

Chapter 15

SPECIAL HOUSING TYPES

[24 CFR 982 Subpart M; New HCV GB, *Special Housing Types*]

INTRODUCTION

The PHA may permit a family to use any of the special housing types discussed in this chapter. However, the PHA is not required to permit families receiving assistance in its jurisdiction to use these housing types, except that PHAs must permit use of any special housing type if needed as a reasonable accommodation for a person with a disability, and the PHA must permit a family to lease a manufactured home and space with assistance under the program. The PHA also may limit the number of families who receive HCV assistance in these housing types and cannot require families to use a particular housing types. No special funding is provided for special housing types. Unless specifically modified by regulations, housing quality standards apply to special housing types (Single Room Occupancy, Congregate Housing, Group Homes, Shared Housing, Manufactured Homes, Homeownership units) [Notice PIH 2023-28]

OHCD Policy

Families will not be permitted to use any special housing types, with the following exceptions”

If needed as a reasonable accommodation so that the program is readily accessible to a person with disabilities; and

OHCD must permit a family to lease a manufactured home and space with assistance under the program.

Policy language is included in this chapter where relevant in the event OHCD does grant use as a reasonable accommodation or when a family leases a manufactured home and space.

Special housing types include single room occupancy (SRO), congregate housing, group homes, shared housing, cooperative housing, manufactured homes where the family owns the home and leases the space, and homeownership [24 CFR 982.601]. A single unit cannot be designated as more than one type of special housing. The PHA cannot give preference to households that wish to live in any of these types of housing and cannot require households to select any of these types of housing [New HCV GB, *Special Housing Types*, p. 3].

This chapter consists of the following seven parts. Each part contains a description of the housing type, and any special requirements associated with it. Except as modified by this chapter, the general requirements of the HCV program apply to special housing types.

Part I: Single Room Occupancy – N/A

Part II: Congregate Housing – N/A

Part III: Group Homes

Part IV: Shared Housing – N/A

Part V: Cooperative Housing – N/A

Part VI: Manufactured Homes (including manufactured home space rental)

Part VII: Homeownership

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PART I: SINGLE ROOM OCCUPANCY

[24 CFR 982.602 through 982.605; Form HUD-52641; New HCV GB,
Special Housing Types, p. 4]

15-I. A. OVERVIEW

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. More than one person may not occupy an SRO unit. HCV regulations do not limit the number of units in an SRO facility, but the size of a facility may be limited by local ordinances.

When providing HCV assistance in an SRO unit, a separate lease and HAP contract are executed for each assisted person. The standard form of the HAP contract is used (Form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Single room occupancy (SRO) housing.”

15.I.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for SRO housing is 75 percent of the zero-bedroom payment standard amount on the PHA’s payment standard schedule.

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero-bedroom utility allowance.

The HAP for an assisted occupant in an SRO facility is the lower of the SRO payment standard amount minus the TTP or the gross rent for the unit minus the TTP.

15-I. C. SRO: HOUSING QUALITY STANDARDS [24 CFR 982.605(a)]

Housing quality standards requirements described in the applicable portions of Chapter 8 apply to SRO housing except that sanitary facilities, and space and security characteristics must meet local code standards for SRO housing. In the absence of applicable local code standards for SRO housing, the following standards apply:

- *Access:* Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by State or local law.
- *Fire Safety:* All SRO facilities must have a sprinkler system that protects major spaces. “Major spaces” are defined as hallways, large common areas, and any other areas specified in local fire, building, or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law.

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Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In the absence of local code standards, the requirements discussed below apply [24 CFR 982.605].

- *Sanitary Facilities:* At least one flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to males, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or passageway to all persons sharing them and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.
- *Space and Security:* An SRO unit must contain at least 110 square feet of floor space, and at least four-square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of the deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.

For SRO housing, 24 CFR 5.703(d) only applies to the extent that the SRO unit contains the room or facility referenced in 24 CFR 5.703(d). Because no children live in SRO housing, the housing quality standards applicable to lead-based paint do not apply.

OHCD Policy

OHCD does not operate Single Room Occupancy Special Housing

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PART II: CONGREGATE HOUSING

[24 CFR 982.606 through 982.609; Form HUD-52641; New HCV GB,
Special Housing Types, p.6]

15-II. A. OVERVIEW

Congregate housing is intended for use by elderly persons or persons with disabilities. A congregate housing facility contains a shared central kitchen and dining area and a private living area for the individual household that includes at least a living room, bedroom and bathroom. Food service for residents must be provided.

If approved by the PHA, a family member or live-in aide may reside with the elderly person or person with disabilities. The PHA 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.

When providing HCV assistance in congregate housing, a separate lease and HAP contract are executed for each assisted family. The standard form of the HAP contract is used (Form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Congregate housing.”

15-II. B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for an individual unit in a congregate housing facility is based on the number of rooms in the private living area for the assisted family. If there is only one room in the unit (not including the bathroom or the kitchen, if a kitchen is provided), the PHA must use the payment standard for a zero-bedroom unit. If the unit has two or more rooms (other than the bathroom and the kitchen), the PHA must use the one-bedroom payment standard.

The HAP for an assisted occupant in a congregate housing facility is the lower of the applicable payment standard minus the TTP or the gross rent for the unit minus the TTP.

The gross rent for the unit for the purpose of calculating HCV assistance is the shelter portion (including utilities) of the resident’s monthly housing expense only. The residents’ costs for food service should not be included in the rent for a congregate housing unit.

15-11. C. CONGREGATE: HOUSING QUALITY STANDARDS

Housing quality standards requirements as described in Chapter 8 apply to congregate housing except for the requirements stated below. Congregate housing is not subject to the requirement that the dwelling unit must have a kitchen area. In place of the housing quality standards related to food preparation and refuse disposal, congregate housing must have a refrigerator of appropriate size in the private living area of each resident, a central kitchen and dining facilities located within the premises and accessible to the residents, and food service for the residents, that is not provided by the residents themselves.

The congregate housing must contain adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.

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The housing quality standards applicable to lead-based paint do not apply unless a child under the age of six is expected to reside in the unit.

OHCD Policy

OHCD does not operate Congregate Housing as a Special Housing type.

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PART III: GROUP HOME

[24 CFR 982.610 through 982.614; Form HUD-52641; New HCV GB,
Special Housing Types, p. 8]

15-III. A. OVERVIEW

A group home is a state-approved (licensed, certified, or otherwise approved in writing by the state) facility intended for occupancy by elderly persons and/or persons with disabilities. Except for live-in aides, all persons living in a group home, whether assisted or not, must be elderly persons or persons with disabilities. Persons living in a group home must not require continuous medical or nursing care.

A group home consists of bedrooms for residents, which can be shared by no more than two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents. No more than 12 persons may reside in a group home including assisted and unassisted residents and any live-in aides.

If approved by the PHA, a live-in aide may live in the group home with a person with disabilities. The PHA 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.

When providing HCV assistance in a group home, a separate lease and HAP contract is executed for each assisted family. The standard form of the HAP contract is used (Form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Group home.”

15-III. B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

Unless there is a live-in aide, the family unit size (voucher size) for an assisted occupant of a group home must be zero- or one-bedroom. If there is a live-in aide, the aide must be counted in determining the household’s unit size.

The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the prorated share of the payment standard for the group home size. The prorated share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home. The number of persons in the assisted household equals one assisted person plus any PHA-approved live-in aide.

The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

The utility allowance for an assisted occupant in a group home is the prorated share of the family unit size to the utility allowance for the group home.

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The rents paid for participants residing in group homes are subject to generally applicable standards for rent reasonableness. The rent for an assisted person must not exceed the prorated portion of the reasonable rent for the group home. In determining reasonable rent, the PHA **must** consider whether sanitary facilities and facilities for food preparation and service are common facilities or private facilities.

15-III. C. GROUP HOME: HOUSING QUALITY STANDARDS

The entire unit must comply with housing quality requirements described in Chapter 8, except for the standards that relate to sanitary facilities, food preparation and refuse disposal, space and security, structure and materials, and site and neighborhood as stated below.

- *Sanitary Facilities:* A group home must have at least one bathroom in the facility, with a flush toilet that can be used in privacy, a fixed basin with hot and cold running water, and a shower or bathtub with hot and cold running water. A group home may contain private or common bathrooms. However, no more than four residents can be required to share a bathroom.
- *Food Preparation and Service:* Group home units must contain a kitchen and dining area with adequate space to store, prepare, and serve food. The facilities for food preparation and service may be private or may be shared by the residents. The kitchen must contain a range, an oven, a refrigerator, and a sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.
- *Space and Security:* Group homes must contain at least one bedroom of appropriate size for every two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents. Doors and windows accessible from outside the unit must be lockable.
- *Structure and Material:* To avoid any threat to the health and safety of the residents, group homes must be structurally sound. Elevators must be in good condition. Group homes must be accessible to and usable by residents with disabilities.
- *Site and Neighborhood:* Group homes must be located in a residential setting. The site and neighborhood should be reasonably free from disturbing noises and reverberations, and other hazards to the health, safety, and general welfare of the residents, and should not be subject to serious adverse conditions, such as:
 - Dangerous walks or steps
 - Instability
 - Flooding, poor drainage
 - Septic tank back-ups, sewage hazards
 - Mud slides
 - Abnormal air pollution
 - Smoke or dust
 - Excessive noise

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- Vibrations or vehicular traffic
- Excessive accumulations of trash
- Vermin or rodent infestation, and
- Fire hazards.

The housing quality standards applicable to lead-based paint do not apply unless a child under the age of six is expected to reside in the unit.

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PART IV: SHARED HOUSING

[24 CFR 982.615 through 982.618; Form HUD-52641; Notice PIH 2021-05; New HCV GB, *Special Housing Types*, p.11]

15-IV. A. OVERVIEW

Families in markets with tight rental conditions or with a prevalence of single-family housing may determine a shared housing living arrangement to be a useful way to secure affordable housing. PHAs offering shared housing as a housing solution may also experienced some reduction in the average per-unit-cost (PUC) paid on behalf of assisted families.

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The unit may be a house or an apartment. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.

An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons.

Shared housing may be offered in a number of ways, including for-profit co-living (such as a boarding house, single bedroom with common living room/kitchen/dining room) run by a private company [Notice PIH 2021-05].

The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.

If approved by the PHA, a live-in aide may reside with the family to care for a person with disabilities. The PHA 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.

When shared housing is offered as a housing option, HUD encourages PHAs to consider ways in which the families may be assisted in finding shared housing, including for-profit shared housing matching (such as roommates or single-family homes) and online sites that charge a fee for their matching services, or nonprofit shared housing matching services. HUD further encourages PHAs to include information about this housing possibility in the family's voucher briefing.

PHAs should be aware of potential local legal barriers to HCV participants using shared housing, which can create additional obstacles for shared housing:

- Municipalities may have occupancy limits for the number of unrelated persons who may share a housing unit.
- Local zoning codes for single family housing may restrict occupancy in certain areas to households whose family members are related by blood.

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PHAs should work with local jurisdictions to find solutions that encourage affordable housing and are consistent with the Fair Housing Act, Title VI, and other federal, state, and local fair housing laws. PHAs should inform HUD if they encounter barriers to shared housing that may conflict with fair housing laws.

When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family. The standard form of the HAP contract is used (Form HUD-52641) with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Shared housing.”

15-IV. B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard for a family in shared housing is the lower of the payment standard for the family unit size (voucher size) or the prorate share of the payment standard for the shared housing unit size.

The prorate share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private, non-shared space by the total number of bedrooms in the unit.

Example: Family holds a two-bedroom voucher.
Shared housing unit size: bedrooms available to assisted family = 2
Total bedrooms in the unit: 3
2 Bedrooms for assisted family
÷ 3 Bedrooms in the unit
.667 pro-rata share
2 BR payment standard: \$1200
3 BR payment standard: \$1695
$\$1695 \times .667 \text{ (pro-rata share)} = \1131
\$1131 is lower than the \$1200 payment standard for the 2 BR family unit size
\$1131 is the payment standard used to calculate the HAP

The HAP for a family in shared housing is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

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The utility allowance for an assisted family living in shared housing is the prorated share of the utility allowance for the shared housing unit.

Example: A family holds a 2-bedroom voucher. The family decides to occupy 3 out of 4 bedrooms available in the unit.

The utility allowance for a 4-bedroom unit equals \$200

The utility allowance for a 2-bedroom unit equals \$100

The prorated share of the utility allowance is \$150 ($\frac{3}{4}$ of \$200)

The PHA will use the **pro-rated share of the** utility allowance of **\$150**.

The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the pro-rata portion of the reasonable rent for the shared unit. In determining reasonable rent, the PHA may consider whether sanitary and food preparation areas are private or shared.

OHCD Policy

OHCD does not operate Congregate Housing as a Special Housing type.

Use of Exception Payment Standards [Notice PIH 2025-12]

If a PHA determines that an exception payment standard higher than 120 percent of the FMR/SAFMR for the unit size may be necessary as a reasonable accommodation, the PHA must submit a request to the appropriate HUD field office. For shared housing, the threshold for requiring HUD approval of an exception payment standard as a reasonable accommodation is based on the FMR of the voucher size approved for the family. The pro-rata calculation required for shared housing only applies to the payment standard and utility allowance. The pro-rata calculation should not be applied to the FMR. The payment standard for a family that resides in shared housing is the lower of: (1) the payment standard amount on the PHA payment standard schedule for the family unit size; or (2) the pro-rata portion of the payment standard amount on the PHA payment standard schedule for the size of the shared housing unit. See Appendix A of Notice PIH 2025-12 for an example of the shared housing calculation.

15-IV. C. SHARED HOUSING: HOUSING QUALITY STANDARDS

The PHA may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards.

Housing quality standards requirements described in Chapter 8 apply to shared housing except for the requirements stated below.

- *Facilities Available for the Family:* Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.
- *Space and Security:* The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one

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bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size (voucher size). A zero-bedroom or one-bedroom unit may not be used for shared housing.

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PART V: COOPERATIVE HOUSING

[24 CFR 982.619; New HCV GB, *Special Housing Types*, p.14]

15-V. A. OVERVIEW

This part applies to rental assistance for a cooperative member residing in cooperative housing. It does not apply to assistance for a cooperative member who has purchased membership under the HCV homeownership option, or to rental assistance for a family that leases a cooperative housing unit from a cooperative member.

A cooperative is a form of ownership (nonprofit corporation or association) in which the residents purchase memberships in the ownership entity. Rather than being charged “rent” a cooperative member is charged a “carrying charge.” The monthly carrying charge includes the member’s share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. It does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

The occupancy agreement or lease and other appropriate documents must provide that the monthly carrying charge is subject to Section 8 limitations on rent to owner, and the rent must be reasonable as compared to comparable unassisted units.

When providing HCV assistance in cooperative housing, the standard form of the HAP contract is used with the special housing type specified in Part A of the HAP contract, as follows: “This HAP contract is used for the following special housing type under HUD regulations for the Section 8 voucher program: Cooperative housing.”

15-V. B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard and utility allowance are determined according to regular HCV program requirements.

The HAP for a cooperative housing unit is the lower of the payment standard minus the TTP or the gross rent (monthly carrying charge for the unit, plus any utility allowance) minus the TTP. The monthly carrying charge includes the member’s share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. The carrying charge does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

15-V. C. COOPERATIVE: HOUSING QUALITY STANDARDS

All housing quality standard requirements apply to cooperative housing units. There are no additional requirements. The PHA remedies described in 24 CFR 982.404 do not apply. Rather, if the unit and premises are not maintained in accordance with housing quality standards, the PHA may exercise all available remedies regardless of whether the family or cooperative is responsible for the breach of housing quality standards.

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No housing assistance payment can be made unless unit meets housing quality standards, and the defect is corrected within the period as specified by the PHA and the PHA verifies correction (see Chapter 8).

In addition to regular deficiencies, breaches of housing quality standards by the family include failure to perform any maintenance for which the family is responsible in accordance with the terms of the cooperative occupancy agreement [HCV GB].

OHCD Policy

OHCD does not operate Cooperative Housing as a Special Housing type.

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PART VI: MANUFACTURED HOMES

[24 CFR 982.620 through 982.624; FR Notice 1/18/17; New HCV GB,
Special Housing Types, p.15]

15-VI. A. OVERVIEW

A manufactured home is a manufactured structure, transportable in one or more parts, that is built on a permanent chassis and designed for use as a principal place of residence. HCV-assisted families may occupy manufactured homes in three different ways.

- (1) A family may choose to rent a manufactured home already installed on a space and the PHA must permit it. In this instance program rules are the same as when a family rents any other residential housing, except that there are special housing quality requirements as provided in 15-VI. D below.
- (2) A family can purchase a manufactured home under the Housing Choice Voucher Homeownership program.
- (3) HUD also permits an otherwise eligible family that owns a manufactured home to rent a space for the manufactured home and receive HCV assistance with the rent for the space as well as certain other housing expenses. PHAs may, but are not required to, provide assistance for such families.

15-VI. B. SPECIAL REQUIREMENTS FOR MANUFACTURED HOMEOWNERS WHO LEASE A SPACE

Family Income

In determining the annual income of families leasing manufactured home spaces, the value of the family's equity in the manufactured home in which the family resides is not counted as a family asset.

Lease and HAP Contract

There is a designated HAP Contract (Form HUD-52642) and designated Tenancy Addendum (Form HUD 52642-A) for this special housing type.

15-VI. C. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

Payment Standards

The PHA payment standard for manufactured homes is determined in accordance with 24 CFR 982.505 and is the payment standard used for the PHA's HCV program. It is based on the applicable FMR for the area in which the manufactured home space is located.

The payment standard for the family is the lower of the family unit size (voucher size) or the payment standard for the number of bedrooms in the manufactured home.

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Utility Allowance [24 CFR 982.624]

The PHA must establish utility allowances for manufactured home space rental. For the first 12 months of the initial lease term only, the allowance must include a reasonable amount for a utility hook-up charge if the family actually incurred a hook-up charge because of a move. This allowance will not be given to a family that leases in place. Utility allowances for manufactured home space must not include the costs of digging a well or installing a septic system.

Space Rent [24 CFR 982.66]

Rent to owner for rental of a manufactured home space includes payment for maintenance and services that the owner must provide to the tenant under the lease for the space. Rent to owner does not include the costs of utilities and trash collection for the manufactured home. However, the owner may charge the family a separate fee for the cost of utilities or trash collection provided by the owner.

Amortization Costs

The monthly payment made by the family to amortize the cost of purchasing the manufactured home is the debt service established at the time of application to a lender for financing the purchase of the manufactured home if monthly payments are still being made. Any increase in debt service due to refinancing after purchase of the home may not be included in the amortization cost. Debt service for set-up charges incurred by a family may be included in the monthly amortization payments made by the family. In addition, set-up charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortize the charges.

Housing Assistance Payment [24 CFR 982.622(b)]

The HAP for a manufactured home space under the housing choice voucher program is the lower of the payment standard minus the TTP or family's housing expenses minus the TTP.

Eligible Housing Expenses [24 CFR 982.623(b)]

The family's eligible housing expenses are the total of:

- The rent charged by the owner for the manufactured home space.
- Charges for the maintenance and management the space owner must provide under the lease.
- The monthly payments made by the family to amortize the cost of purchasing the manufactured home established at the time of application to a lender for financing the purchase of the manufactured home if monthly payments are still being made, including any required insurance and property taxes included in the loan payment to the lender.
 - Any increase in debt service or term due to refinancing after purchase of the home may not be included in the amortization cost.
 - Debt service for installation charges incurred by a family may be included in the monthly amortization payments. Installation charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortize the charges.
- The applicable allowances for tenant-paid utilities, as determined under 24 CFR 982.517 and 982.624.

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Rent Reasonableness

During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent. Initially, and at least annually thereafter, the PHA must determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. The PHA must consider the location and size of the space, and any services and maintenance to be provided by the owner in accordance with the lease (without a fee in addition to rent). By accepting the monthly housing assistance payment, the owner of the manufactured home space certifies that the rent does not exceed rents charged by the owner for comparable unassisted spaces in the same manufactured home park or elsewhere.

If requested by the PHA, the owner must give the PHA information on rents charged by the owner for other manufactured home spaces.

Distribution of HAP [24 CFR 982.623(c)]

The PHA pays the owner of the space the lesser of the housing assistance payment or the portion of the monthly rent due to the owner. The portion of the monthly rent due to the owner is the total of:

- The actual rent charged by the owner for the manufactured home space; and
- Charges for the maintenance and management the space owner must provide under the lease.

If the housing assistance payment exceeds the portion of the monthly rent due to the owner, the PHA may pay the balance of the housing assistance payment to the family. Alternatively, the PHA may pay the balance to the lender or utility company, in an amount no greater than the amount due for the month to each, respectively, subject to the lender's or utility company's willingness to accept the PHA's payment on behalf of the family.

OHCD Policy

If the housing assistance payment exceeds the portion of the monthly rent due to the owner, OHCD will pay the balance to the family.

Single HAP to Family [24 CFR 982.623.(d)]

If the owner of the manufactured home space agrees, the PHA may make the entire housing assistance payment to the family, and the family is responsible for paying the owner directly for the full amount of rent of the manufactured home space due to the owner, including owner maintenance and management charges.

OHCD Policy

OHCD will not exercise the option to pay a single HAP and will pay HAP directly to the owner.

15-VI. D. MANUFACTURED HOMES: HOUSING QUALITY STANDARDS

Under either type of occupancy described in 15-VI. A above, the manufactured home must meet all housing quality standards performance requirements and acceptability criteria discussed in Chapter 8 of this plan. In addition, the following requirements:

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Performance Requirement:

A manufactured home must be placed on the site in a stable manner and must be free from hazards such as sliding or wind damage.

Acceptability Criteria:

The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding.

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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. The PHA must have the capacity to operate a successful HCV homeownership program as defined by the regulations.

OHCD Policy

The PHA has instituted a minimum homeowner down payment requirement of at least three percent of the purchase price and requires that at least one percent of the purchase price comes from the family's personal resources.

There are two forms of homeownership assistance described in the regulations: monthly homeownership assistance payments and single downpayment assistance grants. However, PHAs may not offer downpayment assistance until and unless funding is allocated by Congress. Since this has not happened, only monthly homeownership assistance may be offered.

OHCD Policy

OHCD will offer the monthly homeownership assistance payments to qualified families.

Homeownership is defined as monthly homeownership assistance.

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

The PHA 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.

OHCD Policy

OHCD will offer a First-Time Homebuyer Homeownership monthly homeownership payment for families that receive HCV assistance and meet the qualifications.

15-VII. B. FAMILY ELIGIBILITY [24 CFR 982.627]

If the PHA Offers the homeownership option, participation by the family is optional. However, the family must meet all of the requirements listed below before the commencement of homeownership assistance. The PHA may also establish additional initial requirements as long as they are described in the PHA administrative plan.

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- The family must have been admitted to the Housing Choice Voucher program.
- The family must qualify as a first-time homeowner.
- The family must meet the Federal minimum income requirement. The family must have a gross annual income equal to the Federal minimum wage (\$7.25 2026) multiplied by 2000, based on the income of adult family members who will own the home. The PHA may establish a higher income standard for families. However, a family that meets the federal minimum income requirement (but not the PHA'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.

OHCD Policy

OHCD will not establish a higher minimum income standard for disabled and/or non-disabled families.

- 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.

OHCD Policy

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

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

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

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

OHCD Policy

- OHCD will impose additional eligibility requirements. To be eligible to participate in the homeownership option, families must meet the following criteria:
 - The family has had no family-caused violations of HUD's housing quality standards within the past year
 - The family is not within the initial one-year period of a HAP Contract
 - The family owes no money to OHCD and must be in good standing with OHCD
 - The family has not committed any serious or repeated violations of an OHCD-assisted lease within the past year
 - The HCV Homeownership Program is designed as a First-Time Homebuyer Program, subject to HUD definition
 - No household or persons anticipated to occupy the proposed property had ownership (within the past 3 years) or currently has interest in residential property anywhere in the United States, foreign land or country
 - Adult household members who will legally share the financial responsibility for the 1st Trust financing have not received Payday Loans, Cash advances, Title loans or have negative checking and/or savings account balances within the last 6 months prior to applying for the program
 - The family must have a middle credit score at or above 660 to be eligible for selection or current VHDA minimum score requirement
 - All of each proposed owner's collections and judgments, if any, must be paid in full, except that medical collections may be outstanding if the owner is in a repayment plan with no late or missed payments since entering into the repayment plan
 - Allow households with medical collections to be eligible for the FTHB program providing they are in a repayment plan with no late or missed payments since entering the repayment plan
 - All proposed owner's debt charge offs, if any, must be paid in full unless barred by the statute of limitations for collection (currently six years after the debt is due)
 - Purchasers are required to have at least one month of the amount of their monthly expenditures, based on the full mortgage payment to include principal, interest, taxes, insurance & HOA (escrow) in reserve at the time of purchase for mortgage payment
 - The family must have a minimum of six months with no late payments on outstanding debts (extenuating circumstances considered)
 - The family must be able to provide funds amounting to 3% of the sales price
 - At a minimum, it shall have been at least two years since discharge of a bankruptcy prior to the date of application for any person on the property deed or mortgage note

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- A household is not eligible if any person proposed to appear on the deed or mortgage note has previously owned an interest in any other property that was lost to foreclosure, unless:
 - The foreclosure occurred at least five years prior to date of application to the program
 - None of the proposed owners have filed for bankruptcy or had judgments entered against them since the foreclosure
 - There have been no collections (i.e. loans turned over to a third-party debt collection agency due to negligent payment practices of the borrower, as shown on a credit report) three years prior to applying to the program where there is a foreclosure history
- The family must show that they have secured their own financing for the home purchase and OHCD must approve the lender
- Has obtained a recommendation from at least one prior landlord that the family is a good candidate for homeownership assistance and has no record of delinquent rent or damage claims while the family occupied the rental housing
- Gross yearly income level is 2.5 times the **current** Payment Standard for Voucher size **based upon SAFMR Payment Standard by Zip Code.**
- Debt ratios 32/40 **expanded ratios of 35/45 may be considered for approval with strong compensating factors on a case by case basis**

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15-VII. C. SELECTION OF FAMILIES [24 CFR 982.626]

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

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

OHCD Policy

On January 2005, OHCD began the Housing Choice Voucher Homeownership option on a pilot basis to assist a maximum of 15 families. The Homeownership was initially offered to those families participating in the Welfare to Work or the Family Self-Sufficiency program. Following the pilot, the program was offered to all HCV participants.

Preference will be given to FSS participants who are expected to graduate within 2 months. The limit of participants remains at 15. Selected families must be approved by both the Supervisor and Director.

OHCD will review each of the families yearly to determine the progress they are making towards reducing their need for subsidies by increasing family income. Also, OHCD will assess the impact of the homeownership option on the cost to administer the HCV program.

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, the PHA must determine that the unit satisfies all of the following requirements:

- The unit must meet HUD's "eligible housing" requirements. The unit may not be any of the following:
 - 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 a one-unit property or a single dwelling unit in a condominium.
 - The unit must have been inspected by the PHA and by an independent inspector designated by the family.
 - The unit must meet housing quality standards (see Chapter 8).

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- 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.

Families may enter into contracts of sale for units not yet under construction. However, the PHA will not commence homeownership assistance for the family for the unit until:

1. Either the responsible entity completes the environmental review as required by 24CFR part 58 and HUD approved the environmental certification and request for release of funds prior to commencement of construction or HUD performed an environmental review under CFR part 50 and notified the PHA in writing of environmental approval of the site prior to construction commencement; and
2. Construction of the unit has been completed, and the unit has passed the required inspection and independent inspection as addressed elsewhere in this chapter.

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

15-VII. E. ADDITIONAL OHCD 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. The PHA 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 the PHA, the PHA may issue the family a voucher to lease a unit.

OHCD Policy

Once a family completes the required homeownership and housing counseling program and receives a certificate of completion, the family will have 120 days to find a home, execute a contract, get the home inspection and go to settlement.

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

If 120 days is not sufficient, the family may apply for extensions of 60 days upon documentation of need. All request for extensions must be submitted in writing to the OHCD prior to the expiration of the period for which the extension is being requested. OHCD will approve or disapprove the extension request within 10 business days. The family will be notified of the PHA's decision in writing.

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

Total maximum search time is 240 days. If the family is unable to locate a property within 240 days, they are no longer eligible for the program and will be sent notification that their time has expired, and they can reapply after one year from the date of notification.

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The home selected must be an existing home or under construction and located within Prince William County. The home must be fee simple.

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 the PHA. HUD suggests the following topics for the PHA-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 OHCD 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.

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

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

Any homeownership counseling provided to families in connection with this section must be conducted by a HUD certified housing counselor working for an agency approved to participate in HUD's Housing Counseling Program.

OHCD Policy

For HCV Homeownership assistance and before final eligibility determination and purchases, the family must attend a homeownership housing counseling program that will be provided by OHCD through the Virginia Cooperative Extension Office who are an approved HUD housing counseling agency. The program will include the following:

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1. Home Maintenance
2. Budgeting and Money Management
3. Credit Counseling
4. How to negotiate a contract for a home that conforms with OHCD requirements
5. How to locate financing, including pros and cons of different types of financing
6. How to find a home, including information about homeownership opportunities, schools and transportation
7. Advantages of homeownership in an area that does not have a high concentration of low-income families and how to locate homes in these areas
8. Information about the Real Estate Settlement Procedures Act (RESPA), State and federal truth and lending laws, and how to identify and avoid loans with oppressive terms and conditions
9. Information on Fair Housing including fair housing lending and local fair housing enforcement agencies, and
10. Post-Settlement counseling.

A Certificate of completion of the Homeownership and Housing Counseling must be provided to OHCD prior to final determination of eligibility for the HCV Homeownership Program.

Families will not be required to participate in ongoing counseling after commencement of homeownership assistance.

15-VII. G. HOME INSPECTIONS, CONTRACT OF SALE, AND OHCD DISAPPROVAL OF SELLER [24 CFR 982.631]

Home Inspections

The PHA may not commence monthly homeownership assistance payments for a family until the PHA has inspected the unit and has determined that the unit meets housing quality standards.

OHCD Policy

After the family locates a home, they wish to purchase and submits a copy of their purchase offer/contract, OHCD will conduct an inspection within 10 business days. Any items found not to meet housing quality standards must be repaired before the unit can be determined eligible for the Homeownership Program.

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 licensed and qualified to report on property conditions, including major building systems and components.

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

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OHCD Policy

The family must hire an independent professional inspector, whose report must be submitted to OHCD for review. This inspector must be a member of the American Society of Home Inspectors (ASHI) or other recognized professional society, or a licensed engineer. The inspector cannot be an OHCD employee or contractor.

The PHA may disapprove of a unit for assistance based on information in the independent inspector's report, even if the unit was found to comply with housing quality standards.

OHCD Policy

After the family has selected a home and before commencement of homeownership assistance, there are two mandatory inspections.

For the first inspection, the family must hire and pay for the cost of an independent professional home inspector who is qualified to report and to inspect the home for physical defects to assess the adequacy and life span of the major building components, building systems, appliances and other structural components. A copy of the inspection report must be provided to the family and OHCD. The inspector must be a member of the American Society of Home Inspectors (ASHI) or other recognized professional society, or a licensed engineer. The inspector must not be an OHCD employee.

Once the inspection is completed, the lender will review the inspection report for accuracy and completeness. Based on these inspections, the family and OHCD will determine if there are any pre-purchase repairs that need to be discussed and decided upon by the seller and the family, the severity of the repairs, and whether the purchase transaction makes sense in light of the overall condition of the home and the likely cost of repairs and capital expenditures. OHCD may disapprove of the purchase of the home and all parties will be notified in writing of the reason for the disapproval.

Second, the home must pass an initial OHCD housing quality standard inspection that will be performed by OHCD. The inspection is the normal initial inspection conducted by OHCD for the Tenant-Based Rental Assistance Program.

OHCD considers the home inspection requirement to be a critical step in the home selection process. The professional home inspection will disclose independent data concerning the age and condition of the home, especially those components of the home such as the roof, heating and air conditioning, and appliances that must be replaced based on the age and condition of the home. The affordability model will be used to measure the family's ability to pay housing and non-housing cost and replacement of the home's major systems and components.

The Statement of Family Obligations will include a requirement that the family maintain the unit once purchased in accordance with Federal housing quality standards which requires a biennial inspection. Any notice of deficiency would need to be corrected within the time limit specified in the notice. Failure to do so may result in termination of benefits under the program.

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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 the PHA 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;
- Contract must be subject to the home passing an initial OHCD Housing Inspection, to be performed by OHCD staff;
- Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector, and must be a member of the American Society of Home Inspectors (ASHI) or other recognized professional society, or a licensed engineer, 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;
- Disclosure of Information on Lead-Based Paint and Lead-Based Hazards; asbestos abatement, mold remediation, reduction of prevention of carbon monoxide poisoning, and radon mitigation;
- Condition of acquiring 1st trust financing, and any downpayment assistance programs/grants;
- A contract for the sale of a unit not yet under construction must meet all above requirements, and requirements below. Commencement of construction in violation of the below requirements voids the purchase contract.
 - The purchaser is not obligated to purchase the unit unless an environmental review has been performed and the site received environmental approval prior to commencement of construction in accordance with 24 CFR 982.628; and
 - The construction will not commence until the environmental review has been completed and the seller has received written notice from the PHA that environmental approval has been obtained. Environmental approval may be conditioned on the contracting parties' agreement to modification to the unit design or to mitigation actions.

Disapproval of a Seller

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

15-VII. H. FINANCING [24 CFR 982.632]

The PHA may establish requirements for financing purchase of a home under the homeownership option. This may include requirements concerning qualification of lenders,

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terms of financing, restrictions concerning debt secured by the home, lender qualifications, loan terms, and affordability of the debt. OHCD must establish policies describing these requirements in the administrative plan.

OHCD Policy

OHCD requires that families acquire financing from one of VHDA's participating lenders and must approve all financing before purchase.

OHCD must approval any downpayment assistance programs/grants.

OHCD also will not approve "seller financing" or "owner-held" mortgages. Beyond these basic criteria, OHCD will rely on the lenders to determine that the loan will be affordable to program participants. Families, Lenders, and Counselors must consider the following when selecting a Mortgage Product:

OHCD does not permit balloon payment and variable interest rate loans for homeowner financing.

1. **OHCD may consider assumption of seller's mortgage on a case-by-case basis.**
2. Seller financing is prohibited
3. Financing for purchase of a home under its HCV homeownership program must 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; or if the purchase of a home is financed with FHA mortgage insurance, financing is subject to FHA mortgage insurance requirements

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

A family's may request to utilize its Family Self-Sufficiency escrow account for downpayment and/or closing cost when purchasing a unit under the HCV homeownership option if homeownership is a goal.

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

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Before commencement of homeownership assistance, the family must execute a statement of family obligations in the form prescribed by HUD [Form HUD-52649]. In the statement, 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 any 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 the PHA, or HUD as specified in 24 CFR 982.551(b). The family must further supply any information required by the PHA or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.
- The Program Lien will not be subordinated at any time during the lien period to a Home Equity Loan, other loan, or refinances of the first loan that result in removal of equity from the property for any reason (i.e., cash, loan consolidation, debt repayment, home improvements, education expenses, etc.)
- The family must notify the PHA before moving out of the home.
- The family must notify the PHA if the family defaults on a mortgage securing any debt incurred used to purchase the home.
- The family must provide the PHA with information on any satisfaction or payment of the mortgage debt.
- During the time the family receives homeownership assistance under this subpart, no family member may have any ownership interest in any other 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).

OHCD Policy

Post-purchase requirements are found in the Statement of Homeowner Obligations Form (HUD-52649). See Exhibit 15-1. If *Key to Own Participants* do not meet these responsibilities the participants may be terminated from the HCV Homeownership Program. Any inspection conducted by OHCD will be performed every other year. The family will be required to make the repairs to bring the property into housing quality standard compliance.

An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for different unit under any duplicative Federal, State or local housing assistance program.

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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.

OHCD Policy

The maximum term for OHCD HCV Homeownership assistance will be for 15 years if the 1st trust financing is 20 years or longer. If elderly or disabled family makes application for the Homeownership assistance, the assistance will be for the life of the loan. If the family ceases to qualify as disabled or elderly family, the maximum term of assistance will be 15 years from when the homeownership assistance commenced along with an additional 6 months of homeownership assistance. If an elderly or disabled family pays the entire mortgage payment without any HAP assistance for at least 180 days, the HAP assisted will terminate.

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. The payment standard amount may not be lower than what the payment standard amount was at commencement of homeownership assistance.

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In determining the amount of the homeownership assistance payment, the PHA will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described 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.

OHCD Policy

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

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

OHCD Policy

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

Homeownership expenses (not including cooperatives) may only include amounts allowed by the PHA to cover:

- Principal and interest on initial mortgage 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 PHA allowance for maintenance expenses;
- The PHA allowance for costs of major repairs and replacements;
- The PHA 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 the PHA determines that allowance of such costs as homeownership expenses is needed as

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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 free 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 the PHA 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 PHA allowance for maintenance expenses;
- The PHA allowance for costs of major repairs and replacements;
- The PHA 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 the PHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.
- Cooperative operating charges or maintenance fees assessed by the cooperative homeowner association.

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

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OHCD Policy

Homeownership expenses only include amounts

- Monthly Homeownership Payments – This includes principal and interest on initial mortgage debt, taxes and insurance, and any mortgage insurance premium, if applicable.
- Utility Allowance – OHCD utility allowance for the unit, based on the current HCV utility allowance table based upon the voucher size or unit whichever is less.
- Monthly Maintenance /Repair Allowance – The monthly maintenance/repair allowance will be provided at \$120 per month. **The Housing Program Analyst must verify monthly that the monthly maintenance/repair allowance amount is being deposited into a savings account and used only for maintenance of the unit.**
- Monthly Co-op/Condominium Assessment – If applicable, the monthly amount of co-op or condominium association operation and maintenance assessment.
- Monthly Principal & Interest on Debt Improvements – Principal and interest for major home repair, replacement, or improvements if applicable.
- Land lease payments. Land lease payments where a family does not own fee title to the real property on which the home is located.

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 PHA 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.

OHCD Policy

A family may qualify to move outside of OHCD's jurisdiction with continued tenant-based assistance under the voucher program if **all** of the following criteria apply:

1. For homeownership assistance, the receiving PHA must be absorbing a voucher homeownership program and be accepting new homeownership families.
2. The family must sell its current home and pay all mortgages and liens on the property in order to purchase and port to another home.
3. The receiving PHA:
 - Will have the same administrative responsibilities of the initial PHA except that some administrative functions (e.g., issuance of a voucher or execution of a tenancy addendum) do not apply.
 - Must absorb the family into its voucher program.

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- Will determine if financing and physical condition of the unit is acceptable and all homeownership policies apply.
- The maximum term of homeownership assistance applies to the cumulative time the family has received homeownership assistance. The total must **not** exceed the maximum term of 15 years unless elderly or disabled.

Note: All portability policies that are in place for the HCV rental assistance program are applicable to the HCV homeownership program. All homeownership program eligibility criteria will apply, i.e., the family must be a participant with the PHA's rental program for one year and in good standing, etc.

15-VII. M. MOVING WITH CONTINUED ASSISTANCE [24 CFR 982.637]

A family receiving homeownership assistance may move with continued tenant-based assistance or with voucher homeownership assistance.

The PHA must determine that all initial requirements have been satisfied if a family that has received homeownership assistance wants to move with continued homeownership assistance. However, the following do not apply:

- The requirement that a family must be a first-time homeowner is not applicable.
- The requirement for pre-assistance counseling is not applicable. However, the PHA may require that the family complete additional counseling (before or after moving to a new unit with continued homeownership assistance).

Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home. However, when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault stalking or human trafficking, 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 they own any title or other interest in the prior home.

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

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

The PHA 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.

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OHCD Policy

OHCD will not allow a family receiving homeownership assistance to purchase another home because the HCV Homeownership Program is designed as a First-Time Homebuyer Program. To be a First-Time Homebuyer no household or persons anticipated to occupy the proposed property had ownership (within the past 3 years) or currently has interest in residential property anywhere in the United States, foreign land or country.

15-VII. N. DENIAL OR TERMINATION OF ASSISTANCE [24 CFR 982.638]

At any time, the PHA 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).

The PHA 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, with the exception of failure to meet obligations under the Family Self-Sufficiency program as prohibited under the alternative requirements set forth in FR Notice 12/29/14.

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

OHCD Policy

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

The PHA must terminate voucher homeownership assistance for any member of family receiving homeownership assistance that is dispossessed (**evicted**) 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.

OHCD Policy

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

In making its decision to terminate homeownership assistance, OHCD will consider alternatives as described in Section 12.II.C and other factors described in Section 12-II.D.

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Upon consideration of such alternatives and factors, OHCD may, on a case-by-case basis, choose not to terminate.

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

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

- The family defaulted on **the first trust mortgage or on the terms of any downpayment and/or closing costs assistance program**; 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.

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