

**Gwinnett/Walton Habitat for Humanity
Homeowner Orientation 2023**

Gwinnett/Walton Habitat for Humanity Homeowner Orientation 2023 WELCOME



We build strength, stability, and self-reliance through shelter.



What is Habitat for Humanity?



Habitat for Humanity is an ecumenical Christian housing ministry dedicated to building affordable houses to sell to qualified families.



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How the Program Works



- ✓ Habitat does not give houses away, but instead through a *hand up*, our qualified applicants earn the homes they help build by putting in 200-250 hours of work building their homes and helping others build theirs.
- ✓ Homebuyers then purchase their houses with an affordable mortgage that we provide.
- ✓ Homebuyers qualify by demonstrating their need for a Habitat house, their ability to pay for it, and their willingness to accomplish their sweat-equity hours and other requirements, like completing a financial education program.

Everyone deserves a decent place to live.

Partnering with Gwinnett Habitat an Individual Can:



- ✓ Purchase a quality house at cost
- ✓ Purchase it with an affordable monthly mortgage and low copayment
- ✓ Pay no interest over the life of the 30-year mortgage
- ✓ Participate in a solid, reliable program
 - ❑ Since 1988 we have completed 154 houses

Everyone deserves a decent place to live.

Owning a Home Means

JOY

- ✓ Family stability & safety
- ✓ Inclusion in a community
- ✓ Pride in ownership
- ✓ Investment in your future

RESPONSIBILITY

- ✓ Paying a mortgage
- ✓ Maintaining good credit
- ✓ Keeping the house in good repair
- ✓ Being a good neighbor
- ✓ Be a positive representative of the Habitat community



HOUSE 151

the Fortuna Family

"It's a whole different feeling. We are finally safe and our home is something we built together."

Partnership is the Foundation of Habitat for Humanity



- We partner with individuals, churches, businesses, civic groups and others to build houses
- We partner with Homeowner Families
- We provide opportunities for you to learn the skills needed to own and maintain a house.

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The House We Build

- New or rehab
- 2 - 4 bedroom homes
- 1200 - 1500 square feet (varies based on floorplan)
- 2 bathrooms (based on square footage)
- May or may not have a garage
- Location of the house is determined by land availability, size of the house that can be built, and by family need
- Our homes are appraised at market value.
- We build in Gwinnett and Walton Counties only, where we have land, and **we cannot guarantee the location of the home ahead of time.**



NOTE: if you are willing to consider living in a county other than Gwinnett, you can find the contact information for other Habitat Affiliates by going to the general Habitat website: www.habitat.org.

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Initial Criteria

- U. S. Citizen or Legal Permanent Resident of the U.S.
- Employed in OR a resident of Gwinnett County for minimum of one year
- Have a minimum of 1-year continuous income (includes disability income, Social Security income, part-time work, etc.)
- Must meet household income limits
- Debt-to-income ratio should be no more than 30% for housing expense and 43% percent for total long-term debt (for example car loans, credit cards, medical debt, student loan debt)
- Reasonably good credit; any bankruptcies must have been discharged for **at least 2 years** prior to applying; **must be making payments on ALL debt (delinquent debt as well)**
- Your present housing must be inadequate
- You will be expected to be a Habitat Partner and complete 200- 250 sweat equity hours, attend mandatory workshops, and make a \$2,000 co-payment.

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Selection Criteria is Based On 3 Factors



- **Need**
- **Ability to Pay**
- **Willingness to Partner**

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Selection Criteria - Need



Applicant is currently:

- Living in overcrowded housing
- Living in substandard housing
- A resident of public housing
- Paying more than 30% gross income on rent (considered rent burdened)
- Does not own a home at the time of application
- Unable to qualify for a mortgage through conventional means

NOTE: As part of the selection process, we will conduct a home visit to verify need.

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Selection Criteria - Ability to Pay



Ability to pay is based on employment status, debt-to-income, credit history and any other factors the affiliate deems appropriate.

Income

- Total gross annual household income based on size of family (see next slide)

Budget

- Mortgage payments will be no more than 30% of the gross monthly income of the applicant(s).

Delinquent Debt

- No more than **\$1,200 delinquent debt/collections at the time of application**

Co-Payment

- You will be required to make a **minimum** \$2,000 co-payment
- **Savings** – You will be required to open a savings account and save each month until closing.

Outstanding Debt

- Families applying as future Gwinnett County Habitat for Humanity homeownership, must meet the “ability to pay requirements” of the program as it relates to debt, as follow:
- Applicant must have reasonably good credit; any bankruptcies must have been discharged for at least 2 years prior to applying
- He or she has no liens or judgments that cannot be cleared before closing.
- Applicant must be making payments on ALL debt
- Applicant can have not more than:
 - ✓ \$1200 max in collections/bad debt
 - ✓ Debt to income cannot exceed 43% of monthly gross income
 - ✓ Student Loan Debt -If student loan payments are deferred, regardless of length of time of deferment, they must be factored into the DTI calculation at 1/2%. For example, loan balance of 20k would have a monthly payment of \$100.

2020 HUD Income Guidelines

Calculating Area Median Income (AMI) Range

Based on the Median Income Limits provided by HUD:

[HUD.gov Income Limits Data Set](https://www.hud.gov/IncomeLimitsDataSet)

Median Income		1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person	9-person	10-person
103500	80%	57960	66240	74520	82800	89424	96048	102672	109296	125194	142151
Insert your "Median Income" figure as noted on the HUD website into the highlighted box. (see the screenshot circled below). Then press Enter	75%	54338	62100	69863	77625	83835	90045	96255	102465	117369	133267
	70%	50715	57960	65205	72450	78246	84042	89838	95634	109544	124382
	65%	47093	53820	60548	67275	72657	78039	83421	88803	101720	115498
	60%	43470	49680	55890	62100	67068	72036	77004	81972	93895	106613
	55%	39848	45540	51233	56925	61479	66033	70587	75141	86071	97729
	50%	36225	41400	46575	51750	55890	60030	64170	68310	78246	88844
	45%	32603	37260	41918	46575	50301	54027	57753	61479	70421	79960

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Selection Criteria - Willingness to Partner



It is important to understand the program requirements and expectations related to Willingness to Partner. Below are samples of willingness to partner.

- The applicant will provide completed application information in a timely, honest manner.
- The applicant **agrees to avoid new consumer debt during this process.**
- The applicant agrees to live where the affiliate has land to build.
- The applicant attends all workshops and completes sweat equity requirements.
- The applicant opens a savings account with our IDA partner and contributes monthly.
- The applicant pays the \$2000 co-payment.
- The applicant meets the 200-250 hour sweat-equity requirements.

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Documents that May be Required



Documents that are required during the application process:

- Driver's license, id card, and proof of citizenship
- Marriage certificate/divorce decree if applicable
- Birth certificates for all applicants
- IRS 4506T completed form (transcript request)
- Written verification of income from all sources (Social Security, child support, etc.)
- 3 months recent pay stubs or earnings statements
- Public assistance award letters
- Copies of rent receipts from the past three months or a copy of a current lease
- Documentation of car payments
- Documentation of student loan payments or deferments
- Written reference from current landlord (we will request)
- One credit report from either:
 - **Equifax, TransUnion or Experian Only**

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What is the Application Process?

- Step 1:** Attend an orientation session
- Step 2:** Complete an application packet – submit online or mail
- Step 3:** Submit all backup materials items requested (checklist), either online, by mail or dropped off to our office by the deadline – office address is 52 Gwinnett Drive, Suite B, Lawrenceville, GA 30046
- Step 4:** Homeowner Selection Committee reviews applications
- Step 5:** Notices go out to applicants who did not meet our requirements or who's application is incomplete
- Step 6:** Home visits conducted by 2-member Selection Committee team
 - 2nd review by committee if needed
- Step 7:** Criminal background and sex offender checks will be conducted on first round of applicants
 - Credit scores pulled
- Step 8:** Final review and selection of applicants; Gwinnett Habitat Board of Directors approves
- Step 9:** Applicants are notified of approval; total application review time is 3-4 months

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Once You are Approved



Expectations of homeowners once you are Approved

- Attend orientation.
- Attend the required homebuyer education classes
 - ✓ The purpose is to foster successful transitions from tenancy to ownership
- Start sweat equity
- Maintain or improve your credit standing
- **You will be required to open and contribute to a savings account**
- Understand Habitat's mission for affordable homeownership

Expectations of homeowners once you close and move in:

- Make timely payments
- Maintain the home, inside and out
- Practice good financial management
- Be an active member of the community
- Continue to participate in Gwinnett Habitat homeowner activities
- Inform Gwinnett Habitat of changes to email addresses or phone numbers.
- Stay connected

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How long is the whole process?

The application process takes roughly 3 months. It could take up to 12-18 months to complete the entire process from the date of application to the house closing. **For our Walton County build, we will select 3 families and construction will begin on one home in June.**

What if I'm not approved?

If applicants do not meet the Gwinnett Habitat's criteria for homeownership, and are not selected for the program, they will receive a letter with a description of the reason and a list of HUD approved Financial Counselors or a referral to another qualified organization.

Is there a limit to how many times I can apply?

There is no limit to how many times an individual can apply for a Habitat home, so we encourage applicants who do not make it the first or second time, to reapply.

What can you do in the meantime?

1. Pay your debts on time, including your student loans.
2. Don't take on any additional lines of credit.
3. Maintain a qualifying level of income.
4. Save a minimum of \$2000 co-payment deposit.
5. Pull your credit report. If you have collections, bad debts, or question items on your report address those right away.
6. We require a current credit report to be submitted with your application, **from one of the 3 major credit reporting agencies:**
 1. Equifax, TransUnion, or Experian. Get a head start on this; a credit report from one of the 3 credit bureaus can be received for FREE by calling 1-877-322-8228 or going online to www.annualcreditreport.com.
7. Have some sort of savings established.

How to Apply

1. Complete an online application. Please pickup application information at my table.

MAKE SURE YOU COMPLETE ALL FIELDS ON THE APPLICATION AND SUBMIT ALL REQUIRED BACKUP MATERIAL.

No late applications will be accepted.

[Email homeownerquestions@habitatgwinnett.org.](mailto:homeownerquestions@habitatgwinnett.org)

The deadline to submit the entire application and ALL supporting documentation is MIDNIGHT JULY 1, 2023

How to Apply

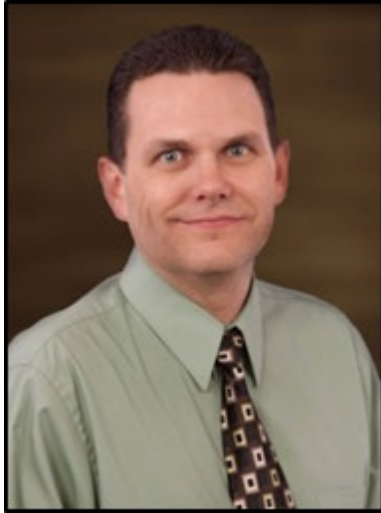
1. Complete an online application. Please refer to the handout you were given upon entry.
2. Mail in required documents

MAKE SURE YOU INCLUDE THE CHECKLIST AND ALL BACKUP MATERIALS WITH YOUR APPLICATION OR YOUR APPLICATION WILL BE CONSIDERED INCOMPLETE.

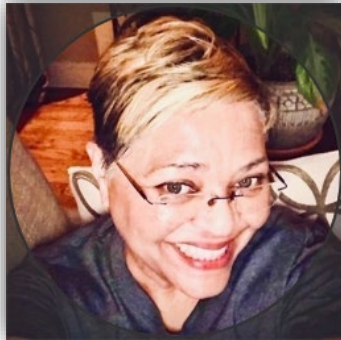
No late applications will be accepted.

We will announce our selections by the end of May.

If you have any questions, please send an email to homeownerquestions@habitatgwinnett.org.



Brent S. Bohanan, Executive Director



Rhonda Streat
Director of Homeowner Services

Thank you for
your interest!

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www.GwinnettHabitat.org



Gwinnett/Walton
Habitat
for Humanity®

We build *strength, stability* and *self-reliance* through *shelter*.