

Lease Purchase Program

“CHN is really the national model for this [Lease Purchase]. Other organizations have the capacity, but not to the extent—in terms of volume and refinement—that CHN has achieved.”

—Tom Eastman, Vice President of Syndication
Enterprise Community Investment

In 1987 CHN was the first program of its kind to link the Low-income Housing Tax Credit (LIHTC) with a lease-to-purchase option. This enabled CHN to begin developing homes on a large scale for families who would not otherwise achieve homeownership. The program works as follows:



Financing & Development

Each year CHN establishes site control of 50-100 scattered site single-family homes. A Limited Partnership is established, and an application is submitted for Low Income Housing Tax Credits through the Ohio Housing Finance Agency. Subject to a competitive process, CHN typically is awarded 1-2 projects annually. When development is complete, homes are turned over to CHN’s Property Management department for lease-up and 15-year management.

Application

Families apply for the program through CHN or one of its CDC partners. Prospective tenants must have Income levels below 60% AMI, and also must complete homeownership classes before moving in. A typical resident is a single woman with 2-3 children and an income below 50% AMI.

Shared Responsibilities

The program requires that residents provide basic, loving-care maintenance of their homes and yards. As owner, CHN handles larger maintenance and mechanical repairs, pays the water bill and property taxes.

Preparation & Transition

Through classes and counseling, CHN works with residents to help them qualify for an affordable, fixed-rate mortgage. CHN also offers self-financing and other assistance if needed. In Year 16 the home is sold for the outstanding debt, granting significant equity to the homeowner. CHN works to keep housing costs, after purchase, not more than their previous rent.

Lease Purchase Facts

(15-year pathway to homeownership)

Homes Developed:	2,682
Sold thru 2009:	542
Transition Rate:	80%
Median Sales Price:	\$17,750
Appraised Values:	\$35,000-85,000
Education & Counseling:	20 hours
Average Monthly Rent:	\$550

“Without Lease Purchase, I would not be a homeowner today...I’ve been on my job for 24 years, and I feel confident that I am well set to succeed as a homeowner.”

-Gloria Cowsette, 2003
(pictured above)