



FREQUENTLY ASKED QUESTIONS & ANSWERS

What is Habitat for Humanity?

Habitat for Humanity of Teller County is an affiliate of Habitat for Humanity International. Habitat builds safe, decent homes in partnership with qualified families and assists these families with skills necessary to become successful homeowners.

What are the eligibility criteria for Habitat ownership?

Family selection is based on the need for housing, ability to pay, and willingness to become a Habitat partner.

1. Need is a category which involves inadequacy of current housing and inability to purchase a home through conventional means.
2. Habitat Partner Families must live in Teller County, have steady income between \$23,400 to \$42,600 annually. Partner Families must provide good references from employers and landlords. They must pass a thorough background check, including an analysis of credit history, judgments and liens, and criminal background.
3. Habitat homeowners put in 300 to 400 hours of sweat equity in the construction of their home and those of other Habitat homeowners before moving into their home. We desire that homeowners make a commitment to continue their involvement in the Habitat program during the entire length of their mortgage.

Will credit checks be required?

Yes. You will provide financial documentation to be reviewed by the Executive Loan Committee. The counselors will verify employment, check credit, develop a monthly budget, and provide a financial assessment to Habitat. Past credit difficulty does not automatically exclude you from the application process.

Will a criminal background check be required?

Yes. Past criminal activity does not automatically exclude you from consideration for a Habitat home. However, current criminal problems may jeopardize your ability to repay the mortgage, and so may create an unacceptable credit risk. Habitat reserves the right to disqualify applicants, or to de-select a partner family based on criminal background.

How are families selected?

You must complete and submit an application form and supporting documentation. The Executive Loan Committee will conduct an initial financial review. If the initial financial review is positive, the Family Selection Committee will gather additional information and schedule a home interview. Additional interviews may be needed. When all paperwork, interviews, and volunteer hours are completed, the

Selection Committee and the Executive Loan Committee will review all application materials and recommend applicants to the Board of Directors.

How long must I wait to receive a home?

Habitat relies on donations and volunteers to build houses, so it is not possible to say how many houses we can build in any specific timeframe.

Across the country, it is not unusual for a prospective Habitat homeowner to wait at least one year before their home is completed. The application process can take as long as 3 months and the building process may take 6-12 months or longer.

How will I pay my real estate taxes and homeowner insurance?

Property tax and insurance payments are included in the monthly payment and are accumulated in an escrow account that is used to pay those expenses when they are due. The first year's payment for insurance is due at closing.

How many years do I have to pay on my mortgage? Do I pay interest?

Mortgages are usually between 20 and 30 years. Habitat mortgages are no-interest, and no-profit. As an example, a \$75,000 mortgage with 8% interest for 20 years would be \$627.34 per month. That same mortgage with Habitat would be \$312.50 per month.

What will happen if my payments are not paid when due?

Habitat wants you to succeed as a homeowner and will work with you if a problem arises. But it is important that house payments are made on time. There is a late fee for overdue payments. Habitat also has the right to take legal action if house payments are not received when due, and, if necessary, will foreclose on the home.

Who is responsible for the upkeep of my home?

You are responsible for all maintenance on the property. You must make all repairs at your own expense. It is important to maintain the appearance of your home and yard as a testimony to the benefits of Habitat homes in a community.

Will I be allowed to sell my home?

Yes. The home has two mortgages. The first is based on the cost to build the home and the second is based on the difference between the cost to build the home and the appraised value. You will make payments only on the first mortgage. The balance on the second mortgage becomes due only if you sell the home before paying off the first mortgage. If there are other grants made toward the purchase of your home, you may also have to repay those if you sell your home.

Who can contribute to my required volunteer hours?

Relatives and friends can contribute up to 100 of the hours required. If fewer than 100 hours are contributed, then the Habitat family must work enough extra hours to reach the required total number of hours.