



2022 homeownership program eligibility qualifications

Overview of the Habitat Homebuying Process

Thank you for your interest in applying to the Habitat for Humanity of Monroe County Homeownership Program!

Habitat for Humanity believes **everyone** deserves access to the benefits, stability, and independence gained through homeownership. In this belief, we are committed to partnering with Monroe County individuals and families to build safe, affordable housing in our community.

In order to be considered for the Habitat Homeownership Program, applicants must have lived and/or worked in Monroe County for at least a year, and meet three important criteria: **1) A Need for Housing 2) An Ability to Pay 3) A Willingness to Partner with Habitat.**

You can use the following guide to determine if you meet each parameter of these criteria, and if you would qualify for the Program at this time. If you believe that you do, all adult members of the applying family **must** attend an upcoming Homeowner Information Meeting and submit your completed application during the next Open Application Window.

Once the application period has ended, the Homeowner Selection Committee will review all complete applications at their next monthly meeting. If applicable, they will schedule a home interview the following month. If the Committee determines that you meet all requirements of the program, they will make a recommendation to Habitat's Board of Directors for final approval.

How the Program Works:

By applying to the Program, you are initiating a unique and exciting partnership with Habitat. Once accepted, you will begin taking homeowner readiness classes and earning your sweat equity hours as part of the "Willingness to Partner" criteria of the program. At a certain progress threshold, we will extend a lot offer, and begin work on **YOUR** home with you/your family. Once all program requirements are completed and your home is ready, you will be able to close on your mortgage and move in!

The Habitat Homeownership Program is unique in several ways: 1) We sell houses to our homeowners at the appraised value, without adding in any profit; 2) We also offer affordable mortgages to buy the house. This is significant, because a traditional loan from a commercial bank adds market-rate interest payments, which can more than double the "cost" of the home to the buyer. Our policy is that homeowners should repay their mortgage as quickly as possible, while keeping the monthly payment affordable (less than 30% of gross income). This means that the preferred 15-year mortgage may be extended to 20, 25, or 30 years to meet the needs of the individual homeowner.

We are able to keep the cost of our homes low by partnering with our extremely supportive community. Building costs remain low thanks to generous donations of funds and volunteer time, which makes it possible to sell our homes at an affordable rate. The mortgage payments you will make will also fund future construction for additional homeowners.

If you have any questions, you may call the office at 812.331.4069 or email hs@monroecountyhabitat.org.

In partnership,

Martha Shedd
Homeowner Services Director
Habitat for Humanity of Monroe County



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In order to fill out your application, you will need the following information:

- Your housing and employment history for the last year
- Contact information for your current employer and landlord, and any from the last 12 months
- Total monthly income - including all wages and any public assistance you expect to receive for at least the next three years (i.e. TANF, food stamps, Social Security, disability, Section 8 or housing voucher) and any child support or alimony you wish to declare - and your total income listed on your most recent income tax return
- Total monthly expenses, including utilities, rent, insurance, phone and Internet service, etc.
- Summary of assets, including vehicles, checking and savings accounts, etc.
- Summary of debts, including all loans, credit card balances, student loans, medical debt, outstanding bills, etc.

The following information needs to be submitted or completed in addition to your signed homeowner application in order for your application to be considered complete:

- Each adult (18+ years old) in the household must attend a Homeowner Information Meeting within 12 months of a submitted application
- Copies of non-expired government-issued photo IDs for every adult in the household (copies can be made in the Habitat office when submitting your application)
- A tax transcript from the IRS for the last year's income tax return
- Copies of the most recent six weeks of pay-stubs from all jobs for all wage earners (excluding dependents) in the household
- Copies of the most recent statements for any public assistance you expect to receive for at least the next three years (*for example*, TANF, food stamps, Social Security, disability, Section 8, *etc.*)
- Copies of all applicant(s) W-2 forms from all sources of employment in the past year
- Completed landlord reference for the last 12 months -- filled out by your landlord and returned to you (additional landlord reference forms are available if you had multiple landlords in the last 12 months)
- Completed employer reference for the last 12 months for each job held by every wage earner (excluding dependents) in the household - filled out by the employer(s) and returned to you (additional employer reference forms are available if any wage earner had multiple employers in the last 12 months)
- Information for the Government Monitoring Purposes form completed
- Authorization to search the National Sex Offender Public Website form signed by each adult (18+)
- Appraisal Disclosure Notice signed by applicants
- IF** an adult in the household does not have income, you will need to submit a Zero Income form
- IF** you cannot supply a positive landlord reference, you are claiming your utility bills are greater than \$150/month, OR you intend to qualify under the "Need for Housing" criteria showing your housing cost burden is 40% or more of your income, you will need to include copies of the most recent 12 months of utility bills
- IF** you have student loans, please include statement(s) or bill(s) showing your total monthly payment. If your student loans are in deferral, please provide a letter stating such.
- IF** any applicant is paid in cash by their employer and they do not have pay stubs, they will need to complete Form 4506-C for the last two years, and submit tax transcripts showing cash income

Our staff is available to help answer questions you might have as you determine your eligibility in the Habitat Homeownership Program. Please call 812.331.4069 or email hs@monroecountyhabitat.org.

We aim to open the Application Window multiple times per year, but it depends on the number of families in the program and our capacity to best serve each family in a timely manner. You may call or email our Homeowner Services Team to be added to an inquiry list. When Homeowner Information Meetings & Open Application Windows are scheduled, we will share that information with you.



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Have you lived or worked in Monroe County for at least one year? If yes, check your eligibility with these three criteria:

1) Need for Housing

Is your current housing... (at least one must apply)

substandard?

(i.e. broken windows/doors; roof damage; signs of water damage; rodent/insect infestation; insufficient insulation; mold; or have broken/unusable appliances, toilets, sinks, shower, or bathtub)

overcrowded?

(i.e. any family member is unable to sleep in a bedroom; other rooms are used for regular sleeping space; school-age children of differing genders must share a bedroom; you're living in another relative or friends' home)

unaffordable?

(i.e. current total housing cost burden (rent/mortgage, utilities, insurance) is 40% or more of gross income)

transitional or public housing?

(i.e. mobile home, Section 8, public/subsidized housing program, transitional housing)

Yes

Move to Criteria #2

No

You may not qualify at this time

2) Ability to Pay

Does your household earn between 25-80% of the Area Median Income based on your family size below (including all sources of income)?

Family Size	YEARLY	
	25% of median	80% of median
1	\$14,950	\$47,800
2	\$17,050	\$54,600
3	\$19,200	\$61,450
4	\$21,350	\$68,250
5	\$23,050	\$73,750
6	\$24,750	\$79,200
7	\$26,450	\$84,650
8	\$28,150	\$90,100

A credit search will be conducted, but your score is not a determinant of eligibility.

Are your total debts (medical, car loan(s), credit card(s), student loans, child support, alimony, etc) 13% or less of your total gross income?

Can you provide proof of income for all jobs from the most recent 6 weeks for all applicants, co-applicants, and spouses?

Can you supply an employer reference or one year of pay stubs, showing no gaps in employment greater than 2 months?

Can you provide the most recent W-2 forms for all working adults in the household?

Can you supply a landlord reference or document one year's worth of rent and/or utility payments without more than 2 late payments?

Do you have less than \$5,000 of uncollected debt from the last 7 years, and judgments/liens of less than \$500?

If you have filed for bankruptcy, has it been more than 12 months, with documented improved credit history since?

Yes

Move to Criteria #3

No

You may not qualify at this time

3) Willingness to Partner

Is each adult in the household (18+) willing to earn 250 hours of sweat equity?

Can every adult in your household attend a Homeowner Information Meeting before the upcoming Open Application Window?

Does each sweat equity earner agree to register for all sweat equity shifts, and turn in a timesheet at the end of every month?

Are you willing to secure childcare and/or adjust your current work schedule to meet the needs of the program?

Is every adult in the household (excluding dependents) willing to attend all scheduled Homeowner Readiness classes and/or make a plan to attend any makeup classes?

Yes

We encourage you to apply!

No

You may not qualify at this time