



## ANN ARBOR HOUSING COMMISSION

727 Miller Avenue, Ann Arbor, MI 48103

Phone (734) 794-6720

Fax (734) 994-0781

<http://www.a2gov.org>

### HCV Homeownership Eligibility

The Ann Arbor Housing Commission administers vouchers for the homeownership program. If you are currently a participant in the Ann Arbor Housing Commission Housing Choice Voucher program or Project Based Voucher program and receive rental assistance, you can use your voucher to buy a home and receive monthly assistance in meeting homeownership expenses. The home must pass an initial housing quality standards inspection conducted by the AAHC and an independent home inspection before the AAHC may approve the purchase by the family.

#### Families must meet these requirements:

1. **First-time homeowner or cooperative member.**
  - a. No family member has owned or had ownership interest in their residence for at least three years.
  - b. Except for cooperative members, no member of the family has any ownership interest in any residential property.
2. **Minimum income requirement.** Except in the case of disabled families, the qualified annual income of the adult family members who will own the home must not be less than the Federal minimum hourly wage multiplied by 2,000 hours. For disabled families, the qualified annual income of the adult family members who will own the home must not be less than the monthly Federal Supplemental Security Income (SSI) benefit for an individual living alone multiplied by 12.
3. **Employment requirement.** Except in the case of elderly and disabled families, one or more adults in the family who will own the home is currently employed on a full-time basis and has been continuously employed on a full-time basis for at least one year before commencement of homeownership assistance.
4. **Additional AAHC eligibility requirements.** The family meets any other initial eligibility requirements set by the AAHC.
5. **Homeownership counseling.** The family must attend and satisfactorily complete a pre-assistance homeownership and housing counseling program.

Need more information, contact us at 734-794-6720 ext. 47203 or See our FAQ's below!



## Section 8 Homeownership Voucher FAQ's

### **How do I apply?**

Contact us for a HCV Homeownership application at 734-794-6720 or visit our website at [www.a2gov.org/housingcommission](http://www.a2gov.org/housingcommission)

### **What is the approval process?**

The AAHC will review your application to verify your eligibility, you will then receive notice if you were approved or denied for the Homeownership program.

### **When do I meet with a housing counselor?**

The AAHC will refer your approved application to the MSU Extension:

1. You must contact MSU Extension to register for the next Homebuyer Education Workshop
2. After certification of the Homebuyer workshop, you must attend Financial Literacy courses with Power Inc.
3. After certification of Financial Literacy, Power Inc., will assist you in obtaining financing
4. You must obtain financing on your own. Once you have been pre-approved for financing please contact AAHC.

### **What happens when I'm pre-approved for a loan?**

Once you are pre-approved for a loan you must contact the AAHC to schedule an appointment. At this meeting we'll discuss your next steps, the interest rate on your loan, down payment, where to look for a home, coordinating with your loan officer and realtor, approving your new home for HQS inspection, completing an independent inspection and your closing.

### **What about help with the down payment?**

The AAHC does not assist with down payment assistance. You may speak to a realtor or loan officer about down payment options.

### **What happens after I have found a home?**

Once you have located your new home, contact AAHC before making an offer on your new home:

1. AAHC must approve your loan before you locate a home
2. You may only purchase a home within Washtenaw and Monroe.
3. Once AAHC has approved your loan you may make an offer on a home. If your offer is accepted contact us to schedule an HQS inspection.
4. Once the HQS inspection has passed you must conduct an Independent Inspection on the home, this will cost you between \$300 and \$700.



### **What happened after the HQS Inspection and Independent Inspection?**

Once the unit passes inspection, you may begin closing on your new home. Your realtor should be with you every step of the way. At this point, the AAHC and the realtor should work very closely together. It is very important that the AAHC, Realtor, and Loan Officer work together!

### **When do I close on my new home?**

There are a few things that must happen before you close on your new home:

1. You must have a passed HQS inspection by the AAHC
2. You must complete an Independent Inspection
3. AAHC may require you to have a down payment
4. You must provide your landlord with notice to move out
5. You must set up a bank account for your escrow (mortgage, taxes, and insurance) payments
6. You must contact the AAHC before you close on your new home
7. AAHC must have copies of all your closing documents

### **Will I have any out-of-pocket expenses to purchase my home?**

Yes, AAHC will require you to pay a minimum of 1% of the purchase price toward your down payment or closing. This money must come from your own funds and may not be borrowed or loaned to you. The policy does not apply to home purchases through the Habitat for Humanity.

**What are monthly homeownership expenses?** Monthly homeownership expenses include:

1. Mortgage principal and interest,
2. Mortgage insurance premium,
3. Real estate taxes and homeowner insurance,
4. AAHC allowance for utilities,
5. AAHC allowance for routine maintenance costs,
6. AAHC allowance for major repairs and replacements,
7. Principal and interest on debt to finance major repairs and replacements for the home, and
8. Principal and interest on debt to finance costs to make the home accessible for a family member with disabilities if the AAHC determines it is needed as a reasonable accommodation.

### **How much financial assistance can AAHC provide in each voucher?**

The AAHC uses its normal voucher program payment standard schedule to determine the amount of subsidy. The housing assistance payment (HAP) is the lesser of either the payment standard minus the total tenant payment or the family's monthly homeownership expenses minus the total tenant payment. The AAHC will make the HAP payment directly to the lender.



**What is the total monthly tenant payment?**

For purposes of calculating the amount of financial assistance to be provided by the AAHC, the monthly tenant payment is generally 30% of the family's adjusted monthly income.

**What do I have to pay each month?**

You have to pay at least the total tenant payment (approximately 30% of adjusted monthly income). However, if you purchase a home that has monthly expenses higher than those covered by the total of the financial assistance provided by the AAHC together with the tenant payment (30% of income), any additional amount will have to be paid by the family.

**Do families have to purchase a home in the jurisdiction where the AAHC issued the voucher?**

No. Families that are eligible for homeownership assistance may purchase a home outside the initial jurisdiction if the AAHC in the new jurisdiction administers the homeownership voucher program and receives new families into the program. However, the family may only use the voucher to purchase a unit in an area where the family is income eligible at admission to the program.

**How long can a family receive assistance under this program?**

There is no time limit for an elderly household or a disabled family. For all other families, there is a mandatory term limit of 15 years if the initial mortgage incurred to finance purchase of the home has a term that is 20 years or longer, and for all other cases the maximum term of homeownership assistance is 10 years.

