

HOUSING CHOICE VOUCHER PROGRAM HOMEOWNERSHIP OPTION

The Manchester Housing and Redevelopment Authority (MHRA) is pleased to implement the homeownership option as part of its Housing Choice Voucher Program (HCV). Through this option, eligible HCV recipients may use their assistance toward the purchase of a home. A home may be sought within the MHRA's area of operation (within six miles of the City's boundary) or outside of this area if the housing authority administering the HCV Program for that region has decided to offer the homeownership option. Details concerning this option are shown below:

Eligibility Requirements:

The family must be a current Housing Choice Voucher Program participant.

The family must be a first-time home buyer (may not have had an ownership interest in a residence within the last three years). Note: A single parent or displaced homeowner who, while married, owned or resided in a home with the spouse, can be considered a first-time home buyer.

The family must meet the income requirement. For non-disabled families, the annual income of adult family members who will own the home must be at least \$14,500.00 (2000 hours times the minimum wage). For disabled families, annual income must be at least \$8,820.00 (twelve months times the monthly SSI benefit for an individual.) Welfare assistance cannot be counted toward this requirement unless the family is an elderly or disabled family.

The family must meet the employment requirement in that one or more family members must be employed for at least thirty hours per week. In addition, such family member(s) must have been employed in this capacity for a full year. (This does not apply to elderly or disabled families.) Please note that a single break in employment for less than thirty days will not be considered to interrupt this year if the break in employment was beyond the control of the family member.

The family may not have defaulted on a previous mortgage to purchase a home under this program.

The family may not owe a debt to the MHRA or any other housing authority and must be in otherwise good standing.

The family may have no present ownership interest in the residence (except for cooperative members).

The family must attend and satisfactorily complete a homeownership and housing counseling program that meets the requirements of the program. In the Manchester area both New Hampshire Housing Finance Authority and Manchester Neighborhood Housing Services offer such programs.

The residence must be for full time occupancy by the owner.

Unit Eligibility:

The unit must be a single family home or a single unit in a cooperative or condominium.

The unit must pass a Housing Quality Standards inspection conducted by the MHRA.

The unit must pass another inspection performed by an independent professional inspector hired by the family and the results of the inspection must be provided to the MHRA.

The unit must pass certain environmental requirements which would affect properties located in flood plains, the coastal barrier resource system, or air clear zones.

The unit must either currently exist or be under construction.

A copy of the contract for sale of the unit must be provided to the MHRA.

A copy of the Lead Paint Disclosure must be provided to the MHRA.

Financing Requirements:

It is anticipated that, in most cases, a down payment of 3% of the purchase price will need to be applied to the purchase. Of the 3%, 1% must come from the family's personal resources. Lower downpayments are acceptable upon receipt of evidence that they meet secondary mortgage market requirements.

Seller financing is not normally permitted.

Financing terms cannot require a balloon payment.

To obtain financing it is recommended that the mortgage debt ratio and the total debt ratio meet secondary mortgage market requirements. (New Hampshire Housing Finance Authority sets these ratios at 33% and 38% respectively but other programs allow somewhat higher ratios. For example, the Home Choice Program has ratios of 28% and 50%).

Limits on Homeownership Assistance:

HCV assistance will be provided for up to fifteen years if the initial mortgage term is twenty years or longer.

HCV assistance will be provided for up to ten years in other cases.

The ten or fifteen year time limit begins on the initial date of purchase.

These limits on assistance do not apply to disabled families or to families which qualify as elderly families at the commencement of homeownership assistance.

The benefits of homeownership are substantial and the MHRA is pleased to encourage it by offering this homeownership option. If you meet the eligibility requirements and wish to apply, please contact your Leased Housing Specialist at 624-2100.

NEIGHBORWORKS GREATER MANCHESTER: 603-626-4663

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY: 603-472-8623 OR 1-800-622-5266