



SUMMARY SHEET – Palouse Habitat for Humanity Homeownership Program

Why a Habitat for Humanity Home?

- Habitat will build a house in partnership with you.
- Sell you the house with a **0%** interest loan.
- Provide opportunities for you to learn the skills you will need to own and maintain a house.

The Habitat for Humanity Mortgage:

-The 1st mortgage covers cost of land, improvements, building materials, and the value of donated items. Interest is 0% with a 20-30 year repayment period.

-The 2nd mortgage covers the assessed value of the home and property minus the 1st mortgage. After 5 years living in house, value of 2nd mortgage is reduced annually over the life of the first mortgage.

Example:	Home's assessed value	\$175,000
	1 st Mortgage (Deed of Trust)	<u>\$125,000</u>
	2 nd Mortgage (Deed of Trust)	\$ 50,000

If the Habitat homeowner sells the home, the balance of both the 1st and 2nd mortgages must be paid off, plus any other amounts due to Palouse HFH.

Monthly mortgage payments include principal, taxes and insurance. The Habitat homeowner saves approximately \$1000 toward closing costs. Any additional closing costs, including the first year of insurance, are included in the mortgage. Monthly mortgage payments are based on the cost to build the home and, considering the costs of insurance and taxes, what would be an affordable monthly payment for the homeowner.

Criteria for eligibility

Need:

Examples: overcrowding, unsafe or unsanitary conditions or your house is in substandard condition; or your current housing expenses are more than **30%** of your gross monthly income.

Ability to pay:

- Your gross annual (pre-tax) income must fall within the Habitat annual income range for Whitman/Latah County for a family of your size (see table below), and be able to document it will continue for at least three years.
- Be able to save \$1000 to pay a share of the closing costs.
- Total debt must not be over **42%** of your income.
- No more than \$2000 in charge-offs or collection debt; exceptions will be considered for education and medical.
- No bankruptcies within the past two years.
- Must be a legal resident of the U.S. (a US citizen or permanent legal resident).
- Show consistent payment history with debts and other obligations (rent, etc), unless there are extenuating circumstances (provide explanation on the application).

<u>Family Size</u>	<u>30%**</u>	<u>60%**</u>
1	\$15,005	\$30,009
2	\$17,148	\$34,296
3	\$19,292	\$38,583
4	\$21,435	\$42,870
5	\$23,150	\$46,300
6	\$24,865	\$49,729
7	\$26,579	\$53,159
8	\$28,294	\$56,588

*The question regarding what constitutes “income” can be a confusing one. If you feel unsure whether you meet our income range requirements, but believe you could meet the other guidelines, including making a monthly mortgage payment, then I would strongly encourage you to attend one of the informational meetings.

** Based on 30-60% of the area gross (pre-tax) median income (AMI) for Whitman/Latah County 2020 HUD Data

Be willing and able to partner with Habitat for Humanity:

- Provide application information truthfully and in a timely manner
- Attend homeowner education classes
- Complete sweat-equity hours by helping build the home and helping with other Habitat/community activities
- Expect to start sweat equity hours on selection; plan on working most Saturdays until your home is completed - friends and family can donate a portion of your required sweat equity hours.

Additional criteria:

- Aged 18 or older.
- Have lived or worked in Latah or Whitman County for at least the last year
- Be willing to accept a house where Habitat is able to find affordable land.
- Applicants must agree to a home visit as part of the application process.
- No active judgements or liens that could attach to the home.

Among a pool of qualified applicants, the Homeowner Selection Committee will choose the applicant with the greatest need.

A Habitat for Humanity House is typically 3 bedrooms, 2 bath, 1,100 square feet, but it may vary based on the size of family and accessibility or use needs of the homeowner selected, the characteristics of the lot, etc. Palouse HFH offers limited options for choice by the homeowner – paint colors, flooring and cabinet selections, within a limited and using recommended materials.

Application Process: Fill out application completely. Attach copies of required documents. DO NOT SEND ORIGINALS! Make copies for your records.

Mail application and documentation to

Palouse Habitat for Humanity, PO Box 3054, Moscow, ID 83843

Applications will be verified by Habitat for Humanity including income and job information, landlord and employer references, credit check, and sex offender check. Application process takes up to 3 months. If approved, you can expect to wait 1 -2 years to get a house, although in a normal year, Palouse HFH builds a home a year. No late applications accepted.

**Applications must be postmarked or turned into the Habitat office no later than
5:00 pm on Monday, October 5, 2020**

Information on the program and the application process is available online at
<https://palousehabitat.org> or by contacting the office.

Phone: 208.883.8502

Email: director@palousehabitat.org

Office Address: 306 N. Main Street, Moscow, ID 83843