

Attachment I Homeownership Capacity Statement

The PHA Consortium will pursue the Homeownership option as follows:

- a) An eligible homeownership family must be an FSS participant, in good standing, and must be a first-time homebuyer (may not have owned title to a principal home in the last three (3) years. At a minimum, the head of household or spouse must earn (gross monthly income) at least two times the Section 8 payment standard for the appropriate bedroom size.
- b) The head of household or spouse must be currently employed on a full-time basis for at least one (1) year or more; must be credit worthy, and the income-to-debt ratio may not exceed 40% of gross income.
- c) The minimum income requirement must come from sources other than public assistance.
- d) The PHA has established that the minimum down payment for purchase of a home will be \$1,500 or 3% of the purchase price, whatever is greater. (At least 1% of purchase price must come from the family's own resources.)
- e) The proposed financing terms must be submitted to and approved by the counseling/PHA agency prior to close of escrow. The counseling agency/PHA shall determine the affordability of the family's proposed financing. In making such determination, the PHA may take into account other family expenses, including but not limited to child care, unreimbursed medical expenses, education and training expenses. Certain types of financing, including but not limited to balloon payment mortgages, are prohibited and will not be approved by the PHA. Seller-financing mortgages shall be considered by the PHA on a case-by-case basis. If a mortgage is not FHA-insured, the PHA will require the lender to comply with generally accepted private sector underwriting standards.