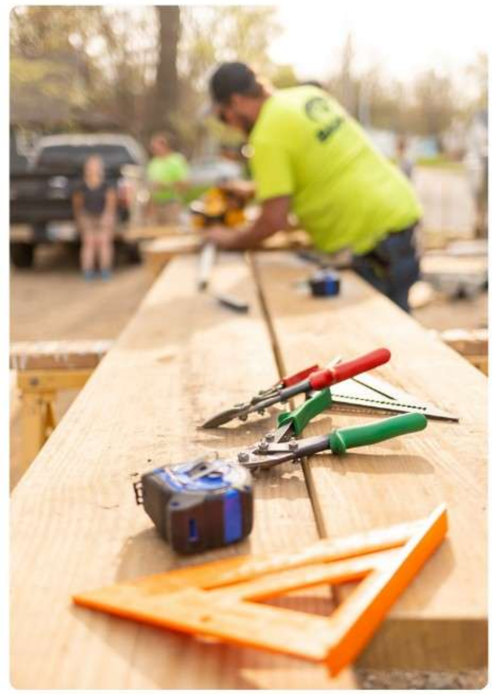
HABITAT FOR HUMANITY OF KOSCIUSKO COUNTY

Home Repair Program Guide



This printable document is your guide to Habitat's Home Repair Program in Kosciusko County, Ind. If you still have questions after reading through the guide, please reach out!

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Habitat for Humanity® of Kosciusko County

EQUAL HOUSING LENDER

What is the Home Repair Program?

Habitat for Humanity of Kosciusko County's Home Repair Program is an extension of our current housing ministry. The Home Repair Program allows us to continue to partner with families and individuals in need of decent housing but allows us to reach a new group of people – current homeowners. Habitat provides all the materials and expertise to repair the homes. Homeowners agree to help complete the work on their own home, when possible, and in partnership with community contractors and volunteers from across Kosciusko County.

Habitat will secure any funding necessary to pay contractors upfront for the full cost of the repair, not to exceed $20,000. Homeowners will be responsible for paying the total cost of the repair, up to $10,000, through a 0% interest affordable loan, determined by homeowner's income. Funding for the upfront costs and any repair costs that exceed $10,000 will come from a variety of sources such as philanthropic and government grants and private donors. Homeowner's monthly loan payments will also go back into this program to help fund upfront repair costs for other homeowners.

Steps to home repairs through 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 home repair.

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 family selected is required to put in up to 20 hours of work with Habitat. This includes attending financial and homeownership classes, helping with the repairs on your home, working on other Habitat construction sites, and in our store. Exceptions or additional options can be made available for those with physical limitations.

CONSTRUCTION Once the construction crew has been assembled and funding is in hand, we will schedule the repair for your home! Our goal is to do this within 6 months of your acceptance into the program.

REPAIR COMPLETION Prior to the repair work starting, we will work with you on terms and options for any loan repayment. As your home repair is nearing completion, we will work with you to finalize all paperwork required to ensure compliance with any grants obtained to complete the work and any other paperwork or agreements necessary to secure the stability of this program. We will work with you at every step in the process!

Qualifying for the program

We strive to select families who qualify in the following three areas: Ability to Pay, Need for Repair, 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 collections (medical and student loan debt will be considered in context and may or may not disqualify you from the program).
- I do not have any outstanding judgments.
- I have not declared bankruptcy in the last 2 years.
- I pay my bills on time.
- I have had a 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, mortgage, childcare, utilities, cell phone, landline, cable, and internet, and any other expenses that pertain 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 statements, and copies of verification of assistance.
- I hold and can provide proof of citizenship or legal residency.
- My verifiable annual **GROSS** income, including all household wage earners, falls within the income guidelines listed below:

HOUSEHOLD	MINIMUM	MAXIMUM
1 Person	$20,500	$54,800
2 People	$23,500	$62,600
3 People	$26,600	$70,500
4 People	$32,100	$78,300
5 People	$37,600	$84,600
6 People	$43,100	$90,800
7 People	$48,600	$97,100
8 People	$54,100	$103,300

NEED FOR REPAIR

- I currently:
  - own and live in a single-family home situated on a permanent foundation and in need of repair, or
  - live in a mobile home where both the home and the land it sits on are owned by me and it is in need of a furnace replacement.
- My home is becoming unsafe due to the need for critical, but non-emergent, repairs.
- I do not have the financial means to cover the full cost of the needed repairs
  - I have less than $20,000 in non-retirement assets. This includes bank accounts, special savings accounts, and luxury items such as boats, RVs, and real estate that is not your primary residence.
  - If age 59 ½ or older, I have less than $250,000 in my retirement accounts (401k, IRA)
- Critical repairs are items that are critical to the long-term sustainability of the home and the owner's ability to remain in that home. These would include repairs to the roof or HVAC system (heating and cooling).

TYPE OF REPAIR

Habitat is unable to support the timelines necessary to complete emergent repairs. However, we may be able to provide you with contact information for local contractors that may be able to assist with your repair.

Typical repairs that would be considered for completion by Habitat would include replacement of aged or damaged roof or replacement of HVAC systems.

Habitat may be able to complete a furnace replacement in a mobile home but is otherwise unable to complete home repairs on mobile homes, multi-unit dwellings, repairs requiring exposure to asbestos, lead paint, mold, or other hazardous materials.

WILLINGNESS TO PARTNER WITH HABITAT

- I am willing to be a partner with Habitat and put in a maximum of <u>20</u> hours of "invested equity," which can include attending financial literacy classes, helping to complete the work on my own home, helping with the repair or construction of other families' homes, and volunteering at the Habitat ReStore.
- I am willing to pay up to $10,000, through a zero percent interest, affordable loan, toward the cost of my repair.
- I am willing to sign a 5-year retention agreement.

- I am willing to be subject to background and consumer credit checks.
- I will ensure my home is clear of debris, pests, and any hazardous materials so that Habitat personnel and verified contractors can safely assess and repair my home.

ADDITIONAL ELIGIBILITY REQUIREMENTS

- I have lived in my current home for at least one year.
- I am the deeded owner of the home, or;
- I am purchasing the home on land contract and can prove that I have full authority to make repairs and renovations to the home and will pay my portion of the repair costs upfront.

The application process

Habitat opens applications for our Home Repair 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 home repairs.

Steps of the application process

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.

PICK UP AN APPLICATION

We will announce when the first day applications 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 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, and you will have to schedule an appointment at the Habitat office to submit the application. This appointment must 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 or email 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, and approvals will be based on greatest need. 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 **most recent 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.
- ☐ Proof of **homeownership and residency**.
- ☐ Proof that you are current on your **mortgage, homeowners' insurance, property taxes, and sewer bills**.
- ☐ Copy of **bankruptcy discharge**, if applicable.
- ☐ Copy of **verification of assistance or benefits** (AFDC, Alimony, Child Support, Social Security Award Letter, Retirement, WIC, SNAP, 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, mortgage, childcare, utilities, cell phone, landlines, cable, and internet, and any other expense that pertains to your specific situation etc. Please include copies of the actual bills.
- ☐ Copies of **ALL retirement accounts** (401k, IRAs, Pensions, etc.)
- ☐ 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 kosciuskohabitat.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 submit your application and documents electronically, you still need 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 contribute/pay a loan of $10,000, or less, for the cost of the repair?
- Need for Repair – how bad are your current living conditions? Is the need urgent? Do you have the means to make the repair without the help of Habitat's program?
- Willingness to Partner – are you eager/ready to partner with Habitat?

Our Family Services Committee will have the ultimate approval of applications.

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 complete repairs on within a 6-month time frame. Right now, that may be 2-5 families.

What is a home visit like?

Two to four people will come visit and assess your current housing situation using a standard form. This will include at least two people from Habitat, a certified home inspector, and possibly a contractor. This is merely to confirm your need for the repair and rate it with objectivity. Finances cannot be discussed at this time.

Who can I count in my household?

Please list everyone who will be living in your household. Adults with disabilities or elders that you take care of can be included.

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 us to establish and secure a loan in your name.

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

This should be any adult(s) whose name(s) are on the mortgage and deed. All applicants must reside in the home in need of repair.

Why is there a minimum income?

Since each homeowner is required to pay up to $10,000 toward the cost of the repair, it is important that you are financially capable of handling a loan payment. We want this repair to become a blessing, not a burden.