Getting to Know the NHTF Regulations

Part 5

Using NHTF 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)
• 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.
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?

Homeowner Features

• 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](http://www.nhtf.org)
• HUD’s NHTF webpage, [https://www.hudexchange.info/htf](https://www.hudexchange.info/htf)
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• Questions?

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