



**Housing Authority
City of Pittsburgh**

Moving to Work (MTW) Homeownership Program

200 Ross Street
Pittsburgh, PA 15219
412-456-5000

www.HACP.org



Moving to Work (MTW) Homeownership Program

PURPOSE: The specific objectives of the Program are to:

- Expand homeownership opportunities for low-income families and families having members with disabilities.
- Provide an opportunity for first-time low-income homebuyers to purchase a single- family home within the City of Pittsburgh.
- Encourage the HACP families to acquire appreciable assets and move toward the goal of economic self-sufficiency and eventual independence from government assistance programs.

Eligibility

Program participants must meet the criteria in either 1,2, or 3 and also meet criteria (4).

1. Be a current Low-Income Public Housing (LIPH) resident.
2. Be a Housing Choice Voucher (HCV) participant.
3. Be a person who is on the HACP waitlist or **would qualify to be placed on the waitlist**, for LIPH or HCV who has received an eligibility letter from HACP's Occupancy Department for the HCV or LIPH Program.
4. Must have a minimum gross annual income equal to or greater than 50% area median income (AMI) as published by HUD annually.

Eligibility

Other factors may impact eligibility, including:

- **Welfare Assistance:** Included *only* for those adult elderly or families with members having disabilities who will own the home.
- **Employment Requirements:** One or more adult members who will own the home is employed full time (average 30 hours/week), with the exception of families having members with disabilities and/or elderly households.
- **Prior Mortgage Default:** Head of household, spouse, or other adult member of family must not have defaulted on a mortgage loan within previous 3 years.
- **PHA Debts:** Ineligible for participation in the Program if participant owes any debt or portion of debt to the HACP or any other PHA.
- **Ownership Interest:** No family member may have present ownership interest in a resident at commencement of participation.

Minimum Income Requirements

At the time the family obtains a mortgage pre-approval letter, the head of household, spouse, and/or other adult household members who will purchase the home **must have a minimum gross annual income equal to or greater than 50% area median income (AMI)** as published by HUD annually.

The HACP Homeownership Program maximum income eligibility is 80% of AMI.

2021 Area Median Income (AMI) Summary

Household Size	30%	50%	80%	100%	115%
1	\$17,850	\$29,700	\$47,500	\$59,400	\$68,300
2	\$20,400	\$33,950	\$54,300	\$67,850	\$78,050
3	\$22,950	\$38,200	\$61,100	\$76,350	\$87,800
4	\$26,500	\$42,400	\$67,850	\$84,800	\$97,550
5	\$31,040	\$45,800	\$73,300	\$91,600	\$105,350
6	\$35,580	\$49,200	\$78,750	\$98,400	\$110,750
7	\$40,120	\$52,600	\$84,150	\$105,200	\$120,950
8	\$44,660	\$56,000	\$89,600	\$111,950	\$128,750

HUD creates regions for calculating AMI. The income limits for Pittsburgh are based on incomes in the Pittsburgh MSA - Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland Counties.

Minimum Income Requirements

A family whose head, spouse or sole member is a person with a disability **may be exempt from the minimum income requirement provided there exists a sufficient combination of monthly household income and initial down payment money** to satisfy the lending institution's pre-approval requirements for the purchase of the property and all other applicable requirements relating to eligibility are met.



Pre-Homeownership Assistant Requirements

HOMEOWNERSHIP COUNSELING:

Before a family is eligible for homeownership, the family must attend and successfully complete a pre-assistance HUD-approved homeownership and housing counseling program.

Pre-Homeownership Assistant Requirements

FIRST MORTGAGE PRE-APPROVAL:

Participant is to provide the HACP with a first mortgage pre-approval letter and closing cost estimate which will detail the cost associated with obtaining the mortgage.

The HACP requires tenant buyers to request a mortgage pre-approval letter and closing cost estimate that reflects the highest amount of first mortgage they are eligible to receive.

Determining Affordability: Buyer's Monthly Homeownership Expense

- The HACP will determine, in its sole discretion, the affordability of the family's proposed loan terms and whether they are appropriate in view of current market conditions. In making such determination, the HACP may take into account other factors to include family expenses including but not limited to:
 - ✓ Child care,
 - ✓ Unreimbursed medical expenses, and
 - ✓ Education and training expenses.

Determining Affordability: Buyer's Monthly Homeownership Expense

The monthly expenses of Program Participants and those who are listed on the lender's mortgage application should not exceed a total **estimated housing expenses debt ratio of thirty-five percent (35%)** of the combined gross monthly income of adult members of the household.

Determining Affordability: Buyer's Monthly Homeownership Expense

The housing debt expense should include:

- ✓ mortgage principal,
- ✓ mortgage interest,
- ✓ property taxes,
- ✓ homeowner's insurance condominium or association fees,
- ✓ monthly capital improvement expense (\$20 per month),
- ✓ monthly maintenance expense (\$20 per month),
- ✓ and a monthly utilities estimate obtained from the most recent HACP Program utility allowance schedule for the appropriate unit type.

Calculating Soft-Second Mortgage Eligibility Using the Housing Assistance Payment (HAP)

The HACP Second Mortgage loan amount shall be determined and calculated by using the Housing Assistance Payment (HAP) which is equal to the lower of the payment standard or the actual monthly Homeownership Expense Payment for the unit minus the Total Tenant Payment (TTP).

The Homeownership Program will use the currently in effect Housing Choice Voucher (HCV) Payment Standard.

The Utility Allowance for the unit will be determined using a monthly utilities estimate obtained from the most recent HACP HCV Program Utility Allowance.

The Gross Aid Standard is obtained from the most recent HACP Section 8 HCV Program Voucher Payment Standards.

Calculating Soft-Second Mortgage Eligibility Using the Housing Assistance Payment (HAP)

Deferred payment mortgage loan amount calculation for a buyer: Homeownership Expense Payment or Voucher Program Payment Standard for unit size **(whichever is less)** minus the Total Tenant Payment (TTP) x 12 months x 10 years = maximum Second Mortgage loan amount.

Loan amounts at or below \$52,000 will be issued under the terms of the deferred payment forgivable soft second mortgage.

Home Purchase and Sales Agreement

- Participants in the Program will be required to locate and purchase a home or execute a contract of sale or lease purchase a home, within the limits of the City of Pittsburgh.
- It is the responsibility of the buyer to share all agreements of sale with the HACP.

Home Purchase and Sales Agreement

- The buyer shall select and pay for an independent professional inspection in accordance with the sales agreement. Such independent inspectors must be qualified by the American Society of Home Inspectors (ASHI) or possess equivalent credentials acceptable to the HACP.
- The independent inspectors must furnish a copy of the inspection results to both the buyer and the HACP. The HACP must review the independent inspector's report and determine whether to go forward or terminate the sales agreement based upon its review.

Home Purchase and Sales Agreement

The following must remain true of any offer in order to remain eligible for the funds from HACP's homeownership program:

1. The purchase price does not exceed the amount used to establish your eligibility
2. The loan amount does not exceed the amount used to establish your eligibility
3. The home is within the City of Pittsburgh limits
4. Any deficiencies listed on the home inspection report must pass Housing Quality Standards (HQS).
5. Any deficiencies that do not meet HQS standards must be remedied by the seller.

URA's Own PGH & HACP Homeownership Partnership

The URA has partnered with the HACP to provide deferred mortgage financing to low-moderate income first-time homebuyers in the City of Pittsburgh.

- All Borrowers must be first-time homebuyers in the City of Pittsburgh.
- All Borrowers must have a household income at or below 80% of the Area Median Income, as defined by HUD.
- All Borrowers must have a back-end (debt-to-income) ratio at or below 35%.
- All units to be purchased by Borrowers must pass the HACP Housing Quality Standards (HQS) inspection to receive funding.

URA's OwnPGH & HACP Homeownership Partnership

- Borrowers are eligible for up to \$50,000 in deferred mortgage financing from the URA, and an additional \$40,000 in deferred mortgage financing from the HACP.
- The URA and the HACP contributions shall be “matching” for total deferred financing less than or equal to \$80,000 on behalf of the Borrower (ex., \$70,000 in deferred mortgage financing shall be sourced: \$35,000 from URA and \$35,000 from the HACP).
- If total deferred financing needed to achieve affordability is above \$80,000, the URA will solely fund additional financing, up to \$10,000 (for a total URA contribution of not more than \$50,000 for each. Borrower).