

Orange County Housing Authority

1501 E. St. Andrew Place • Santa Ana, CA 92705
 (714) 480-2700 • California Relay Service (800) 735-2929
<http://www.ochousing.org>

Housing Choice Voucher Homeownership Program Fact Sheet

Under certain circumstances, Housing Choice Vouchers can be used to assist qualified program participants to become first-time homeowners. Participants who wish to participate in the program must meet certain initial eligibility requirements.

To determine whether you meet the minimum eligibility criteria, answer the following questions:

1. Have you been a tenant in OCHA's Housing Choice Voucher Program for at least one year?
2. Are you are in good standing with OCHA?
 - a. You do not owe money to OCHA.
 - b. You have not committed any serious/repeated violations of Family Obligations within the last year.
3. You have not defaulted on a mortgage in the past and have not owned a home in the past three years.
4. Do you have at least 1% of the property cost, from your own personal funds as a down payment and can you also meet the minimum down payment requirement of 3%; (there may be funding available from cities or other sources to assist with the cost of the down payment)?
5. Do you have income that is not limited to only TANF/CalWorks or Unemployment Benefits?
6. Does your annual gross income (before deductions) meet or exceed \$14,500 **or** \$8,088 annually if you are disabled? (Note: income limits are subject to change)
7. Has any adult member of your household been employed full time (30 hours per week or more) for at least one year **or** are you elderly or disabled?

If you answered yes to all the above, please continue to learn more about how this program works on page 2.

If you answered no to any of the questions above you are **not** eligible to participate in the program at this time. Please see the "IMPORTANT INFORMATION" below.

IMPORTANT INFORMATION: If you are not eligible for the program, but would like a referral to credit counseling, assistance with balancing your personal finances, and/or homebuyer education, please contact the Family Self-Sufficiency Program at 714-480-2770.

How can I use a Housing Choice Voucher to purchase a home?

OCHA uses the same rental assistance Payment Standards to help pay for homeownership. The approximate maximum loan amounts and estimated minimum down payments are as follows:

	One bedroom home	Two Bedroom home	Three Bedroom home
Estimated Maximum Loan	\$150,000-\$180,000	\$170,000-\$215,000	\$265,000-\$305,000
Minimum 3% Down payment	\$4,500-\$6,000	\$5,100-\$6,450	\$7,950-\$9,150

If you find a property in your eligible bedroom size that is higher priced than the above sample loan amounts, your down payment will have to make up the difference. (see details on page 2)

How much will I need for a down payment?

The amount of the down payment depends on the price of the home you buy and your lender’s requirements. Your minimum down payment will be at least 3% of the purchase price. At least 1% of the down payment must come from your own savings; the balance may be from city, state and other homebuyer programs that offer down-payment/purchase assistance or can be a gift from a friend or relative. You are also responsible for closing costs.

How long can I receive homeowner assistance?

For mortgages that are 20 years or more, Voucher assistance can be used for a maximum of 15 years. A maximum of ten years of assistance can be paid on mortgage loans of ten years (or less). There are no term limits for elderly and/or disabled households.

How does financing work?

Participating homebuyers are responsible for securing their own mortgage financing. Each participant will have to be pre-approved by a lender. To qualify for participation in the HCV Homeownership Program you must be eligible for a home loan with a lender/financial institution that is willing to accept monthly mortgage payments in two (2) increments: one monthly payment from the participant and one payment from OCHA.

How much assistance can I receive?

The amount of assistance from the HCV Homeownership Program depends on your household income and total monthly homeownership costs. In general, the amount of assistance will be very similar to the amount that OCHA currently pays your landlord for rental assistance. OCHA will adjust assistance payments when a qualifying income change occurs and is reported timely by your household, as in the rental program.

The following shows examples of the maximum loan and housing costs that can qualify under OCHA Payment Standards. OCHA’s monthly payments will apply to Principle and Interest (PI) and Taxes included in the mortgage payment. Homebuyers are responsible for their portion of the total housing costs.

Bedroom Size	<u>1BR</u>	Restricted* <u>1BR</u>	<u>2BD</u>	Restricted* <u>2BR</u>	<u>3BR</u>	Restricted* <u>3BR</u>
Payment Standards:	\$1,700	\$1,926	\$2,098	\$2,378	\$2,905	\$3,163
Estimated Monthly Costs should not exceed Payment Standards as demonstrated (30 year loan @4%):						
MAXIMUM LOAN	\$170,000	\$180,000	\$200,000	\$215,000	\$285,000	\$305,000
Principal & Interest:	\$812	\$860	\$955	\$1027	\$1,361	\$1,457
Tax:	\$177	\$188	\$208	\$224	\$297	\$318
Insurance:	\$92	\$92	\$100	\$100	\$108	\$108
Mortgage Insurance:	\$71	\$75	\$84	\$90	\$123	\$130
Utility Allowance:	\$72	\$72	\$88	\$88	\$124	\$124
If a Home/Condominium requires Homeowner Association Dues, monthly costs will increase by that amount:						
Sample HOA Dues:	\$200	\$200	\$200	\$200	\$200	\$200
MAXIMUM LOAN	\$150,000	\$155,000	\$170,000	\$185,000	\$265,000	\$290,000

The above is an example of basic estimated costs, as interest rates, allowances, etc. may fluctuate. A lender’s estimate will provide more accurate details.

* “Restricted” Payment Standards are applied to higher cost areas (generally south Orange County areas)

If you meet the minimum eligibility criteria and have been preapproved for a loan:

Call OCHA’s Housing Choice Voucher Homeownership Program at 714-480-2746 to receive a pre-application.