



Application Process Information Booklet



Mail Application to:
335 Rose Street
Williamsport PA 17701

Need help with the application?
Call 570 322 2515



Dear Applicant,

We are excited that you are considering the application process for homeownership! Please take the time to read the following information to become more familiar with the process. After you have finished with this booklet, pass it along to a friend or coworker and ask them to pass it along when they no longer need it. Additional Pre-Applications can be obtained at our office or by calling 322-2515.

Please double check to make sure that your application is complete before sending it in. Receipts for the \$10 credit check fee are available at our office.

The first step is completing the Pre-Application. **You will never know if you qualify if you don't take the first step!** If you have any questions while reading this booklet, or filling out the Pre-Application, feel free to give us a call.

We look forward to assisting you with your dream of homeownership.

Sincerely,

Lori Digan
Greater Lycoming Habitat

Application Process for Habitat Homeownership

1. Fill out a Pre-Application and send it in to our office with the \$10 per applicant credit check fee.
2. Habitat calculates your income and pulls your credit report.
3. Attend a Family Selection Workshop. Dates, times and locations of the next workshops will be made available to you after Habitat reviews your application.
4. Habitat verifies your Bank balance, income and rental history.
5. Two members of the Family Selection Committee will schedule a time to visit your home and meet with you and your family.
6. After the visit, the committee members will report to the rest of the Family Selection Committee. The report will be based on your need for housing, ability to pay and willingness to partner.
7. The Family Selection Committee will report on all eligible applicants to the Board of Directors who will make the final selection.
8. Approved applicants will receive an approval letter and will be given a Family Partner. Denied applications will receive a letter stating the reason for denial.

The Application Process takes 3-6 months.

If applicants do not meet Greater Lycoming Habitat for Humanity's criteria and are not accepted into the program, they will receive a letter with a description of the reason(s). If these issues can be resolved, we ask that the applicants do whatever is necessary and reapply.

Section 1. Need for Adequate Shelter

An applicant family's present housing is plagued with at least one of the following conditions:

a) Structure

1. Current shelter requires repairs which the family is unable to perform and/or the land lord is unwilling to complete
2. Present dwelling has deficient heating system — can't maintain a healthy environment
3. Frequently reoccurring plumbing and/or water supply deficiencies
4. Unsafe or unreliable source of electrical power
5. Handicapped accessibility barriers with current dwelling can not be corrected.
6. Present home is in the process of being condemned.

b) Size

1. Current shelter has an inadequate number of bedrooms
2. Family is tentatively living with relatives or friends in overcrowded conditions.

c) Safety

1. Current neighborhood is unsuitable/unsafe.
2. No means exists to egress from a basement bedroom.
3. Dwelling is plagued with constant infestations of rodents.

d) Conventional financing

1. Family has applied but been denied a conventional or government-assisted mortgage.
2. Family has no marketable assets which could be used to obtain a conventional loan.

e) Affordability

1. Family spends in excess of 50% of gross income for rent, excluding utilities.

Section 2. Ability to Pay for a Habitat House

An applicant family must have an annual income that does not exceed the "Low Income" level as set forth annually by HUD. To determine if the family has the necessary resources to purchase a Habitat house, the following factors are used.

- a) The family must have a minimum household gross income of approximately four times the monthly Habitat house payment.
- b) The total mortgage payment, taxes, insurance, and all debt should not be greater than 36 to 40 percent of the total income
- c) Reliable sources of income consist of wages or salary, self employed income, SSI, income revenue from as sets, and (at the current time) public assistance. The reliability of using child support payments used in computing minimum and maximum income will be evaluated.
- d) Employment verifications will be used to verify current income figures and to assess current and past employment stability
- e) A family selected for a Habitat house must be able to meet the down payment of \$1,000. The down payment will be split into two payments of \$1,000. The first \$1,000 payment is due no later than three months after the family has been selected.
- f) The family has a demonstrated record of consistently making regular monthly payments for rent, utilities, insurance, and other credit obligations.
- g) The family has not declared bankruptcy within one year of the application review.
- h) Evidence of capability to pay off any and all bad debts and financial judgments or liens must exist. All financial judgments or liens must be cleared prior to closing. Payments on bad debts must begin immediately upon signing the Letter of Acceptance.
- i) Household income must not be threatened by homeownership (i.e. any household income derived from public assistance must not stop or substantially decrease if the applicant owns a home.)

Section 3. Willingness to Partner with Habitat

An applicant family must be willing to partner with Habitat. The three factors used to assess this willingness include:

a) Eagerness

1. The family takes the initiative to stay informed and aware of the “Family Selection Workshop”.
2. The family fully completes the Family Selection application distributed at the Workshop and provides the necessary documentation and references.
3. The family devises a means by which it can successfully earn the 250 hours per adult per household sweat equity requirement during the normal 12-month construction time period.
4. The family is comfortable with promoting the mission of Habitat by sharing their story with the community.
5. The family expresses a willingness to attend Habitat Homeowner Association meetings, training opportunities, and other Habitat functions.

b) Understanding

1. The family fully participates in the Family Selection Workshop and understands what Habitat is and what it isn't.
2. The family understands and readily accepts all provisions of the Habitat covenant: prompt house payments, cheerful competition of the sweat equity hours, respectful care and attention of the Habitat home and grounds.
3. The family knows that Habitat builds a basic, simple but decent house and that they will probably have very few choices or options on house design features.
4. When Habitat transfers the deed to the family, the family knows it is responsible for all maintenance and repairs (both preventive and unscheduled) unless otherwise covered by the Limited Warranty.

c) Realization

1. The family realizes that a total of 250 hours per adult per household of sweat equity is required.
2. The family realizes the implications of a highly publicized program.
3. The family knows payments must be made on the first of the month without default.
4. The family realizes there are severe restrictions on the resale of the home.
5. The family understands Habitat needs them as an “active” partner.

Frequently Asked Questions

- **What documents are proof that I am a legal resident of the United States?**

These are the documents we will consider as proof of legal residency in the U.S:

1. Birth Certificate - Shows proof that individual was born in U.S.
2. 1-94 Arrival/Departure Record - Shows that individual left their country and arrived in the U.S. legally. This card has an expiration date that may be extended. The card has an expiration date or will acknowledge that the individual may stay in the U.S. indefinitely.
3. Resident Alien Card (Green Card) — Shows that an individual is in a position to apply for permanent legal residency in the U.S. This card has an expiration date (usually five years from the date that the individual physically came into the U.S.). The individual may reapply for permanent residency after the 5-year period.

Special Naturalization Provisions — Provisions covering special classes of persons whom may be naturalized even though they do not meet all the general requirements for naturalization. Such special provisions allow: i) wives or husbands of U.S. citizens to file for naturalization after three years of lawful permanent residence instead of the prescribed five years; 2) a surviving spouse of a U.S. citizen who served in the armed forces to file his or her naturalization application in any district instead of where he/she resides; and 3) children of U.S. citizen parents to be naturalized without meeting certain requirements or taking the oath, if too young to understand the meaning. Other classes of persons who may qualify for special consideration are former U.S. citizens, servicemen, seamen, and employees of organizations promoting U.S. interests abroad.

Note: More information may be found on the INS website. Just type in INS.

- **Should I list a person on the application as going to be living with me if I am not sure that they are? For instance, my mom might come live with me later in the year, but I am not sure yet. Should I list her on the application as going to be living in the house if I am approved?**

You should not list them this early in the process, but maybe when you are interviewed let us know that this is a possibility. If the person comes to live with you anytime during the process you should add them to the application.

- **If I get a raise after I have been approved, does that affect my application?**

Yes, a change in income could affect your status. Because Habitat receives grants from government, we are required to ensure that all of our families meet HUD guidelines for low-income families. Please let your Family Partner know if you believe your income will be changing so that we can work out the details of your new status.

- **If I am engaged, do we have to apply together?**

Yes, you need to go ahead and apply as a couple. If you do not and we find out later, we will consider the application falsified.

- **If I die, will the house go back to Habitat?**

As long as there is someone able to make the monthly payments on the house, it will not go back to Habitat. You can specify in your Will who you would like the house to go to if such a circumstance were to present itself, but they would still have to be able to make the monthly payments. If the mortgage loan goes into default, the person(s) were unable to pay the monthly mortgage, then the house would be foreclosed on and go back to Habitat.

Summary

Habitat for Humanity works with volunteers to build simple, decent, affordable housing with individuals or families in need.

Homeowners make regular monthly mortgage payments, which are recycled to help build more Habitat homes.

Homeowners-in-process partner with Habitat in the construction of other Habitat homes as well as their own.

A \$1,000 down payment is required, as well as 250 “sweat equity” hours per adult.

Habitat is a homeownership program and not a rental program. Homeowners are expected to plan for new responsibilities such as unexpected repairs and regular home maintenance and improvements.

Habitat looks for individuals or families that are willing to give something back to the community through attendance at neighborhood meetings and active participation in neighborhood improvements.

Greater Lycoming Habitat for Humanity is an Equal Housing Opportunity Provider. We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, family status, or national origin.

Habitat for Humanity is a non-profit, ecumenical Christian housing mission (open to all faith communities) that seeks to eliminate substandard housing in Lycoming County. Habitat builds, simple, decent affordable housing with people who are living in substandard/inadequate housing and who are unable to secure adequate housing by conventional means.

Habitat houses are earned and purchased.