

Getting to Know the NHETF Regulations

Part 5

Using NHETF for Homeowners

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Part 5 Topics



- 10% Limit
- Eligible Uses
- Eligible Household Requirements
- Period of Affordability
- Resale or recapture options
- Lease/Purchase Options
- Manufactured Housing

How Can The Money Be Used?

(continued)

Homeowner Features



- NHTF law limits amount used for homeowner activities to 10% of a state's total NHTF.
- NHTF may be used to:
 - Build, rehabilitate, or preserve housing for homeownership.
 - Help homeowners with downpayment or closing cost assistance, and to make interest rate buy-downs.

§93.200(a)(1)

How Can The Money Be Used?

(continued)

Homeowner Features

(continued)



- Eligible Household Requirements:
 - Household income at or below VLI (ELI in years when NHTF less than \$1 billion).
 - Be “first-time homebuyer” (not owned previous 3 years).
 - Have homeownership counseling.
 - Use as principal residence.

§93.304(d)

How Can The Money Be Used?

(continued)

Homeowner Features

(continued)



- Home must be occupied by an income-eligible household for at least 30 years. §93.304(e)
- Grantee has options if home sold before 30 years:
 - Resale option:
 - Next owner must be NHTF-eligible.
 - Sale price must provide original owner “fair return.”
 - Recapture option:
 - To ensure grantee recoups all or a portion of NHTF assistance.
 - Affordability period based on amount of NHTF assistance:
 - 30 years if more than \$50,000
 - 20 years if between \$30,000 and \$50,000
 - 10 years if less than \$30,000

§93.305(b)

How Can The Money Be Used?

(continued)

Homeowner Features

(continued)



- Household may count rent payments toward buying a home within 3 years (“lease-purchase”).
- Grantee may buy housing to be sold to homebuyer through lease-purchase program.
 - Must transfer to buyer within 3.5 years, otherwise rental housing affordability requirements kick in.

§93.304(h)

How Can The Money Be Used?

(continued)

Manufactured Homes



- NHTF may be used to:
 - Buy and/or rehabilitate manufactured home.
 - Buy land manufactured home sits on.
- At project completion home must be:
 - Connected to permanent utility hook-ups.
 - Located on land:
 - Owned by the unit owner, or
 - For which homeowner has a lease at least as long as length of time home must remain affordable to an income-eligible household (minimum of 30 years).

§93.200(a)(3)

More NHTF Information



- NLIHC will be preparing additional materials about the National Housing Trust Fund over time.
- Periodically check www.nhtf.org
- HUD's NHTF webpage, <https://www.hudexchange.info/htf>

Contact Me



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- Contact outreach@nlihc.org or call 202-662-1530, ask to speak to your Housing Advocacy Organizer.