

**Section 8 Families:**

**Are You Ready  
for Homeownership?**



**Introducing  
the Section 8  
Homeownership  
Program**



**The Section 8 Homeownership Program**



**Now You May Use  
Your Section 8  
Voucher to Help  
Buy a Home of  
Your Own.**

The Department of Housing and Urban Development has expanded the Section 8 Housing Choice Voucher program to include a homeownership option. Now, the same program that has helped you rent good, safe, affordable housing may help you buy a home of your own.

**How Does It Work?**

In the Section 8 Homeownership Program, you can continue to receive a monthly subsidy from the Housing Authority. You are still responsible for finding a home to buy that you can afford, qualifying for a loan, and coming up with a down payment. The difference is that the payment is no longer sent to your landlord—instead, it is sent to you to help you make your monthly mortgage payment.

**Section 8 Homeownership Questionnaire**

Name \_\_\_\_\_

Tenant ID \_\_\_\_\_

Phone: daytime \_\_\_\_\_ evening \_\_\_\_\_

Is your household income over \$10,300 per year?    \_\_\_ Yes    \_\_\_ No

Is someone in your household employed at least 30 hours per week?  
\_\_\_\_\_ Yes    \_\_\_\_\_ No

How much money do you have for a down payment?  
\_\_\_\_\_

Have you ever attended a home buying seminar or applied for a home mortgage loan?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We will add your name to the invitee list for the next regularly scheduled Section 8 Housing Choice Voucher Homeownership Seminar.

Would you prefer to attend a seminar in:    \_\_\_ English    \_\_\_ Spanish

Return this to:

**Housing Authority of the County of Santa Cruz**  
2931 Mission Street Santa Cruz CA 95060  
Phone (831) 454-9455 ext. 241 Fax (831) 469-3712  
e-mail: S8home@hacosantacruz.org  
www.hacosantacruz.org

## Ready to take the first step?



**Clip this questionnaire and return it to the Housing Authority.**

This is not an application form, and you will not be approved for homeownership assistance based on the answers you provide. The purpose of this questionnaire is simply to help us assess your level of interest in the program.

Please complete this form and return it to the Housing Authority at your earliest convenience. You will be contacted by the Housing Authority when the next homeownership seminar has been scheduled.

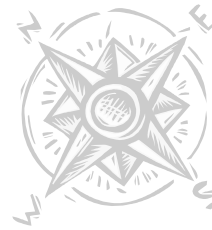
## Who Is Eligible?

- ◆ Anyone who has been assisted under the Section 8 Housing Choice Voucher Program for one year or more and is a voucher holder in “Good Standing”, is eligible.
- ◆ One or more adult members of your family must be employed full-time (working an average of 30 hours per week or more).
- ◆ Your total household income, not including welfare income, has to be at least \$10,300 annually. Please note that this is the minimum amount. Your income will probably have to be much higher than this to qualify for a loan with a lender.
- ◆ You must be a first time homebuyer, meaning that no one in your household owned a home within the last three years.
- ◆ There are exceptions to some of these requirements for elderly and disabled persons, and for single parents and displaced homemakers.

## How Much Money Will I Need To Purchase a Home?

Buying a home requires careful planning and saving. Here are some of the costs you should consider:

- ◆ **Down payment:** The Section 8 Homeownership Program requires that you have a minimum down payment of 3% of the purchase price. Up to 2% can come from a relative, and at least 1% must come from your own funds. For example, if you purchase a home for \$200,000, you would need at least a \$6,000 down payment. \$2,000 must come from your own funds, and up to \$4,000 could be a gift from a relative.
- ◆ **Closing Costs:** There are several fees that must be paid at the time you purchase the house. These may include loan fees, title and escrow fees, and prepayment of insurance, etc. People usually spend at least a few thousand dollars on closing costs.



## Are There Any Other Programs That Can Be Used In Combination With This Program?

Yes. The Housing Authority administers First Time Homebuyer Programs for several local cities in Santa Cruz County. Section 8 Homeownership participants are eligible to apply for these and other programs offered throughout the county.

### How Can I Learn More?

Please complete the “Section 8 Homeownership Questionnaire” in the back of this booklet and return it to the Housing Authority at your earliest convenience. You will be contacted when the next Homeownership Seminar has been scheduled.

### Housing Authority of the County of Santa Cruz

2931 Mission Street  
Santa Cruz, CA 95060  
831 454-9455 ex. 326



## What Kind Of Home Can I Purchase?

You can purchase a single family home, a condominium, or a manufactured home or mobilehome. The unit must pass a one-time Housing Quality Standards (HQS) inspection, must also be inspected by a professional home inspector, and must meet any other requirements that your lender may have.



## Do I Have to Give Up My Rental Voucher to Apply For a Homeownership Voucher?

No! In fact, you would keep your rental voucher and remain a renter until you have found a place to purchase, qualified for a loan, and a date has been set for you to move into your new home. If you don't find a home to purchase, you may remain in the voucher program as a renter.

- ◆ **Monthly Payments:** Your monthly payments include not just your mortgage, but also property taxes and homeowners insurance. Your lender may require that you have mortgage insurance as well. These costs can be higher than what you currently pay as a renter.
- ◆ **Maintenance:** It is generally recommended that homeowners have a savings account to pay for the costs of maintaining the home, repairing appliances, etc. As a rule of thumb, you may want to consider saving an amount equal to one percent of the purchase price each year. For instance, if you bought a \$200,000 home, you might want to save at least \$2,000 per year for maintenance expenses.
- ◆ **Utilities:** As a homeowner, you will be responsible for all utilities, including water, sewer, garbage, and gas and electricity.
- ◆ **Homeowners Association Dues:** If you buy a condominium, you may also have to pay homeowners association dues to cover the costs of maintaining the grounds, some of the buildings, and possibly paying some utilities.

### **How Do I Find a House to Purchase?**

The Section 8 Homeownership Program does not provide help in searching for a home to buy, nor does the program have homes for sale. You are responsible for the search process, including working with realtors, identifying neighborhoods, and deciding what kind of home best meets your family's needs.

### **How Do I Find a Mortgage Lender?**

You will be responsible for finding a lender and applying for a home mortgage loan. You will have to qualify for a loan under the lender's requirements, which may include income, credit history, and employment history. The Housing Authority will help explain the process of finding a lender and applying for a loan. The Housing Authority also has contact information for lenders familiar with and participating in the Section 8 Homeownership program.

### **How Much Money Will I Receive From the Housing Authority?**

The Housing Authority's monthly homeownership assistance payment is calculated in a manner similar to the Section 8 Housing Choice Voucher calculation. The payment is based on the difference

between 30% of your total household income and the payment standard (or your actual homeownership costs, whichever is less.) This payment amount will be adjusted annually based on your household income, and can continue for up to fifteen years.

A worksheet is available on the Housing Authority website [www.hacosantacruz.org](http://www.hacosantacruz.org). On the left side of the screen click on Home Buyers, then at the top of the next page click on Section 8 Homeownership.

### **Are There Homes in Santa Cruz County I Can Afford?**

It is extremely difficult to find an affordable home to purchase in Santa Cruz county. We strongly suggest that you take a careful look at the real estate market before making any decisions.

For example, in February 2005 there were 41 homes listed for sale below \$200,000. Most were mobilehomes or condominiums. To purchase a home costing \$200,000, a down payment of about \$6,000 would be required, and the family's annual income would need to be about \$40,000-\$45,000 per year. (These are only estimates and would vary greatly depending on a family's circumstances and the lender's requirements.)

