

# New Beginnings: Making homeownership a reality for people with disabilities

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When Barbara Pesante lost her sight five years ago after a staph infection injured her optic nerve, she tried unsuccessfully to obtain assistance in her homeland, Puerto Rico. Only after moving to Florida did she begin receiving Supplemental Security Income (SSI) benefits, which qualified her for job search assistance through Vocational Rehabilitation (VR).

However, Barbara was still too sick to work, and she requested a computer with assistive software from VR so she could explore career opportunities. Her request was denied because she was not considered “goal-oriented.” Barbara, an experienced fundraiser, proved them wrong: She raised \$15,000 dollars from friends and family members to purchase the equipment on her own. Ready for a new beginning, she headed for California.

Once settled, Barbara again contacted VR, this time receiving job training and job placement services. She also contacted the World Institute on Disability (WID), where she learned about an Individual Development Account (IDA) homeownership program and other resources. ([See Shelterforce #127.](#)) “I’m so excited that I touched upon these programs, with all of the resources,” says Barbara, who is participating in a Northern California-based IDA program to purchase a home. “The connection to WID has spread out so wide, it is wonderful.”

She is optimistic that she will own a home in five years.

“This is important to me, because I want my life back,” says Barbara. “I want to take control of my life. I also want to live the way I am accustomed to living.”

People with disabilities have among the highest poverty levels in the U.S. In 2002, the general poverty rate increased from 11.7 percent to 12.1 percent. According to the 2000 National Health Interview Survey, which narrowly defined disability on activity limitation, 20.1 percent of people living in poverty have disabilities.

Finding affordable housing is an especially difficult task. In a 2001 study the National Council on Disability found that “Shortages of affordable housing are widely recognized as representing one of the major problems facing people of moderate and low incomes in our country today. For

people with disabilities, the problem is even more acute because affordability is also conditioned by inaccessibility, availability and discrimination.”

In *Going It Alone: The Struggle to Expand Housing Opportunities for People with Disabilities*, the Technical Assistance Collaborative, Inc. and the Consortium for Citizens with Disabilities Housing Task Force found that discrimination remains a barrier, despite progress made with the Americans with Disabilities Act. Other reasons are also cited: the low priority of housing for the disabled among state and local housing officials; the lack of collaboration between most public housing agencies (PHAs) and disability organizations; the failure of disability organizations to establish relationships with affordable housing providers and funders; the lack of awareness in the disability community about federal programs and policies that can help them buy a home; and a complex housing system that is difficult to navigate.

Despite these and other barriers, there are programs that can help the disabled become homeowners. Community organizations may be familiar with some of the following programs, but may not be aware of how they can be used singly or jointly to provide the greatest benefit to a prospective homeowner who is disabled.

Fannie Mae, the largest source of mortgage funds in the nation, offers **HomeChoice** mortgages through homeownership coalitions for people with disabilities whose incomes do not exceed 100 percent of the Area Median Income (AMI). HomeChoice mortgages require only three-percent down payment, have higher debt-to-income ratios, accept nontraditional credit histories, and recognize nontraditional sources of income and support including public disability benefits. The loan limit for a 15- or 30-year fixed rate mortgage is \$275,000.

The **Section 8 Housing Voucher Program**, administered through public housing authorities nationwide, is the largest federal program for low-income households seeking to secure rental properties or to purchase a home. Applicants must earn below 50 percent of the AMI, be a citizen (or a non-citizen with eligible immigration status) and be in good standing with federal housing programs.

Those buying their first home have additional requirements, although there is more flexibility for people with disabilities. For example, the qualified annual income of the prospective homeowner must not be less than the federal minimum hourly wage multiplied by 2,000 hours, which is currently \$10,300. But for a disabled applicant, the qualified annual income can be as low as – but not lower than – the monthly SSI benefit for an individual living alone multiplied by 12, currently \$6,624. The local PHA may also have a higher minimum income requirement for both types of families. For the disabled applicant, welfare assistance is not counted in determining the minimum income requirement and employment is not required.

In 1992 the National Affordable Housing Act established the **Family Self-Sufficiency Program (FSS)** requiring that all PHAs wishing to expand their services develop self-sufficiency programs.

When a family receiving Section 8 benefits enters the FSS Program through a participating state or local nonprofit agency, they agree to a set of five-year contractual goals. As the family income

increases, deposits are made toward the purchase of a home. For example, the family rents an apartment for \$500 per month, paying \$100 per month with HUD covering the other \$400. When the family income rises and they are able to pay \$200 per month, HUD continues to pay \$400, putting the \$100 difference into an escrow account.

**Individual Development Accounts (IDAs)** are savings accounts in which depositors receive a savings match of up to three times the original deposit. In most cases, IDAs are used for starting a business, first home purchase or post-secondary education. Each IDA program may have different requirements to participate. Most common guidelines include employment earnings, net worth, earned-income level and participation in financial education training. A general rule of thumb is that the participant be at least within the household income guideline of 200 percent of poverty (as defined by the federal government). Programs may also require qualification for Temporary Assistance for Needy Families (TANF) or the Earned Income Tax Credit.

**Supplemental Security Income (SSI)** is designed to help people with disabilities who have little or no income. SSI beneficiaries can participate in any asset-building program as long as they meet the program qualifications and are mindful of asset limits that can jeopardize benefits. They cannot have more than \$2,000 in assets as an individual or \$3,000 if married. (Assets include any readily available cash such as a savings account.)

There are IDA programs that allow savings to accrue without assets being considered for any public benefit eligibility. It is very important for people with disabilities to get into one of these IDA programs if they want to exceed the imposed asset limits. Only federally funded IDA programs under the Assets for Independence Act (AFIA) or under TANF allow people who receive SSI to participate and disregard the assets in IDA savings without losing benefits.

To help clients provide documentation for the SSI caseworker, the community-based organization (CBO) staff worker should write a letter on the CBO letterhead stating that the client can participate in the IDA program without losing his or her SSI benefits. This letter should specifically cite the “Exclusions Under Other Federal Statutes” clause.

**Social Security Disability Insurance (SSDI)** pays benefits to disabled individuals who have paid sufficiently into Social Security. There are no restrictions for SSDI recipients who want to accumulate assets. However, earnings levels will affect their benefits. The “earnings threshold” is fixed nationally, not by state. In 2002 the earnings threshold for self-employment for an individual was \$780 per month and \$1,300 for blind individuals.

In Los Angeles, the Westside Regional Center created the Homeownership Made Easy (HOME) program to navigate the bureaucracy on behalf of its disabled constituents. HOME’s operations may serve as a model for other CBOs.

HOME administers two programs: the rental program for people who have developmental disabilities and a homeownership program that includes an IDA option for people with disabilities. Sixty clients have successfully become homeowners through their Fannie Mae HomeChoice program.

HOME also created a successful collaborative model bringing together the PHA, financial institutions and CBOs. “You’ve got this kind of triangle,” says David Silva, HOME’s executive director. “The housing authority does prescreening, we provide the homeownership education and the bank works with us and the City of Los Angeles PHA, providing the subsidies that are involved.”

HOME uses a flowchart and works with dedicated staff at PHA, which screens the initial candidates for pre-qualification and refers them to HOME. In turn, HOME identifies down payment assistance, provides 8-12 hours of home-buyer education and home loan counseling services, identifies qualified realtors and works with an array of lenders and cities in helping consumers secure mortgages. Finally, the financial institution administers the down payment assistance to complete the triangle.

“Traditionally this population has not only been underserved, but it also has not been given the opportunity to participate in homeownership or the asset building process,” says Silva. “This is because programs were never focused or designed to accommodate their needs.”

HOME incorporates all of the components for a successful homeownership coalition as identified in *Going It Alone*: leadership and dedication, knowledge of housing systems and resources, assistance with the costs associated with buying and maintaining a home and counseling.

“Getting the word out is most important,” says Silva. He advises organizations to ask for in-kind support. HOME receives donations from his partners. And Fannie Mae, financial institutions and the Braille Institute give him documents in accessible formats and other materials for his clients.

An accessible program is one that enables a person with a disability to participate equally with other participants. For example, HOME has its training facilities on the first floor for wheelchair users and even clients on gurneys have been served. Counseling is done in the home and over the phone, and a video is in the works. “If the person cannot come to our site, they can watch the video, take a quiz at the end and then call in for one-on-one counseling and a certificate,” says Silva. “It is really about one-on-one interaction. We always find a way to communicate with people.”

Organizations can improve accessibility by asking participants if they need accommodations, by training staff on disability awareness issues, regularly marketing their services to the disability community and by partnering with disability organizations. Reasonable accommodations, generally associated with the Americans with Disabilities Act, are services supporting the needs of people with disabilities; most are surprisingly inexpensive and easy to provide. For example, a client may request materials in large print, on audiotape or on computer disk. Other requests may include special seating arrangements at workshops, flexibility in scheduling, meeting reminders and one-on-one follow-up support.

Communication between CBO staff and the client is important, especially to avoid assumptions about preferences. For example, an individual with visual impairment may request information on a computer disk and another client with the same disability may prefer audiotape. Also, if one

particular accommodation is cost prohibitive, there may be an alternative that is acceptable to the individual.

For Barbara Pesante, the obstacles she faced in obtaining services and assistance were not enough to deter her from the goal of restoring dignity and independence to her life. “When you become disabled, you lose your job and you lose everything to pay for everything,” she says. “You are humbled. You are set back like a child. You have to start all over again. I want what I had before. I want to travel, to enjoy life the way I should. I shouldn’t have to be struggling all the time.”

For Barbara and others living with disabilities, David Silva’s vision is a source of hope and encouragement. “We can do this,” he says. According to Silva, helping people with disabilities build assets is part of a natural evolution. “In the 1950s people with disabilities were basically living at institutions,” Silva recalls. “In the 1960s they were living in facilities like nursing homes. In the 1970s and 1980s they were living in group homes. Now, people are mainstreaming.”

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#### **Resources:**

Consortium for Citizens with Disabilities Housing Task Force  
1331 H St., NW, Suite 301  
Washington, DC 20005  
202-783-2229  
[www.c-c-d.org/task\\_forces/housing/tf-housing.htm](http://www.c-c-d.org/task_forces/housing/tf-housing.htm)

Homeownership Made Easy (HOME)  
5901 Green Valley Cir., Suite 170  
Culver City, CA 90230  
888-346-9700  
<http://homechoices.org>

Technical Assistance Collaborative, Inc.  
535 Boylston St., Suite 1301  
Boston, MA 02116  
617-266-5657 (also TTY)  
[www.tacinc.org/](http://www.tacinc.org/)

[Opening Doors: A Housing Initiative for the Disability Community](#)

[Section 8 Made Simple: Using the Housing Choice Voucher Program to Assist People with Disabilities](#) (2nd ed.), by Ann O’Hara and Emily Cooper. 2003. (PDF)

What Does 'Fair Housing' Mean for People with Disabilities, and Digest of Cases and Other Resources in Fair Housing for People with Disabilities (both 2003, revised eds.). Bazelon Center for Mental Health Law. 202-467-5730, X110. [www.bazelon.org](http://www.bazelon.org).

The Job Accommodations Network  
PO Box 6080  
Morgantown, WV 26506-6080  
800-526-7234 (also TTY) in the U.S.  
800-ADA-WORK (also TTY) in the U.S.  
304-293-7186 (also TTY) worldwide  
[jan@jan.wvu.edu](mailto:jan@jan.wvu.edu)  
<http://janweb.icdi.wvu.edu>

National Council on Independent Living  
1916 Wilson Blvd., Suite 209  
Arlington, VA 22201  
703-525-3406  
703-525-4153 (TTY)  
[www.ncil.org](http://www.ncil.org)

National Disability Institute  
1725 Eye St., NW, Suite 600  
Washington, DC 20006  
202-336-7680

Welfare Information Network  
1401 New York Ave., NW, Suite 800  
Washington, DC 20005  
202-587-1000  
[www.financeprojectinfo.org](http://www.financeprojectinfo.org)