

The Housing Authority of the City of Pittsburgh

DAVID P. WEBER

Moving To Work Homeownership Program

**200 Ross Street
Pittsburgh, PA 15219
412-456-5000
www.hacp.org**



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Topics

- MTW Authorities Utilized
- Main MTW Features
- Meeting Statutory Objectives
- Eligibility
- Program Benefits
- Six Steps to Homeownership
- Partners
- Measures & Metrics

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MTW Authorities Utilized

- Operation of a Combined HCV and LIPH Homeownership Program.
- Use of Block Grant Funding to Support Homeownership Program.
- Use of Soft-Second Mortgage Assistance.

New in 2017...

- Increased Soft-Second Mortgage Assistance and closing cost amounts.

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Program Overview

The goal of the Homeownership Program is to provide low income families access to safe and affordable homes. The program provides eligible participants with a one time upfront deferred second mortgage and closing cost assistance. The mortgage amount is based on the assistance the participant would have received over 10 years of HAP.

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Meeting Statutory Requirements

Combined Program:
reduces admin
costs, expands
housing choices, is
a self-sufficiency
incentive.

Use of Block Grant:
Provides enhanced
benefits and
incentives for self-
sufficiency.

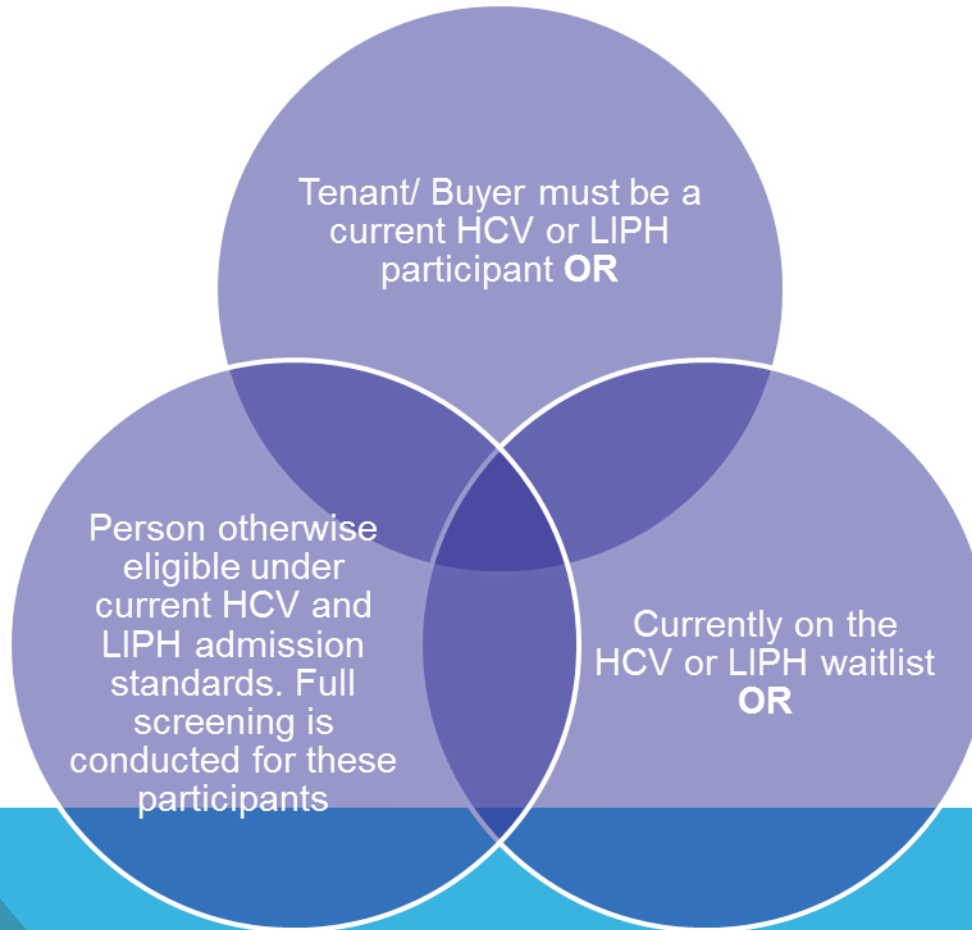
Use of Soft-second:
reduces admin
costs, expands
housing choices, is
a self-sufficiency
incentive.

Expanded eligibility:
expands housing
choices, is a self-
sufficiency
incentive.

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Eligibility



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Eligibility Requirements:

- ✓ First time homebuyer.
- ✓ Minimum annual income of \$17,000 per year; working at least 30 hours per week (or disabled or elderly).
- ✓ Single family home to be purchased must be in the HACP's jurisdiction.
- ✓ Debt ratio can not exceed 35%.



- ✓ Buyer must provide 1% down payment.
- ✓ Complete homeownership class.
- ✓ Mortgage pre-approval letter from bank or other approved lender.
- ✓ All purchases subject to HACP approval.

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Primary Program Benefits

Homeownership Class and Credit counseling available.

Links to affordable banking and settlement services are available.

Up to \$8,000 in closing cost assistance including three years of homeowner's insurance and home warranty; home inspection costs; and other closing costs.

Soft-second mortgage assistance up to \$52,000. Referred to as 'lump-sum' assistance, calculated based upon eligible monthly rental assistance x 12 months x 10 years. Debt is forgiven at 10% per year; 100% after ten years. Substantially reduces the buyers mortgage amount and/or increases the possible purchase price.

Foreclosure prevention fund available for up to six months of payments (not to exceed \$3,000) in a crisis.

Six Steps to Homeownership

1. Enroll in (and complete) Homebuyer Education.
2. Get credit score; improve if needed.
3. Get mortgage pre-approval letter from approved bank and provide to HACP.
4. Shop for a Home!
5. Sign a Sales Agreement that meets HACP requirements, get a home inspection, provide to HACP.
6. Complete closing (with HACP support), and become a homeowner!



Bedford affordable for sale units
in the Hill District.

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Homeownership Program Partners

- Neighborworks (formerly Neighborhood Housing Services).
- Urban League of Pittsburgh.
- Urban Redevelopment Authority of Pittsburgh (home improvement loans, their own soft second in some situations).
- Bloomfield-Garfield Corporation.
- Dollar Bank.
- Huntington Bank.
- First Niagara Financial Group.
- Fifth Third Bank.
- And other banks in prior years.

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Measures and Metrics

- Number of new homeowners, and comparison of how many from the two programs, public housing and housing choice voucher.
- Number of pre-approval letters.
- Number of sales agreements.
- Number of applicants and number completing homebuyer education.
- Purchase price.
- Second mortgage amounts.
- Type of loan; amount and type of assistance from non-HACP sources.
- Costs of administering program compared to cost of administering traditional voucher assistance.
- Foreclosure information, including use of state or HACP foreclosure prevention programs.

Success!

- ✓ Over 144 new homeowners since 2004!
- ✓ Only 2 foreclosures!

Important Factors contributing for success:

- Mortgage Product Restrictions – no predatory lending!
- Relatively low cost of homes in Pittsburgh.
- Strict requirement on Homebuyer Education completion.
- All buyers still subject to bank underwriting.
- One on one assistance through the purchase process.
- HACP reviews all inspections, seller must be responsible for any required repairs.

Tracking at a Glance

Our 144 buyers have purchased a total of \$11,363,565.00 in single-family home sales.

Average home sales price for all homes in the program is \$76,780.84.

Participant average median income is \$28,476.77

2015-2017 Homeownership Program

- Average purchased Price \$96,491
- Average median income \$30,710
- Average 2nd mortgage Amount \$27,786

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For more information...

HACP Website:

www.HACP.org

- Go to “Public Information” page for:
 - MTW Annual Plan, which includes HACP Homeownership Program Policy
- Go to “Housing Options” then “Homeownership” page for:
 - General description, and link to “Step by Step Guide to Homeownership”

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