



Homeownership Program Moscow 2024

Why a Habitat for Humanity Home?

- Habitat will build a house in partnership with you.
- Monthly mortgage payments based on 30% of your monthly gross take home pay at time of application.
- Your monthly payments will build equity for the future.
- Your home will be new, built to current safety, accessibility and energy codes.
- On the build site, you will learn skills to help you own and maintain a home.
- You will meet and build relationships with community members who volunteer to help build the home.

The Moscow Affordable Housing Trust

This year, Palouse Habitat is partnering with the Moscow Affordable Housing Trust (MAHT). Under the MAHT program, the homeowner owns the home but the Trust owns the land. This helps keep the home affordable. See the enclosed documents for more information.

What does a Palouse Habitat Home look like?

A Palouse Habitat home is typically a one level 1200 sqft ranch style home, with 3 bedrooms, 2 bathrooms, but it may vary based on the size and composition of the family and their accessibility or use needs, the characteristics of the lot, etc. The homes are built to be energy efficient.

Palouse Habitat does not build garages unless required by local covenants. When a garage is not built, a shed will be included. Palouse Habitat offers homeowners a choice in some paint colors, flooring and cabinet selections, within a limited budget and using recommended materials.

Will I pay for the house?

Yes, this home will have a mortgage. You can expect your payment to be no more than 30% of your income.

The home will be appraised by a certified professional appraiser.

What does a Habitat mortgage look like?

Palouse Habitat has a two-tiered mortgage structure. The first mortgage is the one the homeowner makes their monthly payments on. The second mortgage is a lien on the property for the difference between the first mortgage and the appraised value of the home.

The second only comes due if the title transfers (ie the home is sold), and only in an amount allowed by the MAHT rules.

Once selected, future homeowners will be screened to see if they are eligible for a mortgage through the USDA 502 program (see below for details). Those who do not meet the USDA 502 criteria will have a Habitat funded mortgage.

Do I need money at closing?

Yes, \$1000 toward closing cost is due before closing on the home.

Can I sell my Habitat for Humanity Home built on MAHT land?

- Yes, you can sell your Habitat home.
- The home sale must follow MAHT rules. See included documents for details.
- Palouse Habitat will have the first opportunity to buy back the house.

What criteria does Habitat use to select a homeowner?

Applications are reviewed by the Palouse Habitat Homeowner Selection Committee for the following criteria:

Need:

Examples: overcrowding; unsafe or unsanitary conditions; faulty plumbing or electrical; structural issues (for example a leaky roof); excessive utility bills or rent that is more than 30% of gross monthly income. The Committee may schedule a site visit to verify the need.

Ability to pay:

- Gross annual income must fall within the guidelines listed below for Whitman/Latah County based on family size (see table in cover letter).
- Income must be reasonably expected to continue for at least three years.
- Be able to save \$1000 to pay a share of the closing costs.
- Total monthly debt payments (including the new mortgage payment) must not be over 43% of monthly gross income.
- No more than \$2000 in charge-offs or collection debt; exceptions will be considered for education and medical debt.
- No bankruptcies within the past three years.
- No active judgements or liens that could attach to the home.
- Must be a U.S. citizen or permanent legal resident of the U.S.
- Show consistent payment history with debts and other obligations (rent, etc), unless there are extenuating circumstances (provide explanation on the application).

For a Habitat homeowner application, income includes wages, salary, federal assistance or disability payments, child support, food stamps, rental assistance, etc. If you have questions, please contact the Habitat office.

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 helping build the home: 300 hours for a single adult household; 400 for a two-adult household. Friends and family can assist with hours, and hours volunteering in other Habitat or community activities may count as well, although the majority of the hours must be completed on the build site.
- Allow a site visit to verify need.
- Provide permission for Habitat to complete the application review process, including permission to visit with employers, landlords, etc. See enclosed permission form.
- 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 selection criteria:

- Aged 18 or older.
- Currently live or work in Latah or Whitman County.

- Be willing to accept a house where Habitat finds affordable land.
- Assets must not exceed an amount that would qualify you for another mortgage.
- Any other criteria outlined in the Palouse Habitat Homeowner Selection Policy (copy available on request).

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

What does the USDA 502 Direct Loan program look like?

Future homeowners who meet the criteria below will be asked to complete the application for the USDA 502 Direct Loan program.

- Income: Cannot exceed the USDA low-income limits for family size.
- Debt to Income: Cannot exceed 41% using monthly debts from current credit report and proposed mortgage payment.
- Credit Score:
 - a. For a score of 640 or higher, there is a streamlined credit process.
 - b. For a score under 640, there will be a full credit analysis, including:
 - i. A minimum of two different types of credit showing regular payments made. If less than two, nontraditional lines can be used (utility bill, rent, storage unit, insurance).
 - ii. Collections should be paid-in-full and six months of good credit established.
 - iii. Judgements/liens should be paid-in-full and 12 months of good credit established.
 - iv. Bankruptcies need to be discharged at three years.
 - v. Past foreclosures must be at least three years prior to making an application.

If the applicant's USDA 502 application is denied, Palouse Habitat for Humanity will move forward with a Habitat mortgage.

The Application Process:

Fill out the application completely. Attach copies of required documents. DO NOT SEND ORIGINALS! Make copies for your records including a copy of this summary.

Mail application and documentation to PHFH, PO Box 3054, Moscow, ID 83843
Or deliver application and documentation to 306 N. Main St., Moscow, ID 83843
DO NOT EMAIL YOUR APPLICATION

You will receive notice from Palouse Habitat within 3 business days after your application is received, and every 30 days after that to update you on the status of your application. The application process takes up to 3 months. During that time, the Palouse Habitat Homeowner Selection Committee will review the application, verify income and job information, check landlord and employer references, run a credit report, and conduct background and sex offender checks. You may receive requests for documents or additional information to complete your report. Please respond to these requests by the deadline stated in the request letter. You are welcome to call the Habitat office at any time if you have questions.

If approved, you can expect it to take 1 -2 years to complete the home, although normally Palouse HFH completes one home a year.

Applications must be complete and submitted on time.

Applications must be postmarked or turned into the Habitat office no later than 5:00 pm on Monday, February 5th, 2024

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

Phone: 208.883.8502

Email: outreach@palousehabitat.org

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

