



Oakland Housing
Authority

OHA SECTION 8 HOMEOWNERSHIP PROGRAM



What is the Section 8 Homeownership Voucher Program?

The Section 8 Homeownership Voucher Program is offered to eligible Oakland Housing Authority (OHA) residents and allows participants to have their housing subsidy applied towards a monthly mortgage payment. Residents who wish to join the program must meet certain requirements which include attending a homeownership orientation and education course. With the assistance of an OHA Homeownership Program Coordinator, participants go through the process of purchasing a home with the help of a realtor and securing financing through a mortgage lender.

Similarities between renting with OHA and Homeownership

- Residents contribute 30% of their income towards either their monthly rent or a mortgage.

Program Requirements: In accordance with OHA's Administrative Plan, the following requirements must be met to move forward with the program.

General:

- Must be a resident in "good standing" with no lease violations or outstanding rent payments and may not have owed a debt to the Oakland Housing Authority within the past five year.
- Must complete required pre-purchase homeownership counseling courses.
- Must be a first-time homebuyer.

Income:

- One or more adult family members purchasing the home must be working full-time (not less than 30 hours per week), consistently for one year. The minimum gross annual income for the family should be equal to the City of Oakland minimum wage multiplied by 2000 hours, based on the income of the adult family members who will own the home. (For example, a family must earn \$27,600 based on the City of Oakland current minimum wage of \$13.80 as of 1/1/19.)

- The minimum income requirement for elderly (62+) or disabled families (head of household or their spouse) is equal to the current SSI monthly payment for an individual living alone, multiplied by twelve (12). (For example, \$771 X 12= \$9,252 as of 1/1/19.)

Savings:

- OHA requires that participating families must contribute their own resources towards the purchase of their home. Working families must contribute a minimum of 3.5% of the purchase price. Disabled and elderly families must contribute a minimum of 1% of the purchase price.

Credit:

- Credit scores of 640 or above for mortgage applicants.

Eligible Homes: Eligible homes are Single Family Residence, Condominium, Townhouse, Mobile Home or Land trust.

- Must be located within Oakland.
- Must be owner occupied.
- Must pass Housing Quality Standards (HQS). The Housing Quality Standards ensure homes meet adequate physical, structural, sanitary, security and safety standards for OHA residents.

Ineligible Homes: Ineligible homes include duplexes, triplexes and other types of multifamily dwellings.

Duration of Mortgage Subsidy

Except in the case of a family that qualifies as an elderly or disabled family according to HUD guidelines, a family shall not receive homeownership assistance for more than:

- 15 years if the initial mortgage has a term for 20 years or longer.

Planning for Homeownership

First-time homebuyer education and planning are key to making the home-buying process easier and more understandable.

The following **seven steps** are intended to help you, as a future homebuyer better understand and prepare for the home-buying process.

1. **Maintain good standing with OHA:** Participants must not have any lease violations and must not have any outstanding debt to any Housing Authority.
2. **Attend a Homebuyer's Education Workshop:** Familiarize yourself with the details of the loan and purchase process by an approved HUD vendor. It's important to know what you are getting into and see if you are ready for homeownership. Having an understanding of what lenders look for and what to expect as a first-time buyer will allow you to be an informed buyer.

3. **Attend a Budget & Money Management Workshop:** Establish a good foundation of money management for yourself and family. Basic money skills and budgeting are needed for successful homeownership.
4. **Must meet minimum income requirements:** One or more adult family members purchasing the home must be working full-time (not less than 30 hours per week), consistently for one (1) year. The minimum gross annual income for the family should be equal to the City of Oakland minimum wage multiplied by 2000 hours, based on the income of the adult family members who will own the home. (For example, a family must earn \$27,600 based on the City of Oakland minimum wage as of 1/1/19.)

The minimum income requirement for elderly (62+) or disabled families (head of household or their spouse) is equal to the current SSI monthly payment for an individual living alone, multiplied by twelve (12). (For example, \$771 X 12= \$9,252 as of 1/1/19.)

5. **Manage Your Credit:** Potential homebuyers must have good credit. A FICO score of 640 or higher is required. You are encouraged to strive for the highest score you can achieve. For at least one (1) year prior to purchasing a home, you should assure that every credit card bill, rent check, car payment and any other debts/bills are paid on time.
6. **Decrease you debts:** Your debt-to-income ratio for the lender's purposes is based on the minimum monthly payment for all of your credit card debt, student loans, car loans and personal loans added together and — compared to your gross monthly income. The lower this ratio, the greater your chance of being approved for a home loan.
7. **Build your savings:** There are countless resources for living within budget and ways to save on everyday expenses. Saving for a home purchase requires discipline to set aside money for the future and manage finances.

Here are some ways to do that:

- a. Create a special savings account for your home purchase and have part of every paycheck automatically transferred to that account.
- b. Work extra hours or take on a second job temporarily to increase your income.
- c. If you get a bonus, a tax refund or a cash gift, deposit it into your home-buying savings account.

The **Do's** and **Don'ts** for Preparing for Homeownership:

The **Do's**

1. Continue paying your rent on time and abiding by your lease.
2. Make sure that your income and number of household members reported to housing is accurate.
3. Attend a first time homebuyer workshop.
4. Work on increasing and maintaining your income.
5. Make all of your credit card/loan payments on time.
5. Reduce debt.
6. Address any credit challenges you have or have had in the past.
7. Pull your credit report, check for accuracy and correct any errors. Meet with a financial counselor if needed.
8. Begin or continue saving money for your home purchase.
9. Refer to the OHA Section 8 Homeownership Program booklet to help you plan for your purchase.

The **Don'ts**

1. Don't take on new loans.
2. Don't overspend your budget.
3. Don't max out your credit cards.
4. Don't deplete your savings.
5. Don't pay any bills late.

Financial Literacy & Homebuyer Education Resources

Credit & Savings

Operation Hope: HOPE Financial Dignity Center Oakland/Bay Area

3062 East 9th Street, Oakland California 94601

510-535-6700/ 510-535-6704, Website: www.operationhope.org

Financial Education, Small Business workshops

Balance

1655 Grant St. Suite 1300, San Francisco, CA 94520 Phone: 800-777-7526

Website: <http://www.balancepro.org>

Credit Report review, Debt and Budget counseling, Student Loan, Homeownership, and Bankruptcy counseling

Consumer Financial Protection Bureau

855-411-2372, Website: <https://www.consumerfinance.gov/>

Financial Education

Annual Credit Report Request Services

P.O. Box 105281, Atlanta, GA 30348-5281

877-322-8228, Website: AnnualCreditReport.com

Free Credit Report and Resources to improve credit

Credit Karma

www.creditkarma.com

Free Credit Report and Resources to improve credit

Homeownership Counseling

Operation Hope: HOPE Financial Dignity Center Oakland/Bay Area

3062 East 9th Street, Oakland, CA 94601

510-535-6700/ 510-535-6704, Website: www.operationhope.org

Financial Education, Small Business workshops

Richmond Neighborhood Housing Services

12972 San Pablo Ave, Richmond, CA 94805

510-237-6459, Website: www.richmondnhs.org

Homebuyer's pre-purchase counseling

Community Housing Development Corporation of North Richmond

1535-A Fred Jackson Way, Richmond, CA 94801

Phone: (510) 412 - 9290 info@chdcnr.com Website: www.chdcnr.com

On-Line Homebuyer Workshops in English and Spanish

Habitat for Humanity East Bay/Silicon Valley

2619 Broadway Oakland, CA 94612

Phone: 510-251-6304, Website: www.habitatbsv.org

Homebuyer's pre-purchase counseling and First time Homebuyer's workshop

Mission Economic Development Association (MEDA)

2301 Mission Street, Ste. 301, San Francisco, CA 94110 Phone: 415-282-3334

homeownership@medasf.org Website: www.medasf.org

Homeownership Workshops in English and Spanish

Money Management International

1901 Harrison Street, Ste. 1100, Oakland CA 94612

Phone: 713-394-3232, Website: www.moneymanagement.org

Homebuyer's pre-purchase counseling and First time Homebuyer's workshop

San Francisco Housing Development Corporation (SFHDC)

4439 3rd Street, San Francisco, CA 94124

Phone: (415) 822-1022 info@sfhdc.org Website: www.sfhdc.org

First Time Homebuyer Workshops

Please note: This is not an exhaustive list and OHA does not endorse one provider over another. Please check our website at www.oakha.org for resource information that may assist you.