
 5. HACG allowance for maintenance expenses;
 6. HACG allowance for costs of major repairs and replacements; 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 HACG 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.

PORTABILITY

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

MOVING WITH CONTINUED ASSISTANCE

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.

- A. HACG may deny permission to move to a new unit with continued voucher assistance as follows:
 1. Lack of funding to provide continued assistance.
 2. In accordance with 24 CFR 982.638, regarding denial or termination of assistance.
 3. Prohibits more than one move by the family during a 12-month period.
- B. HACG must deny the family permission to move to a new unit with continued voucher rental assistance if:
 1. The family defaulted on an FHA-insured mortgage; and
 2. 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.

DENIAL OR TERMINATION OF ASSISTANCE

At any time, HACG 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).

HACG will also deny or terminate assistance for violation of participant (family) obligations described in 24 CFR Parts 982.551 or 982.633

HACG will 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 mortgagee (whether FHA insured or non-FHA) securing debt incurred to purchase the home, or any refinancing of such debt.

HACG, in its discretion, may permit the family to move to a new unit with continued voucher rental assistance if the family can show that the default was for reasons beyond their control. However the housing authority will deny such permission, if;

- A. The family defaulted on a FHA-insured mortgage; and
- B. The family fails to demonstrate that;
 1. The family has conveyed title to home, as required by HUD, to HUD or HUD's designee; and
 2. The family has moved from the home within the period established or approved by HUD.

RECAPTURE OF HOMEOWNERSHIP ASSISTANCE

HACG shall not impose or enforce any requirement for the recapture of voucher homeownership assistance on the sale or refinancing of a home purchased with assistance under the Housing Choice Voucher Homeownership option.

WAIVER OR MODIFICATION OF HOMEOWNERSHIP POLICIES

The Executive Director of HACG will have sole discretion to waive or modify any provision of the Housing Choice Voucher Homeownership Program not governed by statute or regulation.

The Executive Director of HACG will have sole discretion to waive or modify any provision of the Housing Choice Voucher Homeownership Program to comply with changes in HUD regulations and directives.

Board Resolution 2005-15 dated November 17, 2005

HOUSING AUTHORITY OF THE COUNTY OF GREENE

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ATTACHMENTS

SECTION 8 ADMINISTRATIVE PLAN

ATTACHMENT

- A INFORMAL REVIEW FOR APPLICANTS
- B INFORMAL HEARING FOR PARTICIPANTS
- C GRIEVANCE PROCEDURES AND CONDITIONS
- D EQUAL OPPORTUNITY CERTIFICATION
- E INFORMATION PACKET
- F STATEMENT OF HOMEOWNER OBLIGATIONS

ATTACHMENT F

**STATEMENT OF HOMEOWNER OBLIGATIONS
HOUSING CHOICE HOMEOWNERSHIP
VOUCHER PROGRAM
HUD-52649 (5/13/03)**