



# Homeownership Program: Details & FAQ

## Helping to Make Your Homeownership Dream a Reality

Habitat for Humanity of Broward builds homes with people in our community. We sell houses with a loan you can afford. Your monthly payment will never be more than one-third of what you earn. We also help families learn how to be successful homeowners for years to come.

## Equal Housing Opportunity

We treat everyone fairly. Habitat Broward works with anyone who needs a good home. We follow all U.S. laws about fair housing. We welcome everyone, no matter their race, gender, age, religion, background, marital status, where they come from, disability, skin color, sexual orientation, or any other protected group.

## General Program Criteria

- 🏠 You must be a first-time homebuyer. This means you have never owned a home or had your name on a house deed.
- 🏠 You must live or work in Broward County for the last **12 months**.
- 🏠 You must be a **U.S. citizen** or legal permanent resident.
- 🏠 You must show a Housing Need.
- 🏠 You must be Willing to Partner with Habitat.
- 🏠 You must be able to pay an Affordable Mortgage.

### How do you qualify for the Habitat Homeownership Program?

1. Review the Homeownership Program for details.
2. After reading, decide if this is a good time for you to apply. If yes, fill out the short questionnaire during the Open Enrollment period.
3. We will look at your form. If you meet the basic requirements, we will invite you to fill out the full application within 30 days.
4. After you submit your full application, our team will review it. We will check your income, job, credit report, bank accounts, and background.
5. If you seem to meet all the requirements, our team will set up an interview and visit your home.
6. Someone from Habitat will contact you to tell you if you have been approved for the program.

### What Happens Once You Are Approved for the Homeownership Program?

- You will sign a Letter of Acceptance. This paper explains the program and what you need to do.
- Sweat Equity begins. Each person must complete **300 hours** of Sweat Equity work. You will work at the Habitat ReStore and help build other families' homes before starting your own.
- You will work with our Housing Advisor. They will help you get ready for a home loan and teach you how to manage your money as a homeowner.
- You must take **one year** of Habitat homeownership classes. You also need to take one 8-hour First-Time Homebuyer class.
- You must save \$3,000 for your escrow account. You do this by paying \$250 each month.



# Homeownership Program: Details & FAQ

## Additional Eligibility Considerations...

- 🏠 **Job:** You must have worked at the same job or in the same type of work for at least 2 years.
- 🏠 **Savings:** You must have at least **\$1,500** saved in a bank account.
- 🏠 **Credit:** You must show a good credit history. This means you pay your bills on time and manage your debt well.
- 🏠 **Collections:** You can have no more than **\$2,500** in collections (or \$5,000 if all collections are medical bills).
- 🏠 **Judgments:** All judgments must be paid off.
- 🏠 **Student Loans:** Your total student loan debt cannot be more than \$50,000. Also, 1% of your student loans will count as part of your monthly debt. For example, if you owe \$40,000 in student loans, \$400 will be added to your monthly debt.
- 🏠 **Debt-to-Income Ratio:** Your total monthly debt payments (including your future house payment) cannot be more than 43% of your monthly income before taxes.
- 🏠 **Bankruptcy:** At least 3 years must have passed since your bankruptcy was finished.

## Frequently Asked Questions

### 1. How are homeowners selected?

A team reviews all applications. They follow fair rules and do not discriminate. They do not consider race, gender, age, religion, background, marital status, where you come from, disability, skin color, sexual orientation, or any other protected group.

### 2. Where can I get an application?

First, you must fill out the short questionnaire. If you meet the basic requirements, we will tell you the next steps to complete the full application.

### 3. How long will it take to process my application?

You must return your completed application within 30 days. We will email you an update every 30 days. The whole process can take **4-6 months**. All messages will be sent by email.

### 4. How much does a Habitat house cost?

Habitat homes are sold at market value. Your monthly payment depends on your money situation. Not everyone pays the same amount. Your payment is set at one-third of your total monthly income before taxes. The payment includes the loan, taxes, insurance, and homeowner association fees.

### 5. How much does it cost to apply for the Habitat Homeownership program?

There is a **\$40** fee when you submit your application. This pays for your credit report. Each person applying must pay \$40. **You must pay with a money order made out to Habitat Broward.**

### 6. How long does the Homeownership Program take to complete?

The Habitat program is not for people who need a home right away. It usually takes 12-24 months to finish the program and close on a home. You must complete 12 homeownership classes, at least 300 Sweat Equity hours, and save \$3,000 for closing costs.



# Homeownership Program: Details & FAQ

## 7. What makes a Habitat Broward home affordable?

Because volunteers help build the homes and people donate money and supplies, Habitat sells homes without making a profit. Also, the mortgage is affordable and usually lasts **30 years** with a fixed rate.

## 8. What is Sweat Equity and how much do I need?

Sweat Equity is an important part of the Habitat program. It helps you become a partner, feel proud of your home, and learn new skills. You earn Sweat Equity hours by working on building sites, at the Habitat ReStore or at Habitat events. You must do some hours yourself. Family, friends, and coworkers can help you earn the rest. All volunteers must be at least 16 years old to work on site.

## 9. Can I apply alone if I am married but living apart from my spouse?

If you are legally married, both applicants need to be part of the application. Your spouse must also sign the Deed when you close on the home.

## 10. Can I apply for my children or other family members if they live in another county?

No. All people applying must live or work in Broward County and have been here for at least 12 months.

## 11. How do I verify my income if I get paid in cash?

To prove cash income, you must put your earnings into the **same bank account** every time you get paid. You must also report the cash income on your tax return (IRS Form 1040). This paperwork will help us check your income.

## 12. Do I have to have a job to become a Habitat homeowner?

You need to have enough monthly income to afford a Habitat home. This income can come from a job, child support, alimony, Social Security, pension. The money must be put into your bank account regularly.

## 13. Does Habitat require a certain score?

No, we do not use credit scores. Instead, we look at your good debt and bad debt. "Good debt" means accounts you pay on time. "Bad debt" means accounts that have gone to collections.

## 14. If my credit is good, but my co-applicant's credit is not, can I apply?

Both people's credit will be checked using the same rules.

## 15. Do I have to help build the house?

Yes. If you are picked, you must help build your home and other families' homes. This is called "Sweat Equity." It can include clearing the land, painting, lifting heavy things, working on roofs, helping with building, or working at the Habitat ReStore. You must complete 300 Sweat Equity hours.

## 16. Do I have to know anything about construction?

No. We will teach you and have experts to help you.