

Family Selection Process Overview

Our purpose

- Improve affordable housing conditions
- Work in partnership with other community agencies to address affordable housing needs
- Provide long term, no interest loans to those who qualify
- Empower community members through educational programs

Who Qualifies for a Habitat for Humanity Home?

- Income is 30% to 50% of Area Median Income
- Demonstrates a serious need
- Applicant has the ability to repay costs
- Willingness to partner with affiliate through 500 hours of sweat equity
- Resident of Merced County 1yr. min

Need

- Present housing is not adequate
- Unsafe or unhealthy living conditions
- High cost burdens
- Overcrowding

Ability to Pay

- Proof of steady income
- Complete and full disclosure of financial status
- Debt to income ratio
- Credit history is considered
- Inaccurate or partial information is grounds for disqualification

Willingness to Partner

- Sweat Equity – 500 hours minimum
- Ability to take on homeownership responsibilities
- Providing timely and complete information
- Public nature of the program

Where Does Habitat Build?

- We believe that location matters. We choose to build in neighborhoods that have available and affordable lots, as well as active community groups organized around issues of empowerment.

Location Discretion Policy

- Habitat serves the eastern part of Merced County.
- It is our goal to build homes in all the communities in eastern portion of our county.

Home Design

- Basic, "No-Frills" Housing
- Average Living Space:
- 900 square feet for a two-bedroom house
- 1,050 square feet for a three-bedroom house
- 1,150 square feet for a four-bedroom house
- Limited Design Options

Buyer's Design Option

- Buyer preferences are limited to accommodations for disabilities
- The next house built will have three bedrooms.
- Usually, families are asked to assist in the selection of flooring and paint colors

How Does Habitat Set the Price?

- All building costs are tracked
- No profit is taken
- No interest is charged
- An affordable mortgage is calculated which is comprised of the principal + taxes and insurance
- \$500 down payment is required Down payment can be accumulated in small increments as house is built

Resale Restrictions

- Habitat has the first right of refusal
- Shared appreciation occurs over loan payoff period
- Long term commitment
- Borrowing against equity in the home is not allowed

Partnership Responsibilities

- Sweat equity
- Timely payments
- Continuing partnership
- Owner occupied housing – house cannot be used as a rental

Sweat Equity 101

- 60/40 rule: partnering family has to do 60% of the work and their friends & family can do up to 40%
- No children under 16 allowed on the job site on construction crews can help clean-up etc.
- Child care provider hours are counted toward sweat equity
- Attending useful educational classes earns 2 for 1 sweat equity hours
- Sweat Equity hours must be on a building site, unless other accommodations are required

Application Process

- Application completed in full
- Give second address, must be able to contact you if eligible.
- Attachments for income verification
- Photocopies only; originals will not be accepted; we will not make copies
- Application Deadline two weeks from orientation session.
- Incomplete applications will not be considered.
- Home Visit limited to those who pass through initial assessment
- Written Response from Habitat for Humanity on incomplete documents or disqualification
- This is a long & tedious process – be patient

Application Attachments

- 1.- Two most recent wage stubs for all adult wage earners
- 2.- Verification of other income sources (SSI, TANF, AFDC, etc.)
- 3.- Copy of last year's filed Federal tax return with all attachments
- 4.- Copy of last year's W-2's/1099's for all adult applicants and household members
- 5.- Copies of last month's utilities (electricity, gas, telephone, etc.)
- 6.- Copy of rental agreement or rent check
- 7.- Copy of most recent 2 month's bank statements

Common Misconceptions

- Habitat is a "give-away" program

- 500 sweat equity hours is easy to do and you're only responsible for working on your own home
- Habitat never repossesses a home
- Once you're in a Habitat home, your obligations are limited to mortgage payments
- There are loopholes in the application process or that any one individual has preference
- Someone can get rich quickly when they purchase a home from Habitat