

HABITAT FOR HUMANITY OF KOSCIUSKO COUNTY

Application Guide



This printable document is your guide to applying for a Habitat house in Kosciusko County, Ind. If you still have questions after reading through the guide, please reach out!



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Vision

A world where everyone has a decent place to live.

Mission

Seeking to put God's love into action, Habitat for Humanity of Kosciusko County brings people together to build homes, communities and hope.

We Do Business in Accordance With the Federal Fair Housing Law *(The 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 sale or rental of housing or residential lots*
- *In the provision of real estate brokerage services*
- *In advertising the sale or rental of housing*
- *In the appraisal of housing*
- *In the financing of housing*
- *Blockbusting is also illegal*

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination:

*1-800-669-9777 (Toll Free) | 1-800-927-9275 (TTY)
U.S. Department of Housing and Urban Development
Assistant Secretary for Fair Housing and Equal Opportunity
Washington, D.C. 20410*

What is the Homeownership Program?

Habitat for Humanity of Kosciusko County is a housing ministry that works in partnership with families and individuals in need of decent, affordable housing. Habitat provides all the materials, land, and expertise to construct the homes. Homebuyers agree to help build their own home, in partnership with community volunteers, where Habitat owns land. Once the home is complete, the homebuyers buy the home from Habitat at an affordable mortgage with a 0% interest loan.

Steps to homeownership with Habitat

APPLY This takes ~2 months from beginning to end. We'll take an in-depth look at your current financial and housing situation and determine if you qualify for the program. Please note, we can only accept a few applications at a time, and will strive to pick people who show a great need for housing.

ORIENTATION Once approved, we meet with you to explain all the details of the program and what will be required of your family.

SWEAT EQUITY & CLASSES As part of the program, each adult in the household is required to put in 250 hours of work with Habitat (with a household max of 500 hours). This includes attending financial and homeownership classes, as well as working on the build site and in our store. Exceptions can be made for those with physical limitations.

CONSTRUCTION Once land is secured and the funding is in hand, we will break ground on your future home! Our goal is to do this within 1 year of your acceptance into the program, but that is ultimately up to availability of land and funding. Construction takes ~8 months to finish.

CLOSING As your home is nearing completion, we will prepare to close on your home. Each Habitat home is "sold" back to the family with a 0% interest mortgage. Habitat ensures that the monthly mortgage payment (including estimated taxes and insurance) does not exceed 27% of your gross monthly income at closing. We will work with you at every step in the process!

HOMEOWNERSHIP Congrats, you are now a homeowner in Kosciusko County! We will still be here to help you adjust to this responsibility, but your home is now your own. Want to paint a wall? Do it! Your kids punched a hole in the drywall? Well, that's the joy of homeownership!

Qualifying for the program

We strive to select families who qualify in the following three areas: Ability to Pay, Need for Housing and Willingness to Partner. This section is here to help you do a quick self-evaluation on whether you qualify for the program or not. Even if you cannot answer “yes” to every statement, or if you are close to a minimum or maximum, we encourage you to apply anyways and let us determine your true eligibility.

ABILITY TO PAY

- I do not have excessive debt or \$2,000 or more in collection (medical and student loan debt will be considered in context and may or may not disqualify you from the program).
- I have not declared bankruptcy in the last 2 years.
- I pay my bills on time.
- I have had verifiable and steady income for the past 24 months.
- I can provide income and expense information (including but not limited to: car payment, car insurance, medical insurance, rent, childcare, cell phone, utilities, landlines, cable/streaming services, internet, and any other expense that pertains to your specific situation, etc. - copies of the actual bills).
- I can provide two months of recent pay stubs for all employed members in the household, my last three federal tax returns and W2 forms, my last three months bank or digital wallet statements, and copies of verification of assistance.
- I hold and can provide proof of citizenship or legal residence.
- My verifiable annual **GROSS** income including all household wage earners falls within the income guidelines listed below:

HOUSEHOLD	MINIMUM	MAXIMUM
1 Person	\$30,000	\$52,100
2 People	\$30,000	\$59,500
3 People	\$30,000	\$67,000
4 People	\$33,000	\$74,400
5 People	\$38,700	\$80,400
6 People	\$44,400	\$86,300
7 People	\$50,000	\$92,300
8 People	\$55,700	\$98,200

NEED FOR HOUSING

- I currently live in overcrowded, unsatisfactory conditions, or my rent is excessively high.
- My housing situation is unstable and/or unsafe and is unable to support my household long term.
- My current situation causes health concerns for my family.
- I am now physically disabled and my current housing is not suitable for my new lifestyle.
- I have less than \$20,000 in assets (not including retirement accounts) and am unable to secure affordable housing through a traditional mortgage.

WILLINGNESS TO PARTNER WITH HABITAT

- I am willing to be a partner with Habitat and put in a minimum of 250 hours per adult of "sweat equity," which will include attending financial literacy classes, helping to build other Habitat houses as well as my own Habitat house and volunteering at the Habitat ReStore.
- I am willing to pay a minimum of \$1,500 as a down payment toward my house and secure homeowner's insurance.
- I am willing to live in the areas in which Habitat for Humanity of Kosciusko County is building.
- I am willing to be subject to background and consumer credit checks.

ADDITIONAL ELIGIBILITY REQUIREMENTS

- I have held continuous residency or employment in Kosciusko county for at least one year.

The application process

Habitat opens applications for our Homeownership Program once or twice a year to select new families for the program. Many people may apply at once, and we will try our best to pick families that qualify financially and show a great need for housing.

Steps of the application process

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| SIGN UP FOR THE EMAIL LIST | This isn't required, but is the best way to stay up to date. When applications open, our email list will be the first to know important dates for submitting the application. |
| COMPLETE AN APPLICATION | We will announce when the first day applications open online and are available for pickup at the Habitat office. Be sure to grab one early so that you can review it and ask questions in time. Tip: the best time to pick up an application is when the ReStore Outlet is open! |
| ATTEND AN INFO SESSION | This is not required, but is highly recommended, especially if this is your first time applying. This is a chance to learn more about the program and talk to Habitat staff/volunteers about your particular situation. We can also clarify any questions you have on correctly filling out your application. Be on the lookout for these when applications open to see if we are holding any sessions. |
| SCHEDULE AN APPOINTMENT & SUBMIT YOUR APPLICATION | Applications are open for ~2 weeks. You will be able to submit your application and supporting documents electronically through a secure portal or schedule an appointment at the Habitat office to submit the application. This appointment <u>must</u> be scheduled before applications close or your application will not be accepted. |
| FINANCIAL REVIEW | We will review your financial documents first and determine if you qualify financially for the program. If you do not qualify, you will be sent a denial letter explaining why and are encouraged to apply again at a later date. |
| HOME VISIT | If you qualify financially, then we will be reaching out to schedule a home visit if applicable. Expect a call from us during business hours to schedule this. Not responding in time may disqualify you from selection. |
| DECISION | After all home visits are complete, our Family Services Committee will review the applications that are left in the running. They will be blinded for anonymity. Their recommendation will go to our Board of Directors for ultimate approval. If approved, you will get a phone call from us shortly. If you were not chosen, we will send a letter explaining why. |

Required documentation

Your application WILL NOT be accepted without the following documents:

- ☐ Copy of **most recent two months' paychecks or income stubs** for all employed in the household. If self-employed, provide three years of tax returns and a current profit and loss statement.
- ☐ Copy of your **last three federal tax returns**.
- ☐ Copy of the **last three months' statements** from all banks, credit unions, etc. – all pages. This includes both checking and saving account statements and all digital wallet accounts such as Chime, PayPal, Cash App, Direct Express, etc.
- ☐ Copies of **ALL retirement account statements** such as 401k and IRA
- ☐ Copy of the **last 12 months of rental receipts**, if applicable.
- ☐ Copy of **bankruptcy discharge**, if applicable.
- ☐ Copy of **verification of assistance** (AFDC, Alimony, Child Support, Social Security Award Letter, WIC, SNAP, Section 8 or other).
- ☐ Proof of **citizenship or legal residence**. Please provide a copy of picture ID and Social Security cards, or birth certificates, for each member of the household.
- ☐ Copies of **ALL income and expense information**, including but not limited to: car payment, car insurance, medical insurance, rent, utilities, childcare, cell phone, landlines, cable, internet and any other expense that pertains to your specific situation etc. Please include copies of the actual bills.
- ☐ Copy of a **recent credit report** for both the applicant and co-applicant (we will complete this with you at the application appointment)

Application FAQs

When and where can I get an application when they open?

They will be available both online at kosciusko-habitat.org and at the Habitat office located at 3970 Corridor Drive, Warsaw, IN 46582. The best time to pick one up is Thursday-Saturday from 10am-5pm.

Why do I have to make an appointment to submit my application?

This is so we can make sure you have submitted all the right documents and ask you any clarification questions. We will also make copies of necessary documents (like your ID). If you submitted your application and documents electronically, we may contact you to schedule a follow up appointment.

How long until I know if I am accepted?

It is approximately 1 month from the time we stop accepting applications to the final decision.

What is the system for selecting a winning application?

Each application is assessed on three criteria:

- Ability to Pay – do you qualify financially for the program? Can you afford a Habitat home?
- Need for Housing – how bad are your current living conditions? Is the need urgent?
- Willingness to Partner – are you eager/ready to partner with Habitat?

Our Family Services Committee will recommend a few applications to the Board for approval.

How good of a credit score do I need to qualify?

There is no minimum or maximum credit score, but we do examine your entire credit report to understand your current debts relative to your income.

How many applications are approved each time?

We only approve as many as we can build within 1-2 years. Right now, that may be 2-3 families.

What is a home visit like?

Two or three people from Habitat will come visit and assess your current housing situation using a standard form. This is merely to confirm your need for housing and rate it with objectivity. Finances cannot be discussed at this time.

Can a single person be approved?

Yes, although it is unlikely since families typically show a greater need for housing due to the number of people impacted and the chance for overcrowding to be a concern. We still encourage you to apply and have built homes for singles!

Can I still apply if I am already a homeowner?

Yes! Current homeownership does not disqualify you but may make your application less competitive in the “need for housing” category.

Can Habitat build on land that I already own?

Yes, this is possible for land that meets our qualifications (does not exceed our asset policy, is within city limits, buildable, no mortgage, etc.). We do not recommend buying land to get a “leg up” during the application. There are additional steps to building on land you own that we will discuss at your orientation.

Who can I count in my household?

Please list everyone who will be living in the Habitat House in your household. The typical Habitat household is 1-2 parents with children. Adults with disabilities or elders that you take care of can be included. Only those listed in the household may live in the Habitat house.

What should I count toward my household income?

If you receive money from it on a regular basis, it should be counted. This includes your regular job(s), small business or side hustle, child support or disability payments for children, social security, retirement income, etc..

Why do I have to be a legal citizen?

This is because it is required in order for a mortgage to be set up in your name.

Does it matter who the applicant and co-applicant are?

This should be the adult(s) of the household whose name(s) will be on the mortgage and deed.

Why is there a minimum income?

Since each homeowner pays back their Habitat home with a mortgage, it is important that you are financially capable of handling the mortgage. We want this house to become a blessing, not a burden.