

Subj: **New HUD Regs Boost Home Ownership for People w/ Disabilities**
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The following comes to us from Steve Gold courtesy of the NYS Independent Living Council:

Homeownership and Section 8 Vouchers - Information Bulletin 3/6/01

Effective October 12, 2000, HUD issued its final regulation re how Section 8 vouchers can be used to buy a house. This is truly an important federal change and opens up terrific opportunities for persons with disabilities. Instead of using a Section 8 voucher to pay rent, you can use it to buy a house.

Here are some points for your consideration:

1. Local public housing agencies ("PHA") are NOT required to participate; whether or not they use Section 8 vouchers for homeownership may be up to you and your local organizing. If your disability community wants to use vouchers for homeownership, you must make sure your PHA is on board and agrees. PHAs must tell HUD they want to participate.
2. Your PHA can choose to make Section 8 homeownership assistance available to ANY qualified application OR can limit or restrict which families will participate. If you want disabled persons to be part of the program, you must make sure your PHA includes them.
3. Either existing or new Section 8 vouchers can be used. Therefore, when an existing voucher (now being used for rental assistance) is returned to the PHA, it can then be used for homeownership (or continued to be used for rental).
4. Persons must meet the general requirements for admission to the PHA's Section 8 program. That is, you must be eligible for Section 8.
5. For disabled persons, "employment history" is inapplicable. Disabled persons have an income requirement that is modified and not the same as for a nondisabled person.
6. The maximum number of years (i.e., 10) for using the Section 8 homeownership vouchers does NOT apply to disabled persons and families. Similarly, minimum income requirements and employment requirements are different for people with disabilities than for ABs.
7. Section 8 homeownership vouchers can be used for either existing homes or new ones. These vouchers are also intended for "first-time" homeowners.
8. The person - not the PHA - enters a contract of sale with the seller of the house. The person - not PHA - must put together financing.
9. The family or person with a disability must secure their own financing for the purchase of the home; the Section 8 housing assistance will provide help with the monthly payments. Advocates can put together a package for purchases (including costs related to accessibility features). For example, advocates could use local or state Community Development Block Grant (CDBG) funds to finance the purchase, or could receive other subsidized financing for the purchase.

Some local folks have worked with their banks to have financing for PWDS at lower than market interest rates.

10. Homes may be purchased by one person or several family members together holding title to the home. Therefore, two folks on SSI can combine their income to purchase a home.

11. Homes may be purchased by a "cooperative unit" with one or more family members sharing in the cooperative. The "cooperative unit" presents opportunities for non-profit groups becoming involved in accessible housing for persons with disabilities.

12. Nothing prevents a PWD from using the Section 8 voucher to purchase a duplex and renting the upper floor to an AB. This could make the purchase much more financially doable.

13. If the homeownership presents problems for the PWDS, the Section 8 voucher can be switched back to use as a rental voucher.

There are MANY other technical aspects which are necessary to learn about. The entire regulation can be studied at 65 Federal Register 55133-55168. However, do NOT get bogged down on these points UNTIL you and your disability community agree to push the PHA to include the disability community in the homeownership Section 8 voucher program.

Steve Gold, 2001, The Disability Odyssey Continues

Source: NYSILC

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