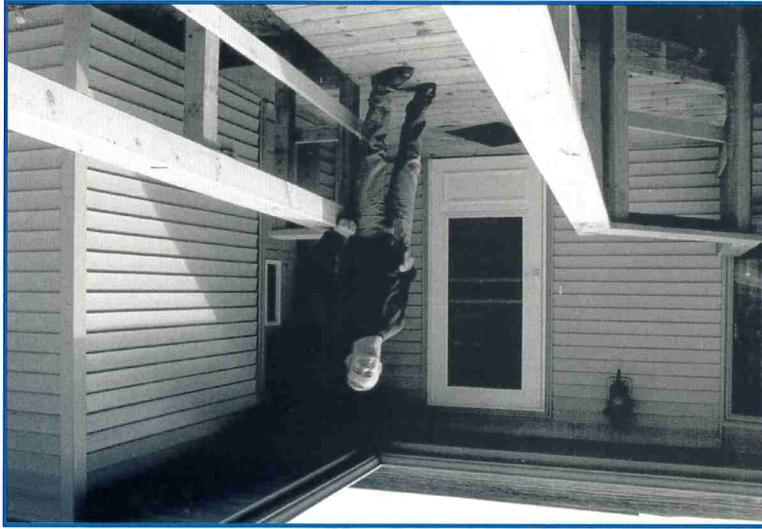




Wisconsin Council on Developmental Disabilities



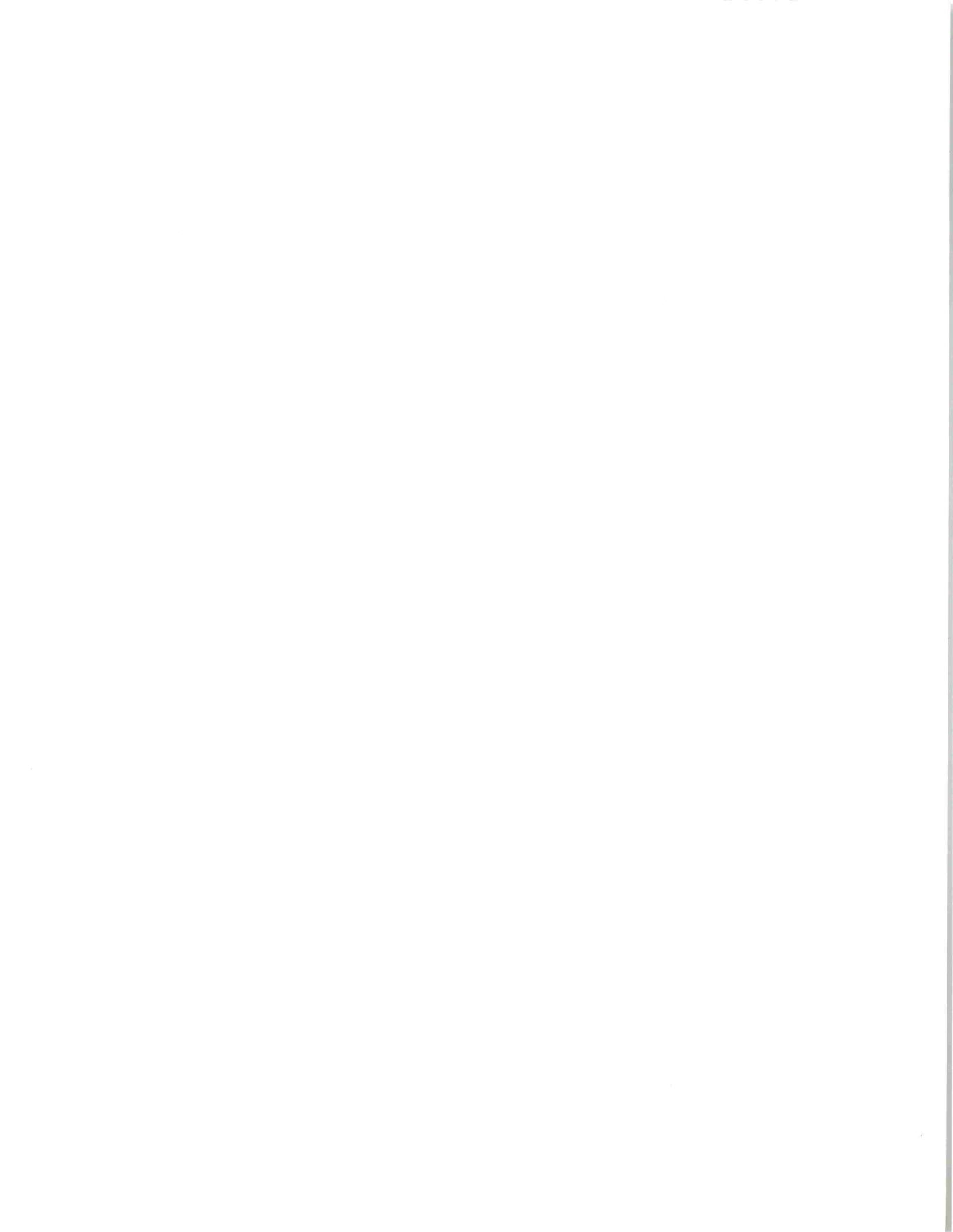
• *Community Supported Living Series* •



A HOUSE-BUYING GUIDE FOR PEOPLE WITH DISABILITIES

“The place or point of entering or beginning”

THRESHOLD





Wisconsin Council on Developmental Disabilities

February 1998



• *Community Supported Living Series* •



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A HOUSE-BUYING GUIDE FOR PEOPLE WITH DISABILITIES

• *Community Supported Living Series* •

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Sally Mather Associates

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Contributors:

Families and individuals who have bought a home

and allowed us to learn along with them.

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Marcie Brost and Howard Mandeville

February 1998

This publication is one in a series on community supported living for people with developmental disabilities. Copies of this guide and other titles in this series are available from the Wisconsin Council on Developmental Disabilities. For information, contact the Wisconsin Council on Developmental Disabilities, PO Box 7851, Madison, WI 53707-7851. Please use the order form at the back of the guide to order additional copies.

For additional information or assistance regarding options for home ownership, write to: Supported Housing Specialist, Wisconsin Department of Health and Family Services, Division of Supportive Living, Bureau of Developmental Disabilities Services, PO Box 7851, Madison, WI 53707-7851.

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"Hello?"

"My brother George has moved 4 times in the last 2 years, his roommates keep changing and the staff keep changing too. I am wondering if I should buy him a place to live so he doesn't have to move so often. I know the staff will always change but is making his home permanent a good idea? Would I be responsible for the payments alone or could I charge rent? Could he own the house with me? How would these decisions affect his services and his SSI?"

—Family member

"Should we change our will? Years ago the lawyer who wrote our will said we should not leave our daughter Mary any type of help at all. Is it possible to leave her the house? It's paid for and she could have a roommate to live with her for companionship. Could a trust own the house? Could she and the roommate then pay for taxes and upkeep? What are our options for planning for her future and making a contribution toward that plan?"

—Mary's parents

"My wife and I are retired and in our 80's. We are worried about our daughter Cindy who is in her 50's, has many disabilities, cannot walk or talk, and requires round-the-clock care. We want her to live in the home after we are gone. Can we leave her the house? Who would help us do that for her? Who could help take care of the place since she can't?"

—Parents of older adult

"Our two teenagers need a ramp and their own bedrooms. They use big power chairs and we have steps into the house which is a very small place. Now we have to lift the chairs and they are heavy. Someone told us you could help us figure out if we should remodel or buy another house. Where could we get help?"

—Parent of young adults

"I am the guardian for a man in his 30's who has a hard time living with other people. He really wants to live by himself. Could I use some of the money I manage for him to buy a duplex, maybe rent out one half to Leon and the other half to someone else? What tax liability would I have as his guardian? Is there special money or loans to help me do this? I have many questions. Can you help me?"

—Leon's guardian

"We are going to get married soon and we want our own place. We both use wheelchairs and Fred uses a lot of equipment. We both have part time jobs and get SSI. We need a bigger place but close enough to our friends and to work as the bus only goes so far to pick people up for work. Can you help us get a loan?"

—Potential homeowners with disabilities

"My sister will be leaving the institution soon. There is an empty lot across the street from me and it would be nice if she was close to me. Could we build for her? Is there money to help do that?"

—Family member

DIVISION OF SUPPORTIVE LIVING
1 WEST WILSON STREET
P.O. BOX 7851
MADISON, WISCONSIN 53707

State of Wisconsin
Department of Health and Family Services



Tommy G. Thompson
Governor
Joe Leean
Secretary

Dear Reader:

The phone calls I've received over the last five years illustrate the types of opportunities and dilemmas that persons with disabilities, their families, guardians, case managers, etc., face when planning for the future, particularly in the area of housing. Many times the callers are hoping for simple answers to complicated questions. Sometimes I've needed to ask another 10 questions to figure out a response to their first question. Often people wish it would be quicker. These quotes and my years of experience have reinforced my opinion that people really need to analyze carefully their housing problems and the goals they are trying to achieve.

There are even occasions when callers just want me to send the book that contains all the easy answers. My work with families and persons with disabilities provides daily reminders about how complex these decisions are and yet, how responses and solutions can be found given enough time, energy, patience, and money.

This guide can provide insights and answers to some of the questions that you may have. Additionally, this information may help you understand the complexities of house-buying, and see the many possibilities for families to be involved in finding solutions. I hope people with disabilities, with the help of their families and supporters, can reach the dream of owning their own homes.

Sincerely,

Marcie M. Brost
Supported Housing Specialist

Jayn Wittenmyer, Executive Director, (1976-1997) WCDD

Sincerely,

As the former Executive Director of the Wisconsin Council on Developmental Disabilities, I look back at my 21 years at the Council and take pride in its continued efforts to improve the quality of life for people with many different disabilities. The Council's efforts challenge us in our understanding about who people with disabilities are and what kind of lives they can lead.

During the last five years, the Council has funded a particular effort aimed at housing and long-term planning for people's futures. This effort has helped to open new doors for people with disabilities and their families, as well as for communities throughout Wisconsin. The WCDD provides funds for a staff position within the Division of Supportive Living to work in this area, a variety of assistance and training, and publications with technical information needed by consumers and their families. Additional work includes a video that documents housing experiences of people with disabilities throughout Wisconsin. WCDD has also been a partner with non-governmental organizations at the local level to promote better housing options for people, including home ownership. This guide is part of the *Community Supported Living Series* which the Council produces to address housing, support, safety, friendship, and other concerns in people's lives.

When my daughter Amy was born in 1962 with a disability, I couldn't imagine her owning her own home. Since then, I've spent lots of energy and time keeping Amy and others like her out of institutions and nursing homes. To think that 35 years later systems actually help people with disabilities buy their own homes is certainly in the category of minor miracles.

I hope you enjoy and learn from this guide. Please feel free to send the Council your comments and ideas as you explore this new adventure in the years ahead.

Dear Reader:

722 Williamson Street
P.O. Box 7851
Madison, WI 53707-7851

Council on Developmental Disabilities



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INTRODUCTION

Who should use this guide and why?

Is buying a house the answer? Whether or not to buy a house is a BIG decision for people who can make this choice on their own and use their own money. For people who are disabled and have very low incomes, this decision is even bigger. When anyone confronts this decision, unfamiliar situations arise. There are new people and professionals to find and get to know. There are numerous procedures to learn about and understand. Many different decisions have to be made along the way. And there is a lot of money involved. This is why the process of home buying may seem, and often is, complex, confusing, and time consuming.

When we thought about who might help individuals with disabilities explore home buying and support the potential home owner as s/he goes through the experience, we thought of people in *three different roles*:

1. *People who provide ongoing help on a day to day basis* to the person who is disabled. They are the direct care providers, case managers, guardians, parents, members of the circles of support. They are the core group who know the person best and

provide him or her with long term, consistent support.

2. *Housing specialists who know about the process* and subsidies associated with home buying. These people serve as navigators throughout the process and work for various organizations depending upon where you live in Wisconsin.

3. *Bankers, brokers, attorneys, accountants, inspectors, other financial and legal advisors* who enter and exit the process at certain times and for limited intervals.

All of these people play critical and different roles in the home buying experience. They all need to work together as a team to achieve a successful outcome. An outcome that answers the question, "Should I buy a house?" An outcome that can be exciting and realistic.

This guide is written primarily for adults* with a wide range of disabilities who have low incomes and the people who will help them examine the option of home purchase. The information in this guide is relevant to adults with disabilities leaving an institution, moving out of their

*While this guide is primarily written for adults with disabilities, it can also be useful to families who have children with disabilities that may or may not share some of the circumstances listed. Families may, however, have additional issues such as the fluctuation of their child's SSI payment due to parental wages.

- Because of their support needs or for economic reasons, some adults with disabilities may be required to share their home with one or more unrelated individuals.

Despite the complexity and challenges associated with owning a home, the list of benefits for a person with disabilities is considerable. Owning a house gives a person a sense of "home," pride, and stability. It may enable the person with disabilities to more easily make physical accommodations and arrangements that enhance the living situation. He or she also gains more control over how the home is decorated. Home ownership provides a way for parents to continue to make financial contributions to their adult child. In addition, it offers a mechanism for the person with disabilities to gain equity in the home and it helps everyone involved to plan somewhat for the future.

How do I use this guide?

This guide describes the typical steps associated with first-time home buying and where those steps are the same, but also different and sometimes more intricate for people who have very low incomes plus disabilities. You may find this description somewhat long and, at times, complex. The goal is to provide information that helps you undertake this process, as well as information that emphasizes the amount of time, planning, and knowledge it takes to make a successful home purchase.

No one is expected to remember everything written on the following pages. The

parents' homes, or already living on their own, and families headed by parents who have disabilities.

It is important to recognize that adults with disabilities may experience any or all of the following factors that could influence their home ownership interest, experience, and options. These factors may further complicate the home buying process and decision:

- Their personal income may be very low and relatively fixed, perhaps SSI and modest wages.

- They may get some type of financial settlement that suddenly jeopardizes their benefits and creates its own timeline.

- Their skills and knowledge about money matters relevant to home buying, as well as concrete experience with handling money, may be limited.

- There may be a representative payee, guardian, conservator, or trustee who needs to be involved.

- They may be vulnerable to contractual exploitation.

- For those who need support services, the complex set of paid and unpaid supports may be unpredictable with little certainty about what services will be available in the future.

a blueprint for planning and action when you work with a specific person.

There will be additional reference materials regarding this topic in the future. One reference which is already in print is *One Step Ahead: Resource Planning for People with Disabilities Who Rely on Supplemental Security Income and Medical Assistance* (8/94). See order form at the back of this publication.

You will want to keep this guide and future housing materials in a three-ring notebook. Remember, if you read and review this material prior to contacting professionals, it will save you time and money.



guide is intended to be a reference document to help you decide whether or not to buy a house. If you do choose to buy a house, the guide helps you make informed decisions. *It provides only a general summary, not comprehensive or exact, of the process that will vary with each individual set of circumstances.*

Typical Steps in Housing Counseling

Each page in the following section is divided into two columns.

The left column lists the five steps typically involved when any person, regardless of income or disability, considers home ownership. The right column provides expanded issues and suggestions when counseling a person with very low income and disabilities.

Each step builds upon the previous step. **It is critical that you start at Step 1—the analysis of your housing problems and goals.** If you start by looking at houses or seeking subsidies, you will inevitably run into serious problems.

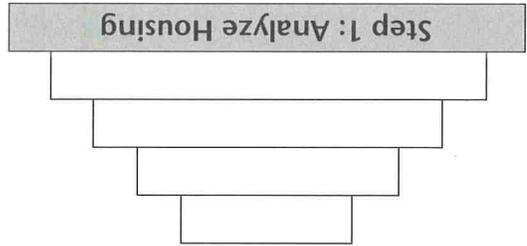
Typical Steps in Housing Counseling provides an overview of buying a house plus details that are essential as you actually engage in the process. It highlights major issues and decision points. It also provides

Step 1: Analyze housing problems and goals

Typical Steps in Housing Counseling



Issues and Suggestions for People with Disabilities



What is the current housing situation?

- How did you get there?
- Rental history? Landlord problems?
- Lease? Expiration date?
- Who is paying for the housing?
- What are the rent payments?
- Any debts? Credit problems?
- Utility costs? Household expenses?
- Whom do you live with?

Low-income people with disabilities

often need to live with one or more unrelated persons, in order to obtain support or to afford the housing. This is a very important issue to keep in mind when exploring housing situations.

What are the housing problems?

- Need more space?
- Change in make-up of household?
- Want more stability?
- Moving too often?
- Payments too high?

Other problems might include:

- Need for better accessibility.
- Need to spend an inheritance or benefit back payment quickly, in order not to jeopardize future benefits.

This is a crucial step that must be done thoroughly. If this step is shortchanged or bypassed, there will be many problems and wasted time down the road. Verify responses to these questions throughout the process. Pay attention to details about money and timelines.

Typical Steps in Housing Counseling

PLUS

Issues and Suggestions for People with Disabilities

Step 2: Decide an approach to housing problems and goals

Is moving the only way to resolve housing problems?

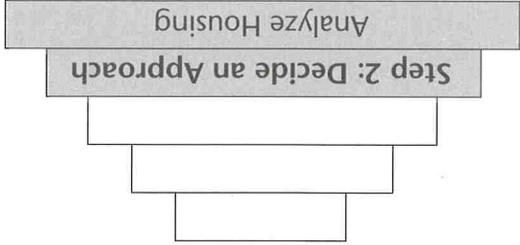
- Would remodeling, improved weatherization, etc., solve the problem?
- Would mediation or fair housing advocacy resolve landlord issues?
- What resources exist to solve housing problems without moving?

Are you prepared for all the implications of moving?

- Job? Family? Friends? Transportation? Neighborhood?

Is home ownership a desirable possibility?

- Do you want to make a relatively long-term commitment to a house?
- Are you prepared to take on a complex and time-consuming process?
- How important are stability and control over your living space?



Subsidy programs to pay for accessibility improvements may be an alternative to moving.

You also need to think about:

- Who will move? How will the current make-up of the household change?
- Will needed support services follow to the new home?
- Will housing subsidies follow or change?
- Will transportation be more or less convenient?
- Are current accessibility modifications portable?

Pay attention to intangible and emotional issues:

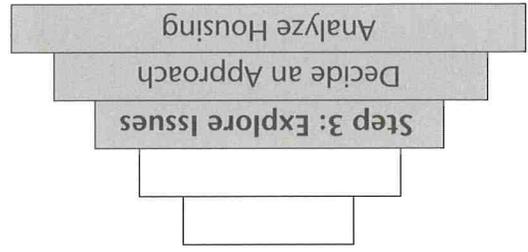
- Sometimes people with disabilities have less control and feel more vulnerable in entering into this kind of transaction.
- Home ownership may be a very new idea—not something that person feels prepared for.

Issues and Suggestions for People with Disabilities



Typical Steps in Housing Counseling

Step 3: Explore four home ownership issues at once



1. What can you afford?

- How much can you afford to pay right now? Analyze immediate costs: time off work, earnest money.
- How much will you be able to borrow? Which lender offers the best mortgage? What are rates, terms and penalties? Who will service the loan (in-house or sold on the secondary market?)
- How much can you really afford to borrow long-term? Analyze income, debts, household budget. Could you give up or defer other discretionary expenses?
- Could you supplement your income?
- Can your family help financially?

Start by making a quick inventory of all the issues that might need attention: current and future income, debts, credit worthiness, household budget; likely building modifications; need for help with property management; zoning issues; possibilities for primary and secondary financing; legal questions.

The financial analysis involves working in the following areas:

A. Primary financing (first mortgage): Ask questions, more caution may be advisable. • Prior relationship with the lender helpful. • People with very low incomes have fewer discretionary expenses to trade off and therefore fewer choices in level of debt they can manage.

- Get pre-qualified by a bank and disclose to the broker how much debt you can afford.
- Buying a 30-year mortgage with fixed rates and no re-financing will allow you to fix your costs for 30 years (recommended for people with low, fixed income).

B. Start exploring additional subsidies to fill the gap; there may be 4-6 subsidy sources.

C. Consider different ownership options (consumer, parents, sibling) and their impact on services and finances, (for example, Social Security, SSI, MA.*)

*These subjects, including estate recovery, divestment, property tax liens, and tax liabilities will be covered in future Community Support Living Series publications.

Typical Steps in Housing Counseling

PLUS

Issues and Suggestions
for People with Disabilities

2. What's available on the housing market?

- Work on your own or with a broker.
- Look at newspaper ads.
- Drive around, go to open houses.
- Talk to friends, enlist help.

Talk to brokers

- Interview them carefully about the process and specializations they have.
- A buyer's agent or broker works on behalf of the buyer (not the seller) for a percentage of the purchase price.

3. What are the essential and preferred features of the home you want?

- Location
- Size
- Parking
- Pet policy

Additional considerations:

- Accessibility.
- Space for live-in care-givers.
- Maintenance/property management.
- "Strings attached" to private or public funds you want to use.

4. What are your timelines?

- How much time do you have to spend on this?
- Length of current lease?
- When do you prefer to move?
- Job change?

Generally, you have more time for planning, unless you suddenly receive financial resources that jeopardize your benefit eligibility.

Typical Steps in Housing Counseling



Issues and Suggestions for People with Disabilities

Engage an attorney

Decide when and how to involve an attorney; he or she should at least review final documents.

Check in with your attorney at every step:

- If your family is investing its own resources, have the attorney investigate how to do that in the most beneficial way; explore the pros and cons of any financing decision.
- Investigate liens against the property, resulting from subsidies.
- Review the final offer with the attorney before signing it.

Negotiate final offer with seller

- It is common practice to re-assess the amount of the offer following the inspection report.
- Negotiate what is done and who assumes the cost and responsibility for getting the work done.
- The timetable may be re-negotiated—agree on a closing date and occupancy provisions.
- The buyer's negotiating power depends on how badly the seller wants to sell and whether there are other potential buyers.

Work with your broker to determine which upgrades the seller should pay for. If the seller pays, it may be simpler even if it means raising the purchase price.

An attorney can help figure out which items are worth arguing about in negotiating the final offer.

Issues and Suggestions for People with Disabilities



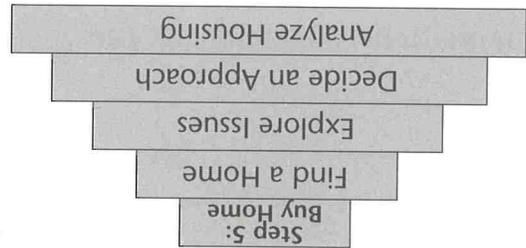
Typical Steps in Housing Counseling

Step 5: Purchase the home

Remove remaining contingencies
 Work with broker and lender to get all financing paperwork in order. Seller and buyer respond to inspection report.

Prepare for closing
 • Buyer's and seller's brokers work closely together.
 • Broker engages Title Company to make sure all work is done to transfer legal title to property.
 • Attorney and broker work closely; attorney reviews all final legal documents.
 • Avoid zoning changes unless absolutely necessary.
 • Broker oversees process and monitors timelines.

Closing
 • Negotiated by broker, who is responsible for notifying all parties.
 • Date, time, and place pre-established.
 • Buyer comes with attorney and brings all needed documents.
 • Sign documents. Exchange keys—assume possession of home.



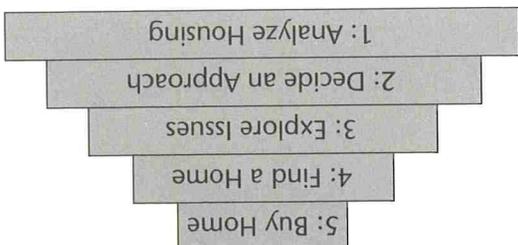
Be efficient:

• Subsidy programs have varying timelines and requirements; use a housing counselor with knowledge of subsidies who can work with lenders to get these in order.
 • Buyer may require help (guardian, case manager, friends) to get to the bank to officially apply for loans, meet underwriting criteria, and to prepare for closing.
 • Recommend making house payments through automatic withdrawal from bank account.

Check on accommodations needed, such as signature stamp for signing documents, and accessible location.
 Remember to celebrate!
 • Take photos.
 • Bring champagne.

Find out who helped to make this happen and THANK them!

SUMMARY OF KEY POINTS



- 1. Be Ready for Expected Components of the Home Buying Experience**
- Planning for home ownership is not a linear process. Everything you do affects everything else and there will be many tasks that need to be done all at the same time. There will also be a lot of re-thinking and re-doing.
 - Assume you will have to make compromises and trade-offs so try to keep your expectations and hopes in check.
 - Realize you do not have control over the entire process and that really there is no focus of control. It is the sum of many people's work and perspectives. Try to view the process as an interesting experience with a path that is not always crystal clear.

- There will be difficult periods of time during the process. Always express your desires and needs, but don't get personal with your comments.
- Take your time. The process can be very slow and it is not a failure if you don't reach the end of it quickly. Steps 1-3 can take a very long time.

- 2. Remember Importance of Step 1 = Analysis of Housing Problems and Goals**
- **Start with Step 1 ALWAYS!** Don't start in the middle (appointments with brokers, bankers, sellers) where the timeline can quickly accelerate and the binding, legal aspects of home purchasing can take effect before the necessary contacts and planning have occurred.

- 3. Respect Different Roles and Supports Needed for a Successful Outcome**
- In order to accomplish your goal, you will need dedicated partners who work with you as a team, with each person playing his or her respective role.

- 4. Be Prepared with a Business Attitude in a Business Environment** where:
- Every revision is a "change order" and may result in an additional cost to you.
 - Fast action and turnaround is valued and promotes efficiency.
 - Billing for every phone call or casual conversation is not unusual.

5. Plan for Future Uncertainty

- Plan for all foreseeable costs and try to cover as much as possible now rather than postponing costs to a later date.

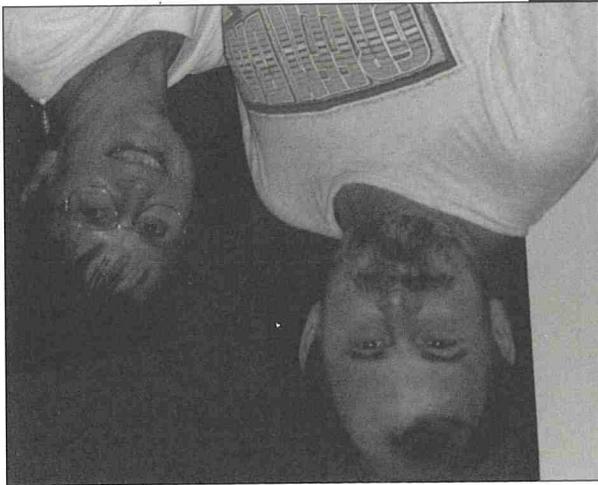
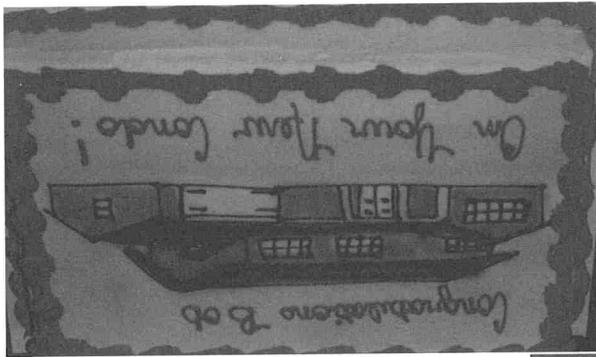
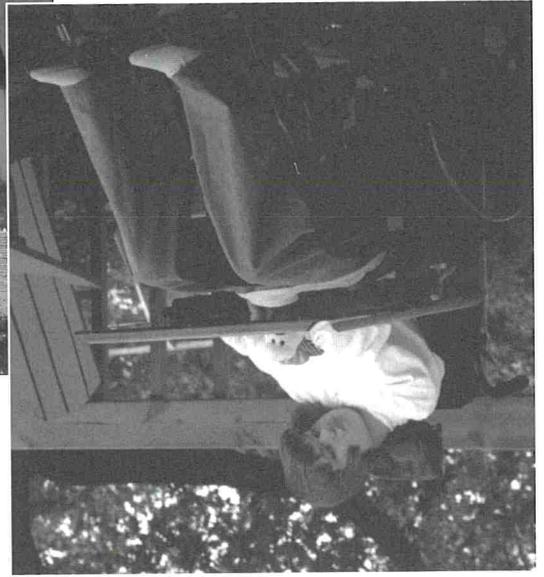
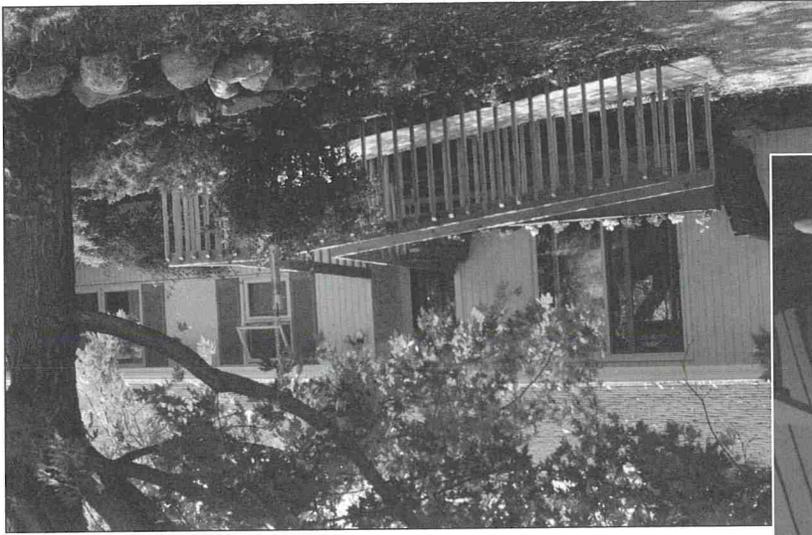
6. Use Simple Safeguards to Avoid Big Errors and Troublesome Consequences

- Use a housing counselor.
- Develop a housing plan.
- Use a broker.
- Have an inspection.
- Use an attorney.
- Pay attention to the "contingencies" in the offer to purchase. Be sure the wording is detailed and accurate.
- Obtain a fixed rate 30 year mortgage.
- Don't leave the service system out of the process.
- Follow up on post-purchase agreements.

7. Be a Responsible Home Owner

- Be a good neighbor.
- Keep your property maintained.
- Pay your mortgage on time.





❖
THRESHOLD

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