

So You Want To Be A Homeowner....



We are so glad that you are considering applying for a Habitat for Humanity of Northern Fox Valley house! This handout will answer some of your questions about becoming a homeowner through Habitat for Humanity.

How Does Habitat for Humanity Work?

Habitat for Humanity is a non-profit, ecumenical Christian housing ministry that seeks to eliminate substandard housing by partnering with low-income families to build or renovate adequate, affordable housing that is sold to low-income families without charging interest. Habitat uses mainly volunteer labor, including the prospective homeowner, to complete the work on these houses. After the homeowners move in, they begin making monthly payments, and this money goes towards building or renovating someone else's home. The Habitat transaction is only available to individuals/families who currently do NOT own a home.

Where Does the Local Habitat Get its Money?

Money comes from tax deductible gifts and grants from individuals, churches, foundations, and corporations. Equally important are the contributions of building supplies, tools, and hundreds of hours of volunteer labor which go into each Habitat house.

Does the Local Habitat Receive Money from the International Habitat Offices?

The local Habitat for Humanity affiliate does not receive financial support from the international organization. In fact, each North American affiliate sends 10% of their unrestricted revenue to support Habitat for Humanity's efforts in world-wide countries. However, Habitat for Humanity International has helped us secure donations, including large quantities of building materials such as flooring, insulation, and siding.

Does Habitat for Humanity Insure Volunteers?

We have several insurance policies which protect volunteers from liability in case they damage a third party's property or person while volunteering, and which provide back-up medical coverage in case a volunteer is injured on a Habitat job site.



How Long Will the Process Take?

Depending on the home chosen for the family, it could take 1 to 2 years.

How Much Will the House Cost?

Habitat for Humanity monthly house payments vary depending upon the house. Houses are sold at approximately 2/3 of their market value, and are usually paid back over 20-30 years. A house that would sell for \$160,000-\$250,000 (which is typical) would have a \$700-\$1300 monthly payment. Mortgages are adjusted to insure that this payment does not exceed 30% of the family's income. Homeowners pay about \$400-600 per month into an escrow account that is used to pay insurance and taxes. Homeowners also need approximately \$3,500 to close on the house, including the \$500 down-payment, \$600 for closing costs, and a year of paid insurance. Habitat for Humanity charges no interest on the mortgage. Monthly mortgages increase as insurance and taxes increase.



Where Do You Build Homes?

Our service area is south of Route 176, west of Route 59, north of Route 64, and east of Route 47. We also service those living in the upper northwest corner of Cook County. This does not include Chicago. Our affiliate builds within the service area, primarily in Elgin, Carpentersville, and St. Charles.

What Are Your Homes Like?

Habitat Homes are designed to be efficient-to-build with simple detailing. Whether they are new construction or rehabs, our goal is to produce well-built, modest homes. The size of the homes has ranged from 1150-1250 square feet with a maintenance-free exterior to retain value over the long term. Porches are an important design feature, as they are often a portal to the neighborhood. Elevations are created with an emphasis on conformity with the pre-existing structures in the neighborhood. Garages are generally not offered, and a shed is provided for outside storage.

Eligibility

How Much Income do I Need?

The income level will depend upon the number of individuals that plan to live in the home. Below are the guidelines that have been established:

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Minimum	\$30,920	\$35,320	\$39,720	\$44,120	\$47,680	\$51,200	\$54,720	\$58,240
Maximum	\$54,110	\$61,810	\$69,510	\$77,210	\$83,440	\$89,600	\$95,760	\$101,920

What are the Considered Sources of Income?

Income including employment, Social Security, disability income payment, and public aid are all considered. Food stamps do not count towards your income.

Are There Residency Requirements?

Yes, all applicants must be US citizen or permanent residents of the United States.

What Else is Expected of Me?

Habitat for Humanity benefits from publicity, and Habitat owners will occasionally be asked to participate in events that will help publicize our organization. Such events might include fundraisers, photography sessions, and the like. Every effort will be made not to invade your privacy, overuse the media, or misrepresent the facts.

Will Bankruptcy, Short Sale, or Foreclosure Disqualify Me?

No. However, you will need to wait to apply no sooner than 3 years after the date your bankruptcy is discharged, the short sale closed, or the foreclosure is completed. This will permit us to see that you have improved your money management and are capable of repaying the Habitat loan.

What about Building Codes and Licenses?

Habitat for Humanity follows all city codes for building and safety. Construction work requiring a license is done by a licensed contractor.



Does Habitat Accept Homeowners Who Are Currently on Various Governmental Aid Programs?

Yes, persons on public assistance may be accepted as homeowners as long as they have a steady income and meet the other established criteria.

Will Habitat Select a Single Person, or a Childless Couple?

The majority of our applications come from families with children. However, Habitat for Humanity will consider applicants without children. Currently, it is the large families who have the hardest time finding adequate, affordable housing and assistance.

What Happens If a Family's Income Increases?

An increase would not affect their status once they become Habitat for Humanity homeowners.

What If the Homeowner Does Not Make His/Her House Payments?

The documents you will be required to sign at the house closing are legal and binding. If you are unable to make your house payments, it may result in the foreclosure and loss of the home. The house will then be sold to another family.

Application

How Can I Apply?

The first step is to attend an orientation meeting. This is where you will find out all the details about Habitat homes, have your questions answered, and receive a Certificate of Attendance. In order to register for the orientation you will need to return your completed self-assessment to Jordan Pimentel either via mail or email at Jordan.pimentel@habitatnfv.org. You can visit our website at www.habitatnfv.org to check for the next meeting. Once you have attended the orientation you will be able to apply within 30 days from the date of the orientation.

What Do I Do After I Apply?

Habitat for Humanity of Northern Fox Valley will review your application, conduct a credit check, and notify you of your status within 30 days of submitting your application.

What If My Family Status, Job, or Residence Changes During the Process?

It is imperative that you keep Habitat for Humanity of Northern Fox Valley informed of any changes that would impact:

- Your income (job loss, income reduction, change of employer, salary adjustment, child support changes, etc.)
- Your family status (number of children, marital status, etc.)
- Your residence (address change, phone number change, etc.)

What Happens If I Want to Sell My Habitat Home?

As the homeowner, you do have the option to sell your home, however there are some guidelines for the process. Should you decide to sell your home you must notify Habitat for Humanity of Northern Fox Valley. Habitat has the “right of first refusal” and retains the option to buy back your home at a fair market value. The amount of additional funds you will receive from the sale is based on the number of years that you have lived in the home.

Questions?

Visit our office: 56 S. Grove Avenue, Elgin, IL 60120

Call us: 847-836-1432

Email: Jordan.Pimentel@habitatnfv.org



Habitat for Humanity of Northern Fox Valley (HFHNFV) is an Equal opportunity Lender and Equal Opportunity Employer. An Illinois* Residential Mortgage Licensee. (MB- 6761323 / NMLS- 1673206) Illinois Department of Financial & Professional Regulation, 100 West Randolph St., 9th floor – Division of Banking – Mortgage Banking Examinations, Chicago, IL 60601 PH # 312-793-3000 Chasse Rehwinkel, Division Director.