

Section 8 Homeownership Program

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What is the Section 8 Homeownership Program?

The Section 8 Homeownership Program is designed to assist families in reaching the dream of homeownership, while having the security of the Section 8 Program. The program is especially geared for those families who have insufficient income to save for a down payment. The program allows the monthly Section 8 payment to be used to cover mortgage and other homeownership costs.

What are the eligibility requirements?

The following list should give you a good idea of whether or not you are eligible for the Homeownership Program:

- ✓ You must be a Section 8 Housing Choice Voucher recipient in good standing for the previous year
- ✓ You must qualify as a first-time homebuyer or have not owned a home within the last three years (Exception made for single parent/displaced homemaker families who owned a home with a prior spouse)
- ✓ You must not owe money to the Caribou Housing Agency or any other housing authority
- ✓ One adult family member must be employed full-time (Elderly & Disabled families exempt from this requirement)
- ✓ Your household must meet minimum annual income requirements:
 - **Elderly & disabled families:** The monthly federal Supplemental Security Income (SSI) benefit for an individual living alone multiplied by twelve (currently \$637 per month X 12 = \$7,644 annually)
 - **Other Families:** The federal minimum wage multiplied by 2000 hours per year (currently \$5.85 x 2000 = \$11,700)
- ✓ You must successfully complete a 10-hour Homeownership Education class offered through ACAP



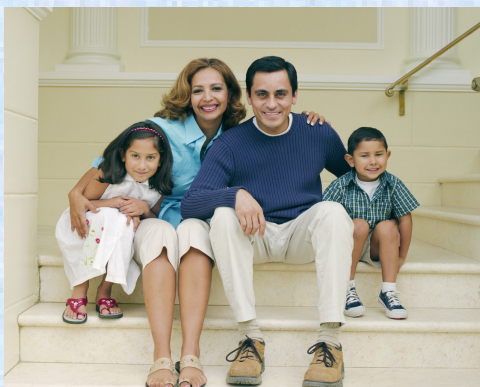
How do I purchase a home through the Section 8 Homeownership Program?

1. **Complete a Homeownership Program application** and return it to the Caribou Housing Agency. You will be sent a letter notifying you of your eligibility determination.
2. If approved, you will need to **go to the lender of your choice for mortgage pre-approval**. Your lender will let you know if you are eligible for a loan and how much you are able to borrow. Submit your pre-approval letter from the lender to the Caribou Housing Agency.
3. If you are eligible for a mortgage, you will need to **enroll in a HUD approved Homeownership Education Class**. The Aroostook County Action Program offers this class through HoMEworks. Click here <http://www.mainehomeworks.org> for a current class schedule or contact ACAP.
4. **Shop for a home you like within your approved price range** and make an offer on a house. The Purchase and Sales Agreement must include the Caribou Housing Agency Addendum.
5. **Have the property inspected** by the Caribou Housing Authority and hire a private building inspector of your choice. You are responsible for payment of the independent inspection and must provide a copy of the inspection to the CHA for review.
6. Meet with the Caribou Housing Agency to sign a “Statement of Homeowner Obligation Form” and finalize Housing Assistance Payment with final principal, interest, tax, and insurance figures.
7. Move in, enjoy your home, and attend ongoing Homeownership Education classes as needed to keep your home in a safe and sanitary condition.



How do I know if I am ready for Homeownership?

You can get a better idea if you are ready for homeownership by asking yourself these questions:



- ✓ Do I have a steady source of income?
- ✓ Have I been employed on a regular basis for the last year? (Elderly & Disabled families exempt from this qualification)
- ✓ Is my income reliable?
- ✓ Do I have a good record of paying my bills?
- ✓ Do I have money saved for a down payment?

Other Useful Homeownership Resources

The Caribou Housing Agency will assist you with the Homeownership process by offering referrals for:

➤ Homeownership Education

- Maine HoMEworks ® <http://www.mainehomeworks.org> offered by the Aroostook County Action Program <http://www.acap-me.org/>

➤ Saving for a down payment

- Family Development Account <http://www.acap-me.org/> or <http://womenworkandcommunity.org>
- Family Self-Sufficiency Program

➤ Lending Opportunities & Down Payment Assistance

- Maine State Housing Authority <http://www.mainehousing.org/>
- Federal Housing Administration <http://www.fha.gov/>
- Rural Development <http://www.rurdev.usda.gov/me/index.htm>
- Department of Housing and Urban Development <http://www.hud.gov>

➤ Mortgage Tools

- Mortgage calculator www.bankrate.com/brm/mortgage-calculator.asp
- Budgeting worksheets www.vertex42.com/ExcelTemplates/home-budget-worksheet.html

➤ Credit Counseling

- Consumer Credit Counseling Service of Maine <http://www.cccsme.org/>
- InCharge Debt Solutions www.incharge.org



For more information, please contact:

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