Can I Buy a Home on Public Benefits? - YouTube

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Hello everyone, I'm John Maltby, Co Director of the New York Housing Resource Centre to talk about whether you can buy a home if your only income comes from public benefits. The short answer is yes, you can. But let's review the main things you need to know your team. You will need help. No one makes this journey on their own. Talk to your care manager and if you have self direction, talk to your broker as well and tell them what you want to do. You may also need a benefits advisor and a housing navigator to help you as well as your family and friends in your circle of support. This will be your housing team. Throughout this presentation we will refer to additional resources. Buying a home includes a lot of moving parts, and the New York House and Resource Centre has many presentations that will help you and your team.

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Do you need to borrow money to buy the home? It's not such an unusual question. There are people who may have funds in a trust and you don't need to borrow. If you are one of those people, you should check out our resource page on trusts. If you need to borrow money to buy a home, you will apply for a mortgage. To get a mortgage, you need to know what your income is from all sources, including any housing subsidy from OPWDD. Your income might include Supplemental Security Income or SSI, and it might include Social Security Disability Income or SSDI, particularly if your parents have retired or passed away. Your income should include Supplemental Nutritional Assistance, or SNAP, which used to be known as food stamps.

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Our resource page on financial assistance describes all these benefits and you should spend some time with the benefits advisor who knows the OPWDD system to help you understand your resources. You may already receive a housing subsidy from a HUD Section 8 housing voucher or from OPWDDS own housing subsidy to help with your rent. Ask your care manager to determine your eligibility for Section 8 by starting that process. Both Section 8 and the OPWDD housing subsidy can be used for rent or for mortgage payments. With these subsidies, you pay at least 30% of your income towards your mortgage, and the voucher pays the rest up to a preset limit. To learn about the housing subsidy, speak with your team and review our resource page on rental assistance. You will need to know your credit score. To borrow money for a home, you'll need a good score.

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You can get a free credit report from one of the major credit agencies, Equifax, Experian, or TransUnion. Choose only one because frequent visits might alter your score. If you've been paying your rent on time, then you should ask your landlord or the residential agency to provide that information to the credit agencies. On time payments are great for your credit score. For more on how to increase your credit

score, visit our resource page on credit. You will need to have some funds for a down payment. There are two ways that you can save for housing without affecting your SSI. One way is opening an ABLE account, and we have a resource page on ABLE accounts. Another way is to open an individual development account or Ida. We must make sure it's what called, it's what's called a qualified account.

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That is, it is qualified by the IRS. The fund operator can match the money you put into this account by as much as four times. This money can be used to make a down payment. Savings in a qualified Ida will not affect your SSI. So now you know what your income is, whether you have good credit, and how you may be able to save for a down payment. The next step is to see if you can get a mortgage. Some mortgage packages are for first time home buyers who have limited income. If you are only receiving public benefits, you may be a candidate for one of these mortgages. State and federal organisations are two main sources for these types of mortgages that provide guarantees to banks who then issue the loans. The first first organization is the US Department of Agriculture or USDA. You might think, wait a minute, why that?

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Well, this federal organization supports rural communities. Keeping housing affordable is part of that support. They have mortgage programs for low income, first time home buyers who live in a rural area. Visit the USDA site at www.rd.usda.gov slash NY. You can find out if where you live is qualified as rural. The USDA may also assist with down payments and with making a home more accessible. Work with your team to understand if you qualify. The state of New York Mortgage Association, known as Sunny Mae, also has low rate long term mortgages with limited money down.

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For first time home buyers who have limited income, you can put down as little as 3% of the cost of the home and you may even be able to get help with that down payment. Sonny Mae also has programs for environmental modifications to your home, for example, a ramp or a widened doorway or a more accessible bathroom. You and your team should use the Mortgage calculator, one of those available for example, at bankrate.com to see how much of a loan you will need. This calculator also helps you to understand what you can afford. You can choose to live in an apartment or in a single family house. If you're in a city, it is more likely you will live in an apartment. There are two main ownership types in New York City. Co-ops for your own shares in the building and have your own unit and condominiums where you buy your unit directly. Some co-ops help people with limited income.

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In more suburban or rural communities. You're more likely to buy an apartment in a developer operated building or in a single family home. We discussed the need for an inspection report in our resources on home ownership, including the video ownership. How to buy. It is very important to have a professional inspector home

you want to buy. Take careful note of any recommendations in the report and for example, how long does the boiler have before it needs replacement? How about the roof or the plumbing? Then anticipate and save for those replacement costs. Buying a home is just the beginning. In addition to your monthly maintenance, you will have other costs to pay. If you live in an apartment, you will have maintenance fees. Depending on the condition of the building and how well the building is managed, these fees may be substantial and maybe may go up if costs go up.

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If you live in a house, you'll need to pay local taxes. You may qualify for a reduced rate of taxes because of your disability. Maintenance costs also include the homes upkeep. You will need to put money aside so you have some savings to use if something happens unexpectedly. Wherever you live, you'll need either apartment insurance or homeowners insurance and the presentation ownership How to Buy discusses these issues further. Whenever you make a big decision like buying a home, you should also consider what your exit strategy is going to be. There may come a time when you decide you no longer want to live in your home. It is important to recognize that selling a home can take time, typically several months or longer. You may have seen a gain in value over the time you have owned it, but there is no guarantee of your house's value when you go to sell it.

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You will likely have to pay a real estate agent to help you, and their fees will reduce your eventual gain. Planning is essential. You must have an exit plan to prevent a situation where you have to sell your home as quickly as possible. If you have received support services from a provider or someone you have self hired using self direction, Medicaid likely paid for these services. These services can cost a great deal over time. Medicaid and minister by the state and the county seeks to recover those costs. If you have an asset like a house that has increased in value, Medicaid may have a lien or a claim on any gains you have made since you bought the house. To avoid having those gains taken by Medicaid, you must reinvest in another home almost immediately.

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If you die while you own your own home, your state may be required to pay Medicaid. There are ways to protect against this by using a trust or owning your home through a different entity. We discussed this more in Ownership, How to Buy. As we said at the beginning, owning a home takes a lot of effort. You should consider this decision very carefully. If your income depends heavily on public benefits, there is always a risk that those benefits may be reduced. You need to ensure that you can regularly pay your mortgage so you don't lose your home. You'll need a team and especially a housing navigator. Review the other resources we provide and seek homeowner training if you apply for one of the low rate first time homebuyer programs we have mentioned. For some people, home. Home ownership is a great step towards independence and control of your life, but it comes with risks and responsibilities.

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Please visit thenewyorkhousingresourcecentre@nyhrc.org to find more information on this topic. There you can search our catalog of free housing related resources and download the Housing Resource Guide, which is a thorough review of housing related topics for people with intellectual and developmental disabilities. If you would like to stay connected, please sign up for The Housing Connect, our electronic newsletter. We wish you the best on your housing journey.

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