

# HCV Homeownership Q&A

Housing Authority of the County of Santa Cruz , also serving Hollister and San Juan Bautista

Oct 21

## Tips for preparing for homeownership

- ✓ Attend a Homeownership Seminar offered by a HUD approved Housing Counseling Agency.
- ✓ Start a savings account. Even saving a small amount will show a lender that you have been working toward your goal.
- ✓ Develop a budget for the whole family.
- ✓ Work to improve your credit score and pay off debts.
- ✓ Be realistic about the size and type of home that you may be able to afford.

## A Homeownership Program for Housing Choice Voucher Families

### How does the HCV Homeownership Program work?

The Housing Choice Voucher Program (HCV) includes a homeownership program. Under the program, participants who qualify may have their monthly housing assistance payment applied to a mortgage payment rather than rent.

You may be eligible to participate if:

- ✓ You have participated in the HCV program for at least one year
- ✓ At least one member of your family works 30 hours per week or more, and your family earns more than the minimum allowable earned income. (This amount changes annually. There are some exceptions for elderly or disabled persons. Participants must have enough income to qualify for a mortgage loan)
- ✓ You are in good standing with the HCV program (no program violations or outstanding debts)
- ✓ No one in your household has owned a home for the last 3 years.

### Will the Housing Authority help me find a house and get a loan?

It is your responsibility to obtain and attend approved homeownership counseling, work with a lender to qualify for a mortgage, find a real estate agent to work with, and find a home to buy. Here's how it works:

- ✓ You attend HUD approved Housing Counseling as needed to learn about the homebuying process.
- ✓ If you meet the minimum requirements, we will provide a list of lenders that are familiar with the HCV program. It is your responsibility to choose a lender and apply for a mortgage. You do not have to choose a lender from the list.
- ✓ You and your lender can use the Eligibility Worksheet on our website to review the basic requirements.
- ✓ You select a real estate agent and begin searching for a home you can afford.
- ✓ We determine your final eligibility once you find a home to purchase.



**Questions? Call our Info Line at 454-5955  
or visit us online at [www.hacosantacruz.org](http://www.hacosantacruz.org)**



2160 41<sup>st</sup> Avenue, Capitola, CA 95010 Open M-TH 8-4:30,

Closed Fridays

For our business office or para información in español: 831 454-9455

TDD: 831 475-1146

*Program rules are subject to change. Use this as general guidance only.*

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## More About Homeownership Programs for HCV Families

### How much assistance will I qualify for?

The amount of assistance you would get from the HCV Homeownership Program depends on your income and your total monthly homeownership costs. In general, the amount of assistance may be similar to what the Housing Authority pays your landlord now as rental assistance.

The Housing Authority can help you estimate the amount of assistance you may receive.

This assistance may be sent directly to you every month, or to your lender, depending on what you, your lender and Housing Authority staff decide.

Your assistance payments would be continually adjusted as your income and housing costs change.

In most cases, your homeownership assistance payments would end after 15 years or sooner if your income increases so that you are able to afford your entire monthly payment.

### How much will I need for a downpayment?

The amount of the downpayment depends on the price of the home you buy and your lender's requirements.

You are required to make a downpayment of at least 3% of the purchase price. 1% must come from your own savings, and the rest may be a gift from a friend or relative.

You will also be responsible for paying closing costs and home inspection fees, which may cost several thousand dollars.

If you participate in the Housing Plus (HP) program, you may use the funds in your escrow account for your downpayment if you complete your HP contract.

There may be other programs available to provide a homebuyer with additional assistance. Some that the Housing Authority is aware of can be found on the Housing Programs Q&A. Your lender may have additional information.

### What kind of mortgage can I apply for?

If you participate in the HCV Homeownership program, you must receive a conventional, fixed-rate mortgage from a lender we approve of. Adjustable rate mortgages, balloon payments, and seller financing are not permitted with the HCV Homeownership program.



### Need More Info?

Visit our website or call our Info Line to get more resources, including:

- ✓ Housing Plus Q&A
- ✓ Housing Programs Q&A
- ✓ Links to online resources for learning about homeownership and finding a home to buy
- ✓ Special Needs Q&A

**Info Line: 831 454-5955**

**Website: [www.hacosantacruz.org](http://www.hacosantacruz.org)**