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Housing Help for the Disabled

For many people with physical and mental disabilities, obtaining private, affordable housing can be a challenge.

By Jack C. Harris

In the past, disabled people with limited income were confined to public institutions. Today, many disabled people have the opportunity to exercise more control over their lives with help from a burgeoning collection of organizations providing grants and other types of aid designed to facilitate more appropriate housing for disabled citizens.

For example, the U.S. Department of Housing and Urban Development (HUD) has a program (Section 811) that provides grants to organizations that construct and rehabilitate rental housing incorporating support services for the disabled. Also, there is a Section 8 voucher program that helps disabled, low-income people pay rent at such facilities.

The demand for special housing for the disabled is expanding, not only because of the de-emphasis on institutionalization, but as a result of an overall aging of the population and the growing numbers of those struggling with AIDS and substance abuse. Conversion of existing structures is a needed supplement to the construction of new facilities, and the most readily available and suitable type of structure is the single-family home.

Fannie Mae has two loan programs that help finance the purchase and conversion of conventional homes to housing for the disabled. The "HomeChoice" mortgage loan helps low- and moderate-income loan seekers who have disabilities or family members with disabilities. For those who need supportive services, the "Community Living" loan, intended for sponsors operating such housing on a rental basis, also is available.

Both programs operate through "coalitions," partnerships of non-profits, lenders, government agencies, service providers and other interests. Coalitions organize and execute the projects, while Fannie Mae funds the loans originated through approved lenders.

HomeChoice mortgages allow disabled people to become homeowners, with financial support from the coalition. Community Living loans allow support organizations to buy

one- or two-unit residential buildings for use as group homes for disabled persons. Residents of group homes may receive rental assistance from HUD's Section 8 program, if they qualify.

Fannie Mae recently liberalized the Community Living program to make it more widely applicable. Among the changes were:

- adding loans with terms of 15, 20 and 30 years to the 10- and 25-year, fixed-rate loans already eligible;
- allowing non-profit and government sponsors to use government grants or second mortgages for the entire down payment and closing costs;
- allowing cash-out refinancing of existing mortgages, if the proceeds are used to make improvements to the home; and
- waiving certain restrictions relating to state licensing of the facility (Texas requires a license from the Department of Health and Human Services for any group home that provides mental or physical support services), the appraisal that supports loan underwriting, and the way the funding contract is set up with government funding agencies.

Anyone who would like to become a sponsor of this type of housing, become involved in a coalition or form a coalition should contact the Partnership offices of Fannie Mae. There are two offices in Texas:

1 Riverwalk Plaza	2 Allen Center
700 N. St. Mary's St.	1200 Smith St.
Suite 420	Suite 2335
San Antonio, 78205	Houston, 77002
Telephone: 210-299-1075	Telephone: 713-652-0410 ☎

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