

Habitat home buying; What to expect:



Your initial partnership application with Habitat for Humanity of Teller County (HFHTC) is reviewed along with your supporting documents. If our Home Buyer Services Director determines you meet the minimum qualifying requirements, you will be put before the HFHTC Homebuyer Support Committee.

Once approved by this committee you will be presented with a Homebuyer Partnership Agreement and scheduled for Homeowner Education classes. Homeowner Education require a weekly or bi-weekly commitment to attend a class during the evening. Once those classes are completed you are issued a Certificate of Completion.

Should there be any credit cleanup that needs to be done you will also be scheduled for a more extensive review with a plan. When financially ready, you will make a pre-qualifying application to determine your affordability; how much of a mortgage loan you qualify for.

After you receive your Certificate of Eligibility for a mortgage loan, we will enter into a Buy and Sale Contract reflecting an address of the home, contract sales price, etc. This will trigger a process with a mortgage loan underwriter for funding.

At the time of signing the buy and sell contract, you will be scheduled to provide the required weekly sweat equity on all aspects of the home build. A commitment form with HFHTC reflecting hours and types of sweat equity will be signed by you, the homebuyer. Once the home is completed we will begin the closing process with USDA and title work with the Title Company of your choice.

The title company you choose will begin their work and closing of the home purchase will be scheduled. The lender will review the loan specifics with you and we will assist you in understanding all aspects of the mortgage loan and servicing.

Prior to closing at the title company, you will have some out of pocket expenses such as a **homeowner's insurance policy** purchase. At closing there will homeowner's **monthly association dues, if applicable**. You will also have some out of pocket **closing costs** to pay if your loan is not enough to cover this cost or you personally choose to pay them out of pocket.

We expect you to:

- Not make any major purchases – this could jeopardize your final approval to get a home loan;
- Pay your bills on time each month going forward;
- Maintain your employment status;
- Don't decrease your hours with your current employer but improve your income if possible;
- Reduce your creditor debt load;
- Allow a background check;
- Establish savings habits to cover closing costs and emergency home repairs and general home upkeep
- Attend education classes
- Be on the build site each week for earning sweat equity hours to complete your home.