



Homeownership Program Overview

Affordable Housing:

We want everyone in Northern Michigan to have a safe and affordable home where they can be proud to live. When we partner with families and individuals, not only do we help them obtain an affordable mortgage to purchase a home, we help them develop the skills they need to become successful homeowners. If you, or someone you know needs affordable housing and would like to join our program, please **contact us: 231-348-6926 ext. 105**.

We offer home purchasing opportunities to households through two different programs: Path to Homeownership Attainment and Home Ready. To be eligible for one of these programs, a household's income must fall **between \$30,000 to 80 percent of the area's median income** (see charts below). Additional qualifications apply.

INCOME GUIDELINES

Charlevoix County Guidelines		
# OF PEOPLE IN HOUSEHOLD	MINIMUM	MAXIMUM* 80% AMI
1	\$30,000	\$36,650
2	\$30,000	\$41,850
3	\$30,000	\$47,100
4	\$30,000	\$52,300
5	\$30,000	\$56,500
6	\$30,000	\$60,700
7	\$30,000	\$64,900
8	\$30,000	\$69,050

Emmet County Guidelines		
# OF PEOPLE IN HOUSEHOLD	MINIMUM	MAXIMUM* 80% AMI
1	\$30,000	\$38,050
2	\$30,000	\$43,450
3	\$30,000	\$48,900
4	\$30,000	\$54,300
5	\$30,000	\$58,650
6	\$30,000	\$63,000
7	\$30,000	\$67,350
8	\$30,000	\$71,700

FY 2019 income limits summary--HUD *Income levels are set annually by US Department of Housing & Urban Development. (Note: Minimum income limits have been adjusted to reflect program requirements.)

Income Notes:

- All household members' income is included in the calculation of total gross income.
- Income from all wages, SSI, SSDI, Section 8 housing vouchers, retirement, alimony, VA benefits, child support, etc. are included.
- The guidelines are annual (to convert monthly income to annual multiply amount by 12).

Path to Homeownership Attainment Program

The "Path" program is aimed at helping households become qualifiable for a mortgage. Below is a basic description of a household who would likely be eligible for Path:

- Household income falls between \$30,000 - 80% AMI (see charts above)
- Applicants meet all program eligibility screening criteria:
 - Level of need (overcrowding, unsafe living situation, temporary or transitional housing, housing that costs more than 30% of the household income, etc.)
 - Ability to pay an affordable mortgage (see ability to pay description below)

- Willingness to partner, which includes taking classes in Financial Management and Budgeting, Home Maintenance, as well as performing 200 'sweat equity hours' to help build/renovate Habitat homes.
- Applicants are currently considered not mortgage "ready" but could become mortgage ready within 12 months of program acceptance. Readiness is evaluated based on many factors that assess an applicant's ability to pay on a mortgage. For example, an Applicant may be deemed as not mortgage ready in situations where the Applicant(s) have minor credit issues such as unpaid judgements, a credit score below 640, or a higher than acceptable debt-to-income ratio.

Path Program Applicants agree to:

- Provide accurate and up to date household and income information
- Complete Sweat Equity work as outlined in the Partnership Agreement
- Save cash for mortgage closing (\$1,000) & purchase a Homeowner's Insurance policy (typically \$600-\$1,000)
- Complete educational courses
- Be dedicated to fulfilling the terms of the mortgage loan and all other costs associated with homeownership including but not limited to utility costs (water, electric, sewage, trash disposal, heat), yard care costs, snow removal, and home maintenance
- Be a good stewardship of the new property and respect for neighbors and neighborhood

Ability to pay

Ability to pay is determined by reviewing information provided and collected during the application process. Examples of resources used to determine ability to pay includes information on the paper application, pay stubs, benefit statements, previously filed federal tax returns, etc.

Applicants must have:

- A steady, reliable source of income and demonstrate financial responsibility.
- The ability to pay a monthly house payment at approximately 25-30% of gross monthly income (taxes and insurance included).
- The ability to pay projected monthly utilities (electric/gas & water/sewer).
- NOT filed for bankruptcy within the past 2 years.
- NO outstanding collections, liens or judgments that cannot reasonably be paid within three-six months.

Home Ready Program

Those who are accepted into our Home Ready Program have been pre-qualified during the enrollment process as financially ready to obtain a mortgage and purchase a home. Below is a basic description of a household who would likely be eligible for the Home Ready program:

- Household income typically falls between 60-80% AMI (Area Median Income – varies based on household size)
- Applicants meet all program eligibility screening criteria
- Applicants are considered "mortgage ready" and are pre-qualified through the enrollment process for third-party lending.
- Mortgage ready Applicants typically have a reliable credit score of 640 or above, do not have any outstanding federal judgments, and do not have any significant credit delinquencies. Debt-to-income falls within an acceptable range
- Household has saved a minimum of \$1,000 to be used as Cash for Closing as well as funds to purchase a Homeowner's Insurance policy (varies depending on coverage and provider, but typically ranges between \$600-\$1,000)

Home Ready Applicants agree to:

- Provide accurate and up to date household and income information
- Pledge to complete 200 hours of sweat equity
- Complete educational courses
- Provide cash for mortgage closing (\$1,000) & Homeowner's Insurance policy (varies)
- Be dedicated to fulfilling the terms of the mortgage loan and all other costs associated with homeownership including but not limited to utility costs (water, electric, sewage, trash disposal, heat), yard care costs, snow removal, and home maintenance
- Be a good stewardship of the new property and show respect for neighbors and neighborhood

Application Process

1. **Applications are accepted only during Open Enrollment periods.** Open enrollment is typically held twice per year (February and August), or during a special open enrollment period as announced.
2. After your application is submitted, an initial review of your need, ability to pay, and willingness to partner with Habitat will be conducted. This includes reviewing civil/criminal records, obtaining your credit report, and checking references (landlord reference, etc.).
3. If your application meets initial review criteria, a home visit will be arranged. The home visit consists of a tour of your current home and an interview with the Applicants. The purpose of the home visit is to discuss our housing programs in detail and to gain further information on your household's current living conditions and needs. At this time, you will also be notified about which program you are eligible for and if being considered for Home Ready, a Habitat representative will provide you information regarding next steps to becoming mortgage pre-qualified. All heads of the household must participate, and the entire family should be present.
4. If selected for the Home Ready Program, the pre-qualification process will be completed at this time with help from the Program Services Coordinator.
5. Finally, your application file is reviewed by the Board of Directors who will make the final determination on accepting applications.

Final selections are based on our available funding, the number and type of planned upcoming construction projects, the number of openings under each program, and all equal opportunity lending regulations.

Please note that acceptance into a housing program does not guarantee a home. A home cannot be guaranteed until accepted applicants complete all program requirements, obtain a mortgage and sign a Purchase Agreement.

Qualified applicants not selected may re-apply at a later time or may remain on a waiting list for the next available opportunity to proceed in the program.

If you have any questions regarding the application process, please contact our Program Services Coordinator at:

(231)348-6926 ext. 105 or programs@northwestmihabitat.org

Northwest Michigan Habitat for Humanity Fair Housing Policy:

Northwest Michigan Habitat for Humanity Inc. is an Equal Housing Opportunity Lender. As such, we do business in accordance with the Federal Fair Housing Law (Fair Housing Amendments Act of 1988). It is illegal to discriminate against any person because of race, color, religion, sex, handicap, familial status or national origin in the

- Sales or rental of housing or residential lots
- Advertising the sale or rental of housing
- Financing of housing
- Provision of real estate brokerage services
- Appraisal of housing
- Blockbusting is also illegal

If anyone feels they have been discriminated against, you may file a complaint of housing discrimination by calling 800-669-9777 or send your complaint in writing to the US Department of Housing and Urban Development, Assistant Secretary for Fair Housing & Equal Opportunity, Washington DC 20410.



Notice: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (with certain limited exceptions); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with the law concerning OK 44114-2507 or Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.