

# Homeownership Orientation









# Criteria

You may be eligible for a Habitat Orlando home if you have lived in Orange, Osceola, Lake, Polk, Seminole, Volusia or Brevard counties for the last 12 months and you meet the following 3 guidelines:



# Examples of a Housing Need

-  Inadequate
-  Overcrowded
-  Transitional
-  Government subsidized
-  Cost burdened - rent payment exceeds 30% of gross income
-  Unable to purchase a home through conventional financing

# 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
  - Self Employment (2 yr. history)  
must provide 2-yr Tax Return  
must include P&L statement

# 2022 Income Limits\*

Family Size	Min Gross Monthly Income	Max Gross Monthly Income
One	\$4,600	\$6,150
Two	\$4,000	\$7,030
Three	\$4,000	\$7,910
Four	\$4,000	\$8,780
Five	\$4,000	\$9,490
Six	\$4,000	\$10,190
Seven	\$4,300	\$10,890
Eight	\$4,300	\$11,590

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.

# Current Income Limits\*

Family Size	Min Gross Annual Income	Max Gross Annual Income
One	\$55,000	\$73,800
Two	\$48,000	\$84,360
Three	\$48,000	\$94,920
Four	\$48,000	\$105,360
Five	\$48,000	\$113,880
Six	\$48,000	\$122,280
Seven	\$51,600	\$130,680
Eight	\$51,600	\$139,080

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 ratio**
  - The total of your monthly debt payments (including the estimated mortgage payment) cannot exceed **47%** of your gross monthly income (based on credit history, some borrowers may have a maximum debt ratio of 36%).
- **Credit worthiness**
  - Demonstrates ability to meet credit obligations
    - Middle credit score of **650** 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](#)



# Willingness to Partner

- Must be willing to complete sweat equity (volunteer) hours
  - **56** hours for a single applicant
  - **86** hours for those with co-applicant
- That includes:
  - **26** hours of volunteer time
  - **11** homebuyer classes (22 hours) for each applicant
  - **1** – first time home buyer workshop (8 hours) for each applicant
- You must be willing to work with a mentor or counselor to make sure you continue to meet our credit/income requirements as you wait to close on your home.
- Encourage other families to participate in the Habitat for Humanity Greater Orlando & Osceola County program
- Be responsible in the maintenance of your home from the time that 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

# Where You Can Complete Sweat Equity Hours

- 🔑 Jobsite
- 🔑 Office help
- 🔑 Speaking engagements
- 🔑 Special events



# Disabilities

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



# 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 35% 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 bedroom
  - 1 (one) ceiling fan in the living room
  - 2 phone jacks in kitchen & master bedroom
  - Bahia Sod Landscaping

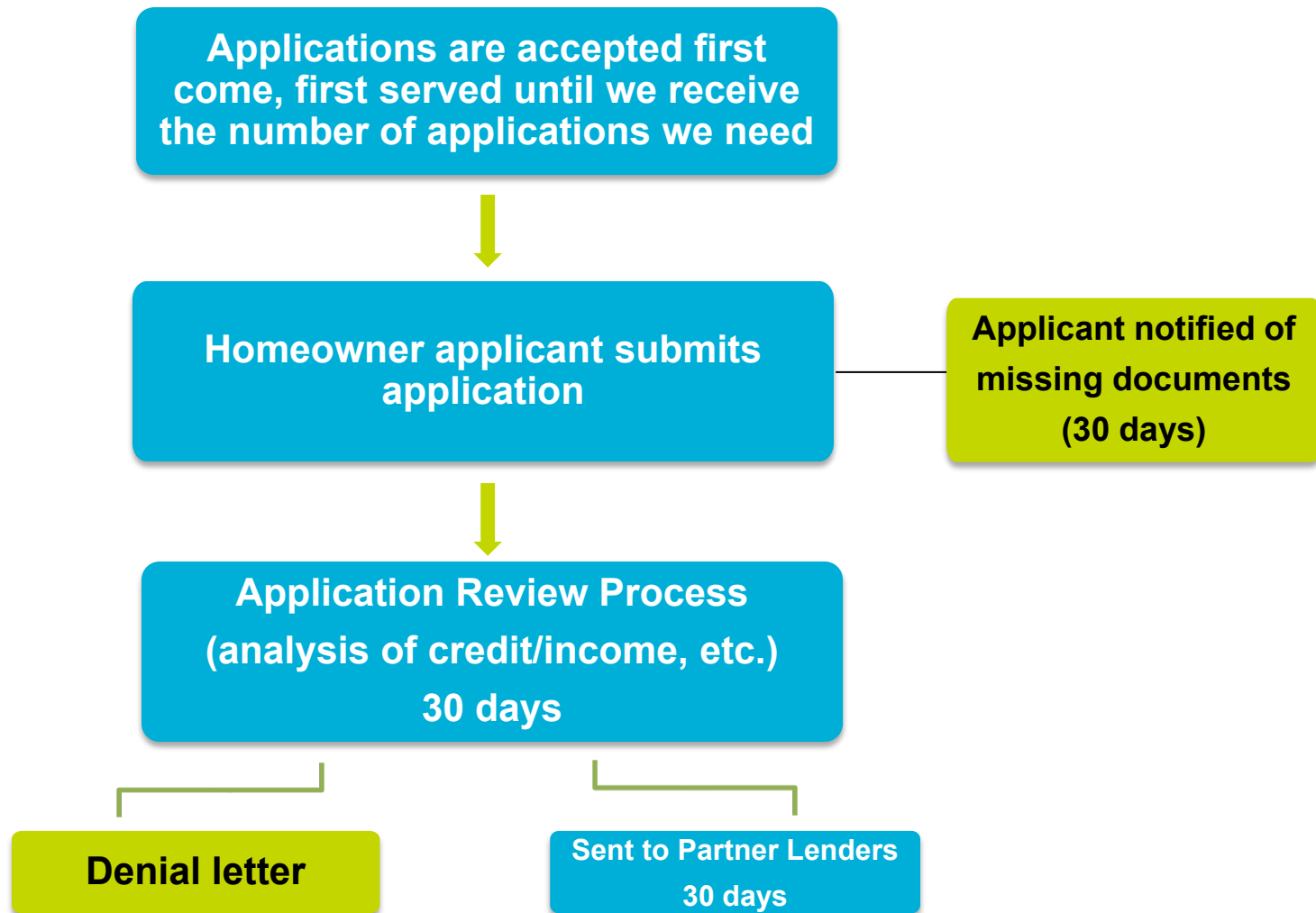


# Our community

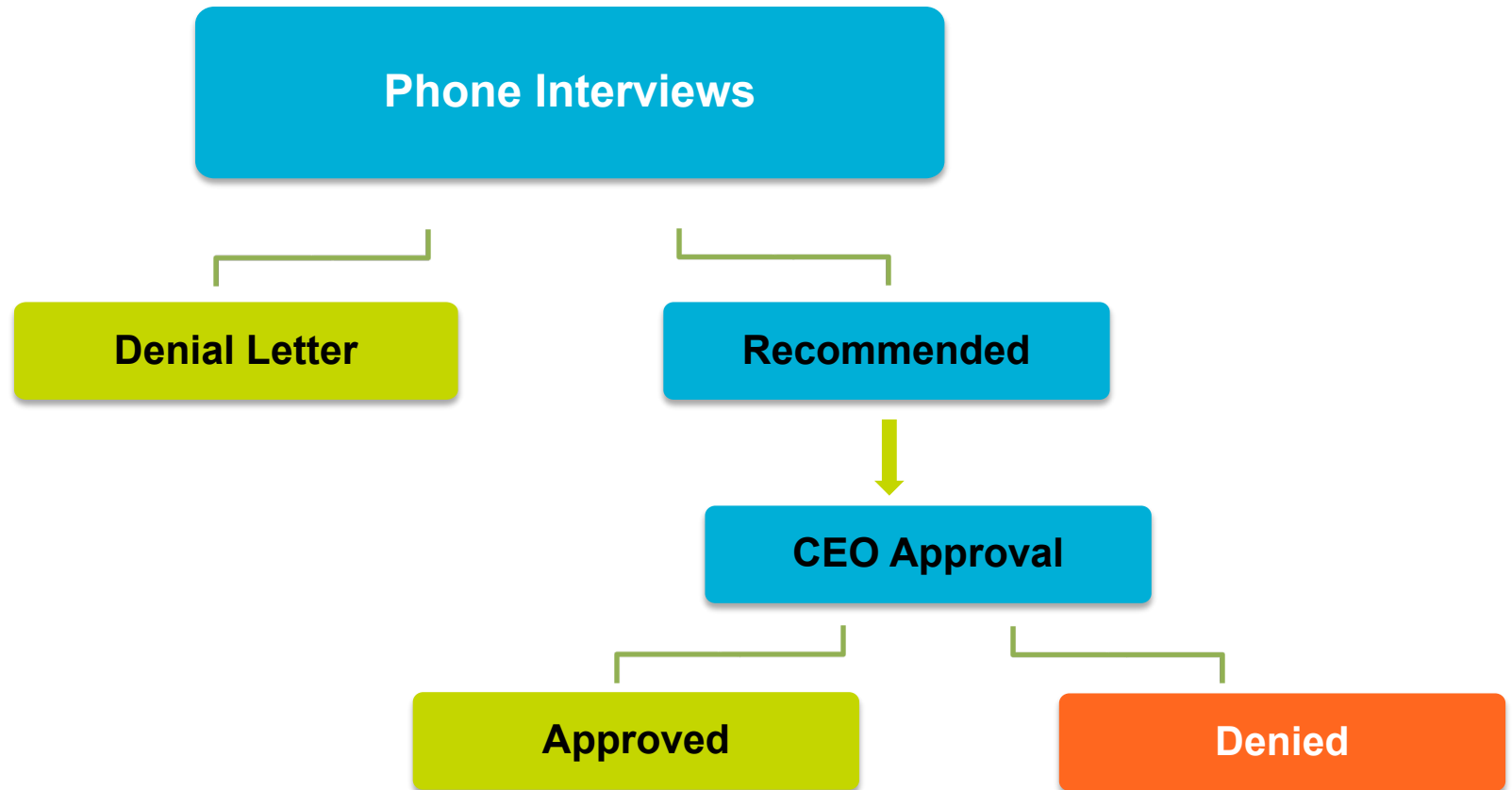
## Holden Heights



# Homeownership Application Process



# Homeownership Application Process





# Important

- Must return all required documentation within the time allotted and in an honest manner
- Must participate in a 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 anytime during the process
- Failure to complete the requirements set forth in the partnership agreement
- Negative changes in the financial condition that affect the 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 may be required to apply with your spouse even if the spouse does not have any income or reside with you*

## Household

- Anyone who will be living in the household more than 50% of the time is counted as a household member. The income of all household members is counted for income qualification purposes. Only the income of the applicants is counted for loan qualification purposes.

# 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 costs contribution:
  - Minimum cash contribution is usually 1.75% of the purchase price, they are currently ranging approximately \$4,500-5,000. (Depending on the loan program you qualify for, your contribution may be greater. The money will be required at closing, it cannot be a loan. The funds will have to 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 \$50 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. \$50 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-C (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 of Greater Orlando 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 all 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?**
  - *Average* length to move into a home is approximately 1 year
- **Where are we building?**
  - Holden Heights in Orlando
- **Do not compare!**
  - Someone else's journey is not the same as yours!