



NWCLTC 2019 Gathering HUD Roundtable

HUD & Homeownership: More than just the FHA?



NWCLTC 2019 Gathering: HUD Roundtable

Speaking of the FHA...

State	FHA-Insured Homes	Origination Value	Last 12 Months	
Alaska	16,688	\$3.76 Billion	1,274	\$328 Million
Idaho	51,222	\$7.74 Billion	6,499	\$1.24 Billion
Oregon	74,689	\$15.43 Billion	10,344	\$2.65 Billion
Washington	151,386	\$33.64 Billion	18,906	\$5.28 Billion
Montana	20,937	\$3.37 Billion	2,381	\$475 Million
HUD Region 10 + Montana	314,922	\$63.94 Billion	39,404	\$9.97 Billion

The CY2019 basic standard mortgage limits for FHA insured loans are:

	One-family	Two-family	Three-family	Four-family
FHA Forward	\$314,827.00	\$403,125.00	\$487,250.00	\$605,525.00
HECM	\$726,525.00			
Fannie/Freddie	\$484,350.00	\$620,200.00	\$749,650.00	\$931,600.00

High cost area limits are subject to a ceiling based on a percent of the Freddie Mac Loan limits

The ceilings for CY2019 are:

	One-family	Two-family	Three-family	Four-family
FHA Forward	\$726,525.00	\$930,300.00	\$1,124,475.00	\$1,397,400.00
HECM	\$726,525.00			
Fannie/Freddie	\$726,525.00	\$930,300.00	\$1,124,475.00	\$1,397,400.00

Section 214 of the National Housing Act provides that mortgage limits for Alaska, Guam, Hawaii, and the Virgin Islands may be adjusted up to 150 percent of the new ceilings. This results in new CY2019 ceilings for these areas of:

	One-family	Two-family	Three-family	Four-family
FHA Forward	\$1,089,787.00	\$1,395,450.00	\$1,686,700.00	\$2,096,100.00
Fannie/Freddie	\$1,089,787.00	\$1,395,450.00	\$1,686,700.00	\$2,096,100.00

<https://entp.hud.gov/idapp/html/hicostlook.cfm>



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

(a) Forward Mortgage Requirements

A Mortgage secured by real estate under Leasehold requires a renewable lease with a term of not less than 99 years, or a lease that will extend not less than 10 years beyond the maturity date of the Mortgage.



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HUD's Community Planning & Development (CPD) Homeownership Programs



[Home](#) > [Programs](#) > [HOME: HOME Investment Partnerships Program](#) > [HOME Topics](#) > [HOME Homeownership](#)

HOME Homeownership

HOME Investment Partnerships Program (HOME) assistance can be provided to eligible homebuyers for acquisition only, acquisition/rehabilitation or new construction of homes. All HOME funds used for homeownership assistance must benefit homeowners whose family income does not exceed 80 percent of the area median income. In addition, the assistance must meet the following requirements:

- The assisted housing must be the owner's principal residence.
- The estimated value of the property must not exceed 95 percent of the median area purchase price.
- The Participating Jurisdiction (PJ) must establish resale provisions that safeguard the property's continued affordability or recapture all or part of the HOME subsidy invested.

PJs can structure the form of financial assistance for homebuyer activities according to the particular needs of the program's target participants. Generally, the form of assistance will include grants, deferred-payment loans, below-market-rate loans, or loan guarantees.

<https://www.hudexchange.info/programs/home/topics/homeownership/#policy-guidance-and-faqs>



Are Community Land Trusts permitted to charge monthly ground lease fees to HOME-assisted homeowners?

Date Published: August 2015



Yes. Generally, Community Land Trusts (CLTs) may charge ground lease fees to HOME-assisted homeowners. However, HOME funds may not be used to pay for these fees because the ongoing costs of homeownership are not eligible HOME program costs.

Ownership in fee simple title of a dwelling with a ground or land lease of **50 years or longer from a CLT** meets the definition of Homeownership in §92.2 of the HOME rule. CLTs commonly charge monthly ground lease fees to homeowners who lease from the CLT the land on which their homes are situated. The definition and structure of a CLT inherently require that there be ground lease payments, and this monthly fee is expected to be paid by HOME-assisted homeowners who purchase their homes through a CLT.



U.S. Department of Housing and Urban Development
Community Planning and Development

Special Attention of:

CPD Division Directors

All HOME Coordinators

All HOME Participating Jurisdictions

Notice: CPD-18-09

Issued: August 8, 2018

Expires: **This NOTICE is effective until
it is amended, superseded, or rescinded**

Cross Reference: 24 CFR Part 92

Subject: Requirements for HOME Homebuyer Program Policies and Procedures

<https://www.hud.gov/sites/dfiles/OCHCO/documents/18-09cpdn.pdf>



Can CDBG be used to provide down payment assistance to income-eligible homebuyers? If so, what regulations govern the provision of CDBG down payment assistance?

Date Published: May 2015



CDBG funds can be used for down payment assistance **up to 50% of the lender required down payment** amount. This can be done as a stand-alone homeownership assistance activity under 24 CFR 570.201(n) **as well as other eligible costs such as principal write-downs, closing costs**, etc. Down payment assistance provided under 24 CFR 570.201(n) is restricted to low/moderate income households. If down payment assistance is funded as a public service, this activity would count towards the 15 percent public services cap under 24 CFR 570.201(e). Here, the grantee is not limited to providing 50 percent of the required down payment. The low/moderate income housing national objectives may be used for this activity. The *Guide to National Objectives and Eligible Activities for Entitlement Communities* (<https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>) may also be helpful to you.

<https://www.hudexchange.info/faqs/2246/can-cdbg-be-used-to-provide-down-payment-assistance-to-income-eligible-home/>

CHAPTER 4: HOUSING ACTIVITIES



CHAPTER PURPOSE & CONTENTS

This chapter provides detailed information on CDBG eligible homeownership and rental activities, guidance for grantees on documenting national objectives and guidance on complying with other federal requirements and program design considerations for grantees.

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CHAPTER 4: HOUSING ACTIVITIES



CHAPTER PURPOSE & CONTENTS

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4.1	Homeowner Rehabilitation
4.2	Home Purchase Activities
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4.8	Drawing Down Funds



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Self-Help Homeownership Opportunity Program (SHOP)

The Self-Help Homeownership Opportunity Program (SHOP) awards grant funds to eligible national and regional non-profit organizations and consortia to purchase home sites and develop or improve the infrastructure needed to set the stage for sweat equity and volunteer-based homeownership programs for low-income persons and families. SHOP funds must be used for eligible expenses to develop decent, safe and sanitary non-luxury housing for low-income persons and families who otherwise would not become homeowners. Homebuyers must be willing to contribute significant amounts of their own sweat equity toward the construction or rehabilitation of their homes.

SHOP is authorized by the Housing Opportunity Program Extension Act of 1996, Section 11, and is subject to other Federal crosscutting requirements. No separate program regulations exist. All program requirements are listed in the applicable SHOP Notice of Funding Availability (NOFA).

Eligible Applicants

National and regional nonprofit organizations or consortia with experience in using homebuyer and volunteer labor to build housing may apply for SHOP grants. Applicants must have completed at least 30 units of self-help homeownership housing within the last 24 months. Eligible homebuyers must apply to participate in the SHOP program through a current SHOP grantee or one of their affiliates.



SHOP Best Practices

[Habitat for Humanity-North Central Georgia](#)
[Western States Housing Consortium](#)

Resources

[SHOP Laws](#)

[SHOP Guidebook](#)

[HOME Income Limits](#) (used for SHOP)

SHOP Notices

[SHOP Program Transition Announcement](#)

<https://www.hudexchange.info/programs/shop/>

HUD ANNOUNCES \$10 MILLION IN "SWEAT EQUITY" GRANTS
SHOP grants enable homeownership opportunities for 539 families

Organization	Grant Amount
Housing Assistance Council in Washington, DC	\$1,202,032
Community Frameworks in Spokane, Washington	\$1,338,071
Tierra Del Sol Housing Corporation (Consortium) Anthony, New Mexico	\$2,138,174
Habitat for Humanity International, Americus, GA	\$5,321,723
TOTAL	\$10,000,000

HUD ANNOUNCES \$10 MILLION IN "SWEAT EQUITY" GRANTS

SHOP grant funding calls for the use of elbow grease to help 535 families become homeowners

Organization	Grant Amount
Housing Assistance Council in Washington, DC	\$1,104,723
Community Frameworks in Spokane, Washington	\$1,494,903
Tierra Del Sol Housing Corporation (Consortium) Anthony, New Mexico	\$2,213,103
Habitat for Humanity International, Americus, GA	\$5,187,271
TOTAL	\$10,000,000

A Guide to Using Self-Help Homeownership Opportunity Program Funds

May 2005

SHARE Community Land Trust

Leavenworth, Washington

The SHARE (Securing Homes on Affordable Real Estate) Community Land Trust is located in a small, beautiful valley in Leavenworth, Washington, where available land is limited and costly. The SHARE Community Land Trust was established in 1998 to preserve the affordable housing stock and Leavenworth's small town character. The community land trust operates on a typical land trust model, where the trust owns the land, and the homeowners own the homes built upon it. The trust leases the land to its occupants through a long-term lease and limits the appreciation of the homes, which provide for the long-term affordability of the homes.

HOME OWNERSHIP

_____ *for* **_____**

PUBLIC HOUSING

RESIDENTS

OVERVIEW

The Quality Housing and Work Responsibility Act (QHWRA) allows Public Housing Authorities (PHAs), through Section 32 of the U.S. Housing Act of 1937, to have the option of making their public housing dwelling units available for purchase by low-income families as their principal residence, under Section 32, PHAs may:

- Sell all or a portion of a public housing development to eligible public or non-public housing residents;
- Provide Capital Fund assistance to public housing families to purchase homes; or,
- Provide Capital Fund assistance to acquire homes that will be sold to low-income families.

ELIGIBLE PROGRAM ACTIVITIES

PHAs implementing a Section 32 program may use their funds to provide the following services:

- Subsidy to public housing residents (using Capital Funds or program income) or other low income families (using only program income) in the forms of (a) downpayment or closing cost assistance, (b) subordinate mortgages, and/or (c) below-market financing;
- Acquisition of existing homes (or homes built for the PHA by a third party 24 CFR 906.41(2)) using Capital Funds for the purpose of sale to income eligible purchasers without adding these units to the Annual Contributions Contract (ACC);
- Sale of public housing rental (ACC) units to income eligible purchasers; and
- Operation of a lease-purchase program.

ELIGIBILITY REQUIREMENTS

• **Eligible purchasers may earn up to, but not exceed 80% of Area Median Family Income (AMI).** Except in the case of a PHA's offer of first refusal to a resident occupying the unit, a PHA must certify that the applicants' income is not over 80% of AMI at the time the contract to purchase the property is executed.

• **The PHA may sell units to a Purchase and Resale Entity (PRE).** The PHA must demonstrate that the PRE has the necessary legal capacity and practical capability to carry out its responsibilities under the program and sell the units within five years from the date of acquisition; otherwise the PRE must transfer ownership of the units back to the PHA. The PHA's homeownership program also must contain a written agreement and the applicable legal documentation that specifies the respective rights and obligations of the PHA and the PRE.

• **Affordability standards must be met for the purchaser.** On an average monthly basis, the estimate of the sum of the applicant's payments for mortgage principal and interest, insurance, real estate taxes, utilities, maintenance and other recurring homeownership costs will not exceed the sum of 35% of the applicant's adjusted income and any subsidy that will be available for such payments.

• *Principal residence requirement.* The dwelling unit sold to an eligible family must be used as the principal residence of the family.

• *PHAs must require purchasers to pay a minimum downpayment.* Each household purchasing housing must use its own resources to contribute an amount of the down payment that is not less than one percent of the purchase price of the housing.

• *Other eligibility restrictions.* A PHA may establish additional limitations for households to purchase housing.

Such requirements may include employment, no past criminal activity, participation in homeownership counseling programs, or other requirements.

KEY PROGRAM FEATURES

• Section 32 can be implemented in conjunction with the Housing Choice Voucher Homeownership Program (HCVHP). The HCVHP program is described separately in the PHA's Section 8 Administration Plan, if applicable to the PHA. HCVHP can only be used in connection with units that are not currently under ACC or that are released from the ACC as a result of the sale of the unit. For example, lease to purchase programs would not be eligible for HCVHP during the lease phase.

• Nonpurchasing public housing residents may be displaced. In selling a public housing unit under a homeownership program, the PHA must initially offer the unit to the resident occupying the unit if they meet the eligibility requirements. PHAs must provide the resident with notice 90 days prior to the date of the sale of their unit, counseling, relocation expenses, and comparable replacement housing options. The right of first refusal does not extend to residents in nonpublic housing units.





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PIH HOME

ABOUT PIH

PIH ONE-STOP TOOL

PUBLIC HOUSING

OPERATING FUND

CAPFUND

INDIAN HOUSING

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HOMEOWNERSHIP VOUCHERS

Overview

The Housing Choice Voucher (HCV) homeownership program allows families that are assisted under the HCV program to use their voucher to buy a home and receive monthly assistance in meeting homeownership expenses. While the HCV homeownership regulations contemplate a downpayment grant option (where the PHA offers a single downpayment assistance grant to the family instead of a monthly homeownership subsidy), funding has not been appropriated for this purpose and this regulatory provision has never been implemented.

The HCV homeownership program is available only to families that have been admitted to the HCV program and it is not offered by every Public Housing Agency (PHA). PHAs have discretion to determine whether to implement the HCV homeownership program in their jurisdictions. To find a PHA in your area that may administer an HCV homeownership program, you may use the homeownership enrollments report below. For contact information of all PHAs by State, not only PHAs administering an HCV homeownership program, [click here](#).

To participate in the HCV homeownership program, the HCV family must meet specific income and employment requirements (the employment requirement does not apply to elderly and disabled families), be a first-time homeowner as defined in the regulation, attend and satisfactorily complete the pre-assistance homeownership and housing counseling program required by the PHA, and meet any additional eligibility requirements set by the PHA.



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Housing Choice Voucher (HCV) Homeownership Enrollment

State	Participating HAs	Families Enrolled (2013-2017)
Alaska	1	145
Idaho	5	552
Oregon	12	627
Washington	17	1,302
Montana	5	413
HUD Region 10 + Montana	40	3,039

https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Homeownership_Enrollments.pdf



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FHA Multifamily Mortgage Insurance for Cooperatives



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COOPERATIVE HOUSING (SECTION 213)

Federal mortgage insurance to finance cooperative housing projects.

Nature of Program: HUD insures mortgages made by private lending institutions on cooperative housing projects of five or more dwelling units to be occupied by members of nonprofit cooperative ownership housing corporations. These loans may finance new construction, rehabilitation, acquisition, improvement, or repair of a project already owned, and resale of individual memberships; construction of projects composed of individual family dwellings to be bought by individual members with separate insured mortgages; and construction or rehabilitation of projects that the owners intend to sell to nonprofit cooperatives.

Applicant Eligibility: Nonprofit corporations or trusts organized to construct homes for members of the corporation or beneficiaries of the trust; and qualified sponsors who intend to sell the project to a nonprofit corporation or trust.

Legal Authority: Section 213 of the National Housing Act (12 U.S.C. 1715e). Regulations are at 24 CFR part 200, subpart A, and part 213.

Administering Office: Assistant Secretary for Housing - Federal Housing Commissioner,
U.S. Department of Housing and Urban Development, Washington, DC 20410-8000.

Information Sources: Administering office; HUD Multifamily Hubs and Program Centers.



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Underwriting Advantages of FHA Multifamily Mortgage-Insured Financing for Cooperatives

- 85-90% loan-to-value (LTV) for Multifamily Accelerated Processing (MAP) loans for new construction or substantial rehabilitation, depending on affordability.
- Special refinancing available for cooperatives originally developed under Section 213 that convert to MAP, including up to 95% LTV and low debt-service ratio.

https://www.hud.gov/program_offices/housing/mfh/map/maphome



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Other Homeownership, Affordable Housing & Community Developments



[Home](#) / [Program Offices](#) / [Office of Business Transformation](#) / [Grants Management and Oversight](#) / [Grants Information](#) / [Funding Opportunities](#) / FY 2019 Veterans Housing Rehabilitation and Modification Pilot Program (VHRMP)

Veterans Housing Rehabilitation and Modification Pilot Program (VHRMP)

The purpose of the Veterans Housing Rehabilitation and Modification Pilot Program (VHRMP) is to explore the potential benefits of awarding grants to nonprofit organizations to rehabilitate and modify the primary residence of veterans who are low-income and living with disabilities. The funds made available under this program will be awarded competitively.

A number of America's veterans who are low-income and living with disabilities are in need of adaptive housing to help them regain or maintain their independence, are unable to fund significant home repairs, or are burdened by utility costs. In partnership with the U.S. Department of Veterans Affairs, HUD intends to use the VHRMP to test a new approach to addressing these challenges in accordance with section 1079 of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015 (Pub. L. 113-291, enacted December 19, 2014). The VHRMP pilot will award competitive grants to nonprofit organizations that provide nationwide or statewide programs that primarily serve veterans or low-income individuals. The grants may be used to modify or rehabilitate eligible veterans' primary residences or to provide grantees' affiliates with technical, administrative, and training support in connection with those services.

Today's publication establishes the funding criteria for the FY 2019 Veterans Housing Rehabilitation and Modification (VHRMP) pilot program, which includes \$4 million in new funding provided under the Consolidated Appropriations Act, 2019 (Public Law 116-6) and around \$6 million in remaining VHRMP funding provided under the Consolidated Appropriations Acts of 2016 (Public Law 114-13), 2017 (Public Law 115-31), and 2018 (Public Law 115-141).

In total, HUD will award up to \$10,270,000 to nonprofit organizations that provide nationwide or statewide programs that primarily serve veterans or low-income individuals. Grants will be competitively awarded up to \$1 million each to selected applicants.

https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps/fy19vhrmp



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SECTION 202 SUPPORTIVE HOUSING FOR THE ELDERLY CAPITAL ADVANCE PROGRAM

Capital Advance funding for the development and operation of supportive rental housing for very-low-income persons aged 62 years or older and project rental subsidies to maintain affordability, with supportive services.

Funds may be used for (re)construction, moderate or substantial rehabilitation, or acquisition without rehabilitation, bear no interest, and repayment isn't required as long as the housing remains available for at least 40 years.

Operating subsidy funds may also be used to provide supportive services and to hire a Service Coordinator.

Proposals must promote long-term physical and mental health and wellness, and efficient delivery of assistance.

Funding of up to **\$50,000,000** is available. **Application Deadline:** August 28, 2019

https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps/fy2018section202

<https://www.hud.gov/sites/dfiles/SPM/documents/FY2018-Section202-NOFA.pdf>

https://www.hud.gov/sites/dfiles/SPM/documents/FY2018_Sec202_CapitalAdvanceNOFA-FAQ_4-25-19.pdf



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CHOICE NEIGHBORHOODS PLANNING GRANTS

Choice Neighborhoods leverages public and private dollars for neighborhoods with distressed public or assisted housing. Public housing authorities, cities, schools, businesses, and non-profits revitalize housing and address neighborhood challenges, catalyzing improvements in vacant property, housing, businesses, services and schools.

Action Activities funding is awarded for physical improvements that enhance and accelerate neighborhood transformation:

- a. Reclaiming and recycling vacant property into community gardens, pocket parks, farmers markets, or **land banking**;
- b. Beautification, placemaking, and community arts projects, such as creative signage to enhance neighborhood branding, murals and sculptures, specialty streetscaping, or garden tool loan programs;
- c. Owner-occupied home or business façade improvement programs;
- d. Neighborhood broadband/Wi-Fi infrastructure and installation;
- e. Fresh food initiatives, such as farmers markets and mobile fresh food vendors; and
- f. Gap financing for economic development projects that are otherwise ready to implement (except for a modest funding gap).

https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps/fy19cnpg
<https://www.hud.gov/sites/dfiles/SPM/documents/FY19CNPGP-NOFA.pdf>



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What's on YOUR Mind?

John Demboski

Senior Management Analyst
Office of the Regional
Administrator

909 1ST AVE STE 200
SEATTLE, WA 98104

(206) 220-6242

john.a.demboski@hud.gov

