



Homeownership Qualifications

Basic Qualifications

There are four basic criteria that must be met in order to apply for the homeownership program.

1. I have a NEED.

A partner homeowner must be a first-time home-buyer and demonstrate the need for safe, decent and affordable housing by filing out a biography documenting need. A home visit will verify the stated need. A living arrangement can be declared to not meet the needs of the applicants if there are structural problems, plumbing, sewage, electrical, A/C issues, unhealthy conditions, overcrowding, living with family due to unforeseen circumstances, etc. Habitat will have the final say whether an applicant is considered need-based.

2. I am able to AFFORD a Habitat home.

An applicant is required to have lived (or worked) in our service area (Hancock, Johnson, Marion County) for at least 12 months prior to acceptance into the program. In addition, the applicant must have:

- Stable employment for 12 months, including three months on the current job. Jobs in the same field but with a different company will be considered stable.
- Verifiable rental history in the previous 12 months. Evictions on previous rentals will be grounds for disqualification.
- A partner homeowner will be asked to make a \$1,200 payment towards closing costs and \$50 per applicant payment towards credit reports. Failure to pay these costs will be considered unwillingness to partner and the partner homeowner will be asked to step away from the program.
- Meet the income guidelines based on family size:

2015 Gross Household Income

Family Size	30% (min.)	50% (max.)	80%
1	\$ 14,350	\$ 23,850	\$ 38,150
2	\$ 16,400	\$ 27,250	\$ 43,600
3	\$ 20,090	\$ 30,650	\$ 49,050
4	\$ 24,250	\$ 34,050	\$ 54,500
5	\$ 28,410	\$ 36,800	\$ 58,900
6	\$ 32,570	\$ 39,500	\$ 63,250
7	\$ 36,730	\$ 42,250	\$ 67,600
8	\$ 40,890	\$ 44,950	\$ 71,950

If it is believed that a family can qualify for a traditional loan, they will be referred to INHP or encouraged to pursue a conventional loan.

3. I meet the CREDIT guidelines.

Applicants must meet the following credit guidelines in order to qualify for the program.

- A maximum debt to income ratio for a qualified applicant is 40% and below.
- Cannot have a bankruptcy on record for the past 24 months.

- All liens and judgments must be cleared prior to acceptance into the program;
- The maximum amount of non-medical collections on an applicant's credit should be maximum \$1,500. The maximum amount of medical collections on record should be at a maximum \$5,000. The applicant will work with the Pre-Purchase Coordinator throughout the program to budget and pay off these collections.

4. I am willing to PARTNER with Habitat.

Once accepted in the Habitat homeownership program, a partner homeowner needs to demonstrate their ability and willingness to partner with Habitat. Upon acceptance into the program, partner homeowners will be asked to sign a commitment form detailing the terms of the partnership. Failure to comply with the partnership or to sign the document will lead to disqualification.

What else will I need to qualify?

Applicants should also be prepared for the following requests for information if they are accepted into the program.

- All applicants will be subject to a criminal background check.
- All applicants will be subject to a check on the sex offender registry.
- An applicant's appearance on the terrorist watch list database at any point throughout the program will be grounds for immediate disqualification.
- A copy of the social security card will be requested to prove citizenship status.
- A copy of a government issued photographic identification will be needed to prove identity.
- With applicant's written authorization, a credit report will be pulled.

All applicants will need to provide documentation where applicable to provide proof that the above-mentioned qualifications are met. If at any time it is discovered that the documents provided have been falsified, the partner homeowner will be immediately disqualified from the program.



Habitat Homeownership FAQ

Why should I become a homeowner?

Homeowners gain freedom they did not have as a renter. As a homeowner, you can paint your walls, own pets, and make alterations to the home. Instead of paying rent that increases over time, homeowners pay off the cost of the home.

Why should I choose Habitat for homeownership?

Habitat offers an interest-free loan meaning Habitat does not charge you for borrowing money. The average monthly mortgage payment is \$350- \$450 for a 30-year loan. Habitat also educates homebuyers about home maintenance and budgeting.

What is a first-time home-buyer?

The Habitat homeowner program is a first-time home buyer's program; therefore, the applicant must be considered a first-time homebuyer. In the case of divorce where the applicant has previously held homeownership with a spouse or three years of non-homeownership, the applicant will be considered a first time homebuyer for program purposes. Previous homeowners who have gone through a foreclosure can be considered first time homebuyer once the foreclosure has cleared; typically seven years.

Where are the homes built?

Homes are built in Marion, Hendricks and Hancock Counties with a focus on Center Township of Indianapolis. Habitat works with Indianapolis neighborhoods to get home addresses such as Near North, Martindale-Brightwood, West Indianapolis and Mapleton-Fall Creek. We cannot build on land an applicant already owns.

What do the homes look like?

All Habitat homes have a front porch, kitchen, dining and living room area, bedrooms, and bathrooms. Homes do not have basements and garages are not standard.

How long does it take to move into a Habitat home?

After the application is approved, homebuyers typically move into their home between one to two years. All homeowners are required to complete 300 sweat-equity hours.

What happens if I don't qualify for a Habitat home?

Habitat strongly suggests applicants who do not qualify at first to reapply after paying off debt, increasing income, or getting a stable job. Applicants that have too much income are encouraged to seek homeownership outside of Habitat. If you would like to qualify for Habitat's program in the future, we recommend working with the following organizations. Even if Habitat is not a good fit for you, these organizations may be able to offer guidance:

- Indianapolis Neighborhood Housing Partnership, 317.610.4663, www.inhp.org
- Neighborhood Christian Legal Clinic, 317.429.4131, www.nclegalclinic.org