

## HOME BUYER READY PLAN

MENTEE #1:

MENTEE#2:

MENTOR:

HABITAT STAFF:

DATE:

You have been selected to participate in the Habitat Homebuyer Ready Program with Habitat for Humanity Greater Orlando & Osceola County, Inc. ("HO&O"). Your application for The Homeownership Program, dated \_\_\_\_\_, determined that you were ineligible for our housing program. Certain criteria did not meet the required standards. At the completion of the application process, areas requiring improvement were discussed with you. To better assist & prepare you for homeownership, you have been selected to participate in the Homebuyer Ready Program.

During the \_\_\_\_\_ period of your Homebuyer Ready plan, your participation & effort will be closely monitored and evaluated. The purpose and intent of the Homebuyer Ready Plan is to identify areas of concern within your last housing application, and provide you with the opportunity to demonstrate improvement and commitment.

### AREAS OF CONCERN AND/OR DEFICIENCY (CHOOSE ALL THAT APPLY):

- **Income**

- You currently meet the income criteria. Maintain the same income until you have closed on your home.
- You need \_\_\_\_\_ more per month to qualify for a mortgage under the current criteria.
- You need to show at least 12 months of consecutive income earned (preferably in the same line of work)  
You need \_\_\_\_ more months with current employer and continue with that job until you have closed on your home.  
Ask for a raise
  - 
  -
- Obtain a Part Time job
- File for Child Support

- **Reduction of Debt**

- You currently meet the credit criteria. Do not apply for new debt while trying to purchase a home.

- Utilize Savings that can pay down the debt
- Use Income Tax Refund to pay down the debt
- Non-Medical collection items will need to be paid off.
  - Consider settlements on any charge off debt. Make sure you get the settlement offer in writing before paying the debt.
- Look into an IBR/IDR payment plan for Student Loan debt. If established, maintain if active.
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- **Boost credit scores**
  - Utility & Rental boosts; if DTI is low, this may help
    - Important to note that this could inadvertently affect DTI ratios
  - Give credit reporting agencies 30-60 days to report debt payoff
  - Show positive payments for min of 12 months
  - Show minimum of 3 **open** lines of credit
  - Lower balance owed to less than 30% of credit limit
  - Do not close any revolving trade lines currently
  - Consider obtaining a secured line of credit
    - Use less than 30% of amount
    - Pay on time for over 6 months
  - Consider applying for a small credit limit credit card
    - Use less than 30% of amount
    - Pay on time for over 6 months

#### **IMPROVEMENT GOALS:**

In preparation of re-applying for the Homeownership Program, we encourage you to start working on gathering the following documents. These documents are *NOT* being requested at this time, but they will be required when you re-apply for the mortgage loan.

- **Proof of income**
  - Paystubs
    - Copies of four (4) most recent pay stubs from all employers for all household members
  - Child Support
    - Create an online account to be able to view payment history
    - Copy of Child Support Order
    - Copy of 12-month payment history
  - Verification/Award letters for any benefits the family receives (SSI, SS, TANF, Pensions, Alimony, etc.)
  - Self-Employment
    - Must show a two (2) year self-employment history
    - Must provide 2-years Tax Returns showing business income
    - Must include the Profit & Loss statement (P&L) – Schedule C
    - Important to note: any reported loss of income reduces the household income
- **Tax Returns & W2's**
  - Last two (2) years' Tax Returns for all applicants



- Last two (2) years' W-2's for all applicants
- Tax Returns must be signed
- **Bank Statements**
  - Must submit two (2) months of most recent bank statements for all checking & savings accounts
    - All pages are required even if they are purposely blank pages
  - Explain deposits that are not identified as income
    - Use Bank Deposit Explanation sheet
- **Start saving plan for Closing Costs**  
Minimum needed is approximately \_\_\_\_\_
  
- **ALOC's (Alternative Lines of Credit)**  
*If needed to strengthen a credit file, ALOC's must be accounts with 12 months+ positive payment history.*
  - ALOC's are not required at this time
    - Rental History (Habitat will send out a VOR – Verification of Rent)
    - Power Bill
    - Water Bill
    - Phone Bill
    - Auto Insurance
    - Life Insurance
  
- Other Documents needed when you re-apply:
  - Most recent statement for any retirement account.
  - Copy of a valid driver's license or Florida state ID for all applicants
  - Birth certificates for all household members
  - SS Cards for all household members
  - If divorced, copy of the final divorce decree. If widowed, copy of the death certificate.
  - Copies of resident alien card or naturalization papers for those not U.S. Citizens.

If at any time during the Homebuyer Ready Plan period you should encounter a concern or roadblock in achieving the above mentioned items, it shall be your responsibility to come to your mentor, explain your issue and seek assistance to rectify the issue impeding your progress.



**ACKNOWLEDGEMENT OF RECEIPT:**

By signing this document, you acknowledge the discussion with your mentor, regarding the issues and concerns and thus agree to participate in the Homebuyer Ready Plan.

\_\_\_\_\_

\_\_\_\_\_ Date

\_\_\_\_\_

\_\_\_\_\_ Date

\_\_\_\_\_

\_\_\_\_\_ Date

\_\_\_\_\_ Date

