



## Habitat Homeownership Program Information Summary



Qualified applicants enter into a partnership to build a decent, affordable home, which is sold to our homebuyer at the appraised value through affordable mortgage financing. Homebuyers meet criteria in three areas: need for housing, ability to pay, and willingness to partner. The application process is completed in multiple steps over several months.

### Minimum Eligibility Requirements:

- Applicants must live or work in our 5 county service area (Steele, Waseca, Dodge, Olmsted, Wabasha) or in a neighboring county not served by another Habitat affiliate.
- Applicants and household members (age 18+) must submit to criminal background and sex offender registry studies.
- Gross income should fall between minimum and maximum limits for **total** household size. Calculate the annual gross income of all household members, ages 18 and over, and compare it to the chart below. \* **This is a guideline only. Falling outside these income limits will not immediately exclude you from consideration.** \*

Household Size	1	2	3	4	5	6	7	8
Minimum Income	\$18,244	\$20,850	\$23,456	\$26,044	\$28,144	\$30,225	\$32,306	\$34,388
Maximum Income	\$62,450	\$71,400	\$80,300	\$89,200	\$96,350	\$103,500	\$110,650	\$117,750

### Selection Criteria:

#### *Need for Housing*

Examples include but are not limited to:

- Housing costs are over 30% of gross income
- Overcrowded household
- Inadequate heat or water
- Structural issues and/or maintenance problems
- Health hazards (presence of asbestos, mold, lead-based paint)
- Unsafe living conditions

#### *Ability to Pay*

- Gross income is within the parameters identified on the chart.
- Applicants demonstrate an ability to pay a monthly mortgage (including escrow for property taxes and homeowner insurance). Mortgage payment will not exceed 30% of gross income.
- Applicants demonstrate ability to pay \$2-3,000 in closing costs.

#### *Willingness to Partner*

Applicants agree to:

- Complete sweat equity hours in the construction of their home. (200 hours for each adult homebuyer, and additional hours from other adult family members, up to 500 hours total.)
- Participate in public relations appearances and related activities to promote the mission of Two Rivers Habitat for Humanity.
- Complete designated homeowner education classes.
- Complete the USDA Rural Development 502 Loan application.

### The Application Process:

**Application:** The full application is available online or in person. All applicants will also be required to submit an application for home purchase financing through the US Department of Agriculture (USDA) Rural Development Home Loan Program. Applicants showing greatest need will be invited to continue in the process.

**Family Interview:** During this interview, we will review your current housing situation, discuss your need for Habitat homeownership and ability to pay an affordable mortgage, and review documentation provided throughout the application process. We will also discuss the expectations of your willingness to partner.

**Final Decision:** The Homeowner Selection Committee will review the information gathered and develop a recommendation for the Board of Directors, who make the final approval. Once chosen, the applicant will be notified and asked to complete a Homeowner Program Agreement outlining the partnership between the homeowner and Habitat for Humanity.

**Home Building Begins:** We will build an affordable home that will meet or exceed Energy Star and Green Communities Standards, ensuring that the home will be energy efficient and affordably sustainable.