








# Homeownership Orientation

# Criteria

You may be eligible for a Habitat for Humanity Greater Orlando & Osceola County home if you are currently residing in Orange or Osceola County and you meet the following three guidelines:



# Examples of a Housing Need

-  Inadequate
-  Overcrowded
-  Transitional
-  Government subsidized
-  Cost burdened - rent payment exceeds 30% of gross income

# Examples of the Ability to Pay

- **Meet the income guidelines (see *next slide*)**
- **Our calculations are based using gross income and income must be:**
  - Verifiable
  - Reliable
  - Likely to last for 3 years
- **Sources of income that are considered:**
  - Employment Income
  - Disability Income
  - Child Support
  - Alimony
  - Social Security
  - SSI
  - Pension
  - Retirement
  - TANF
  - Self Employment (2 yr. history) must provide 2-yr Tax Return must include P&L statement

# 2020 Income Limits\*

Family Size	Minimum Gross Monthly Income	Maximum Gross Monthly Income
One	\$3,100	\$5,090
Two	\$3,100	\$5,820
Three	\$3,100	\$6,550
Four	\$3,100	\$7,270
Five	\$3,100	\$7,860
Six	\$3,100	\$8,440
Seven	\$3,200	\$9,020
Eight	\$3,200	\$9,600

You and your family will be considered if your total income meets the criteria above. It's important to note that the income limits are based on family size.

\*Please note that minimum and maximum income limits are subject to change at any time.

# 2020 Income Limits\*

Family Size	Minimum Gross Annual Income	Maximum Gross Annual Income
One	\$37,200	\$61,080
Two	\$37,200	\$69,840
Three	\$37,200	\$78,600
Four	\$37,200	\$87,240
Five	\$37,200	\$94,320
Six	\$37,200	\$101,280
Seven	\$38,400	\$108,240
Eight	\$38,400	\$115,200

You and your family will be considered if your total income meets the criteria above. It's important to note that the income limits are based on family size.

\*Please note that minimum and maximum income limits are subject to change at any time.

# Ability To Pay (continued)

- **Must meet the debt to income ratios**
  - The estimated mortgage payment must not be more than 30% of your gross income.
  - The total of your monthly debt payments (including the estimated mortgage payment) cannot exceed 43% of your gross income. (based on credit history, some borrowers may have a maximum debt ratio of 36%)
- **Credit worthiness**
  - Demonstrates ability to meet credit obligations
    - Median credit score of 640 as demonstrated on a tri-merge credit report.
    - If there are no scores, documentation of three credit references will be required with no more than thirty days delinquent on two or more regular monthly payments.
  - Has no “*non-medical*” charge offs on any credit report
  - More than two years have lapsed on bankruptcies and foreclosures



# HUD approved credit counseling agencies

For a list of local HUD approved credit counseling agencies to assist you in reducing your debt, visit [their website](#):

Click here



# Willingness to Partner

**NEW**

- **Must be willing to complete sweat equity (volunteer) hours**
  - **75** hours for a single applicant
  - **150** hours for those with co-applicant
- **Complete the required homebuyer education classes**
  - **8** homebuyer classes
  - **1** first time homebuyer workshop
- **Encourage other families to participate in the Habitat Orlando & Osceola program**
- **Be responsible in the maintenance of your home from the day you move in**
- **Be responsible for re-paying the mortgage loan in a timely matter so that other families can benefit from the homeownership program**

**You must complete  
36 sweat equity hours  
per quarter  
to remain in the program**

**= 12 hours a  
month**



# Where You Can Complete Sweat Equity Hours

- 🔑 Jobsite
- 🔑 Office help
- 🔑 Speaking engagements
- 🔑 Special events
- 🔑 Crafting/letters, etc.



# All abilities welcome

**We can accommodate disabilities;  
everyone must be willing to partner!**



# School Grades can count toward Sweat Equity

A maximum of three children of partner families may earn sweat equity hours for each passing **academic grade** (B or above), each quarter **after date of approval**.

Academic courses are defined as **Math, Science, English, History or Foreign Language**.

The credit will be applied as follows:

**A = 1 hr.**



**B = 0.5 hr.**

In addition, hours will accrue for residents of the household who complete an academic college course with the grade of a “B” or above after date of approval. Credit is equal to the number of credit hours earned.

# Benefits of a Habitat Home

- Pride of homeownership
- Brand new or newly refurbished home
- Three to four bedrooms maximum
- Low down payment
- Affordable mortgage payment (no more than 30% of your monthly income)
- Guaranteed Down Payment Assistance of at least \$5,000
- Habitat's assistance in applying for all eligible Down Payment Assistance programs
- Customize your home with available finishing options (cabinets, countertops, flooring, and exterior home paint colors)
- Included with a Habitat home:
  - Refrigerator
  - Stove
  - Dishwasher
  - Garbage Disposal
  - Hot Water Heater
  - Programmable Thermostat
  - Alarm System
  - Energy Efficient Building Materials
  - Mini blinds on windows in bedrooms
  - 1 (one) ceiling fan in the living room
  - 2 phone jacks in kitchen & master bedroom
  - Bahia Sod Landscaping



# A Look at Juniper Bend

sample



***Minimum monthly income to qualify - \$2,500***



# Silver Pines Pointe

5670 Golf Club Parkway Orlando, FL 32808

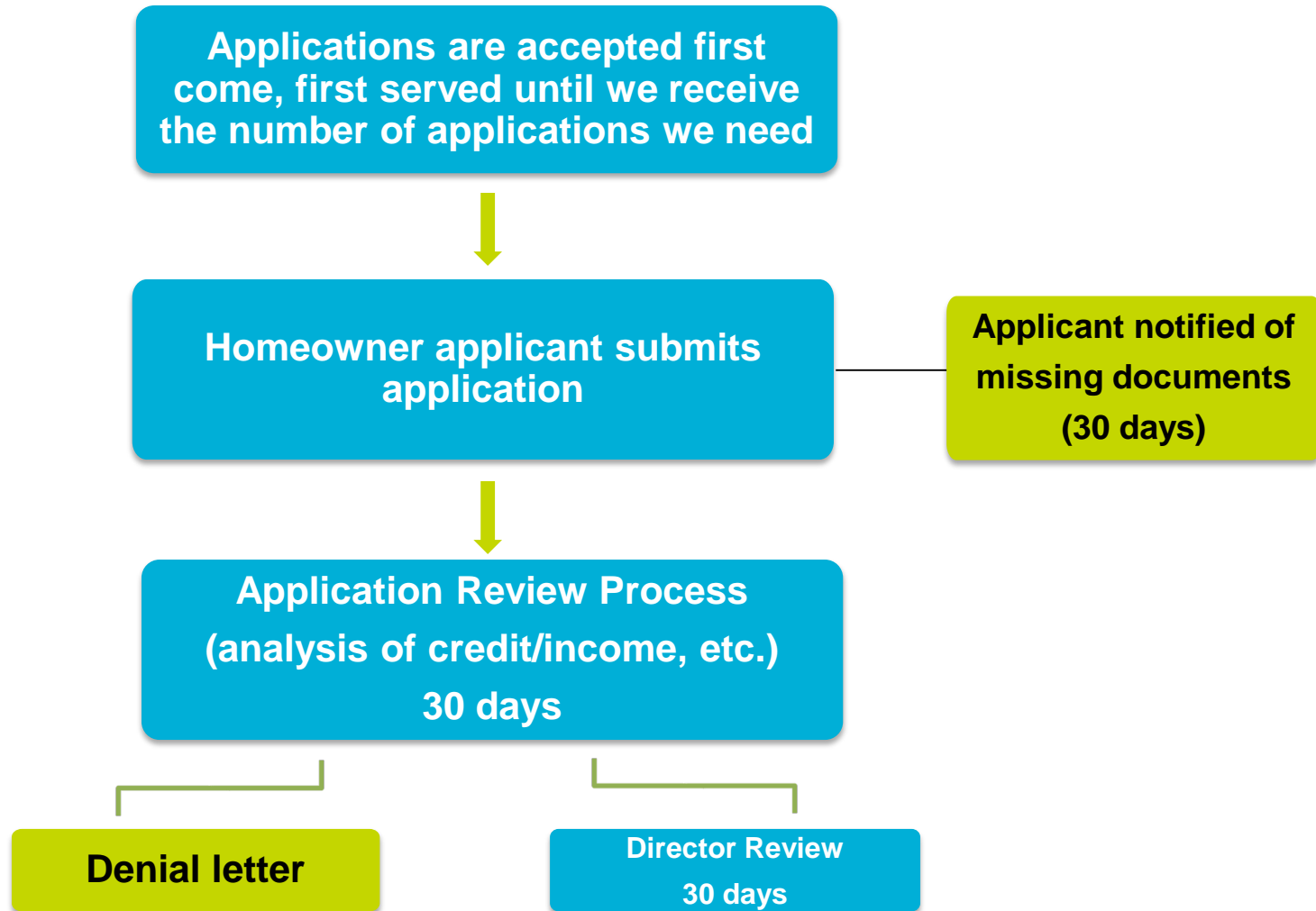


sample



*Minimum monthly income to qualify - \$3,100*

# Homeownership Application Process



# Homeownership Application Process, con't.



# Important

- Must return all required documentation within the time allotted and in an honest manner
- Must participate in a home visit (if applicable) or phone interview
- Must notify us of any change in family composition, change in income, change in contact information or any other material change in the information supplied to us within 30 days of the occurrence of such event
- Pay the required buyer cash contribution at closing
- Maintain appropriate debt to income levels and continue to meet creditworthiness criteria while under agreement

# Deselection

You may be deselected from the program at any time during the process for:

- Fraud on the application or at any time during the process
- Failure to complete the requirements set forth in the partnership agreement
- Negative changes in the financial condition that affect your ability to pay
- Failure to meet the requirements of either:
  - Sex Offender Policy
  - Criminal Background Guidelines

# Completing the Habitat Homeownership Application

- It's important to know that you are applying for a **mortgage**.
- Marital Status:     Married     Unmarried

*If married, you will be required to apply with your spouse even if the spouse does not have any income or reside with you.*

## Dependents

- Children 26 years of age or under may count in the household. Age is identified by the Affordable Health Care Act as a qualifying individual to be eligible for coverage under a parent's medical insurance plan
- Children of the same gender do not share a bedroom if the age difference between them is more than 5 years

# Completing Habitat Homeownership Application (con't.)

- “Present Housing Conditions”
  - Be sure to list your housing NEED, not your WANT
- Must not currently own a home
- Income information: must provide at least 12 months of consecutive income earned
- Income: If you list an amount, you must provide proof of it.
- Your down payment and closing cost contribution:
  - Minimum cash contribution is usually 1.75% of the purchase price; they are currently ranging approximately \$2,500 - \$3,500. (Depending on the loan program you qualify for, your contribution may be greater). The money will be required at closing and it cannot be a loan. The funds must be in your bank account at least 60 days before closing.



# Completing the Habitat Homeownership Application (con't.)

- Credit Information
  - Answer the debt questions to the best of your ability
  - Tri-merge credit reports will be pulled to verify your debt
- Declaration Questions
  - Answer “Yes” or “No” for each applicant

# Your application is considered complete when you:

- Pay the non-refundable \$25 application fee.
- Answer all Application questions.
- Submit the required documentation.
  - Please see Application Checklist on the next 2 slides

# Application Documentation Checklist (Part 1 of 2)

**THE FOLLOWING ITEMS MUST BE TURNED IN WITH YOUR APPLICATION IN ORDER FOR IT TO BE CONSIDERED COMPLETE. FAILURE TO PROVIDE THE REQUESTED ITEMS MAY RESULT IN YOUR APPLICATION BEING DENIED.**

- A. \$25.00 non-refundable application fee. You can pay the fee:
  - i. Online during an open enrollment period.
  - ii. At Habitat HQ during an open enrollment period.
    - 1. Application fees can be made in the form of money order or cashier's check, made payable to "Habitat for Humanity Greater Orlando & Osceola County."
- B. Copies of a valid driver's license or Florida state identification card for every adult in the household
- C. Copies of four (4) most recent pay stubs for:
  - i. Individuals applying for the mortgage loan
  - ii. For all household members
  - iii. If the applicant(s) have more than one job, we will require four (4) recent pay stubs from all employers.
- D. For Self-Employment we require the following:
  - i. Must show a two year self-employment history
  - ii. Must provide 2-year Tax Returns
  - iii. Must include the Profit & Loss statement (P&L)
    - 1. You must file a form 1040 schedule C to report income/expenses
  - iv. We must have signed IRS 4506-T (Transcript Request) for the last two (2) years.

# Application Documentation Checklist (Part 2 of 2)

**THE FOLLOWING ITEMS MUST BE TURNED IN WITH YOUR APPLICATION IN ORDER FOR IT TO BE CONSIDERED COMPLETE. FAILURE TO PROVIDE THE REQUESTED ITEMS MAY RESULT IN YOUR APPLICATION BEING DENIED.**

- E. Verification/Award letter for any benefits your family receives (SSI, Social Security, Pensions, Alimony, TANF, etc.)
  - i. Forms must be dated within the last 60 days
  - ii. Needed for all household members if applicable
- F. If Child Support has been ordered for any children in the household, we will need a copy of the Child Support Order as well as the most recent 12-month payment history from the State.
- G. Copies of Income Tax returns for last two years
- H. Copies of W-2(s) from employer(s) for the last two years or the 1099 form for the last two years

*\*\*\*We may request additional documents as we process your application.*



Habitat for Humanity Greater Orlando & Osceola County provides equal housing opportunities for all and ensures fair and equal access to its programs and services regardless of race, color, religion, gender, national origin, familial status, disability, marital status, age, ancestry, sexual orientation, source of income, or other characteristics protected by law.

## Important to know:

# You are not allowed to rent out your future Habitat for Humanity Greater Orlando & Osceola County home!

Like other affordable housing programs, Habitat for Humanity Greater Orlando & Osceola County requires that our homes are homeowner occupied. This means that you cannot use it for business purposes, move out and leave it empty, rent it out, or move out and let others live there instead. After a homeowner has fully paid off the mortgage, these restrictions are removed.

Habitat for Humanity Greater Orlando & Osceola County requires that the property (house and yard) are maintained in good condition.

- **What's next?**
  - Apply during an open enrollment period.
  - Assistance will be available if needed by appointment only.
- **How long does this journey take?**
  - The *average* length to move into a home is less than 1 year after approval.
- **Where is Habitat Orlando & Osceola building?**
  - Silver Pines Pointe in Pine Hills
  - Arbor/Juniper Bend in South Apopka
- **Do not compare!**
  - Someone else's journey is not the same as yours!