



So, you want to be a homeowner?



HABITAT'S MISSION

Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities and hope.



Reasons for homeownership

- A home provides a place for a person or family to be established.
- A home can provide safety, security, stability, and hope for the future.
- In a safe and decent home, a person or family can thrive and live life to the fullest.



*Why do **YOU** want to be a **homeowner**?*



Why is owning a home better than renting?

JOYS!!



- Your payments are purchasing something that will become yours!
- It is more stable...you don't have to keep moving.
- You can decorate any way that you want (paint, remodel).
- You can be part of a neighborhood.



What's the down side?

RESPONSIBILITIES!



- When things go wrong, you have to take care of those things yourself. (No landlord to call.)
- You have to replace things when they wear out (carpet, cabinets, appliances...) which can be expensive.
- You have to take care of your yard (mowing, watering, trimming, raking).
- You must continue paying property taxes and homeowner's insurance, even if your home is paid off.



What is Habitat, and how can we help?

Habitat for Humanity is a non-profit, faith-based housing ministry that partners with low-income families and the community to eliminate substandard housing in Minnehaha and Lincoln counties.

***We help make
homeownership more
affordable for qualified
applicants.***





How do we do that?

Habitat for Humanity provides:

- An experienced construction team—we've been building homes in Minnehaha and Lincoln counties since **1991**.
- Community connections to help with the construction costs and labor.
- Education, support and hands-on work experience for you...to help prepare you for owning and maintaining a home.
- An affordable mortgage at **0%** interest.



So what's the big deal about 0% interest?

What does that mean?

Lender	Loan Amount	Interest Rate	Monthly loan payment	Total paid (after 30 years)
Habitat	\$150,000	0%	\$417*	150,000
Bank	\$150,000	4.5%	\$716*	\$257,804

Monthly payment shown does not include property taxes and homeowner's insurance, which adds about \$200-250 to each monthly house payment.



See the difference?

You save \$107,804

because we charge 0% interest!

(That is a BIG deal!)





Real life stories

Listen to what Habitat homeowners have to say...

- “We not only have a place of our own—we helped build it!”
- “A dream come true!”
- “I didn’t believe I could do it, but I did!”
- I look forward to it being mine forever.





How do I qualify?

There are a few basic requirements.

You must:

- Have a housing **need**.
- Have the **ability to pay** a monthly house payment.
- Be **willing to partner** with Habitat.





Let's start with housing **need**...

What does that mean? Here are some examples:

- Your house or apartment is in poor condition.
- You are living in a temporary or transitional housing situation.
- You have overcrowding issues or a family member with special housing needs.
- You have not been able to qualify for a conventional mortgage loan.
- Your housing expense is cost-burdening.



Next, there's **ability to pay**...

You must:

- Have income within Habitat guidelines.
- Not have excessive debt.
- Show that you are paying bills on time.
- Have or be able to save \$1,200 prior to taking ownership of the home.
- Have NO liens, judgments, or debts in collection by the time you purchase your home (18-24 months from now).



Finally, there's “willingness to partner.”

What does that mean?

If your application is approved, then you become a Habitat **homebuyer partner**.

Partnership is a two-way street:

(1) What will Habitat do?

and

(2) What does Habitat expect from YOU?





So, what will HABITAT do?



- Habitat's **partnership** with you means we will:
- Build (or renovate) a house in partnership with you **and** community volunteers.
 - Provide opportunities for you to learn skills you will need for owning and maintaining a house.
 - Sell you a Habitat house (after all terms of partnership agreement are met).



What do we expect from YOU?

Your **partnership** with us means that you will:

- Respond cooperatively and promptly to Habitat's requests, and **always keep us informed** of any changes to contact information or work status.
- Maintain or improve your financial situation.
- Attend required classes for homebuyer education.
- Perform all sweat equity hours and actively work when you are at the construction site.
- Have an open & honest relationship with Habitat.





What are the classes, and why are they important?

We want you to be a **successful** homeowner, so we require you to attend education classes, such as:

- Habitat Orientation
- Construction and Sweat Equity Training
- Neighborhood/Home Safety and City Ordinances
- Budgeting/Financial Counseling
- Lawn Care & Landscaping
- Mortgage Closing Processes

and others...





What about “sweat equity”?

- **Sweat equity** refers to the number of hours you are required to work before we can sell you a Habitat house.
(Education classes also count toward sweat equity hours).
- **200 hours** are required for a one-adult homebuyer; **400 hours** are required for a two-adult homebuyer partnership.





You may be asking yourself...



- How many hours a month will I need to commit to working with Habitat for Humanity? **You need to set aside 15-20 hours per month for Habitat sweat equity.**
- Can extended family or friends help with this requirement? **Yes, up to 25 hours for a one-adult homebuyer partner and 50 hours for a two-adult homebuyer partnership can be “donated” by people who will not be living with you in your Habitat home. (They work – you get the credit!).**



How do I get sweat equity hours?

- By participating in the construction work on your home and/or other Habitat homes.
- By attending homebuyer education classes.
- You may also perform work in the Habitat Restore (if approved by the Habitat office).





Any other requirements I should know about?

- You must **live** or **work** in Minnehaha or Lincoln counties.
- You must meet our income requirements, as we only serve low-income applicants.





What are the steps of the Habitat partnership process?

- If an applicant is selected, the applicant is invited to become a “homebuyer partner,” and a partnership agreement is signed.
- Homebuyer partners complete all “sweat equity” requirements.
- A final “ability to pay” verification is done about 60 days prior to selling you the home. (There can be no liens, judgments or debts in collection at this time).



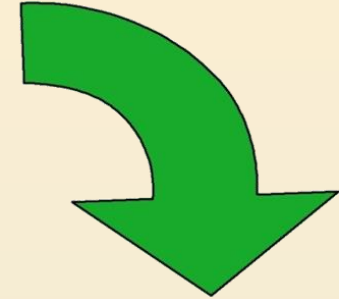
- Mortgage documents are signed, closing costs are paid, and the homebuyer partner now becomes a “homeowner.”
- As a Habitat homeowner, you begin making regularly monthly house payments and take over responsibility for maintaining the home.

NOTE: If ability to pay or willingness to partner criteria are not met, a homebuyer partner can be de-selected from the program. There is no **guarantee** of becoming a Habitat homeowner just because your application is approved and you are selected.



Your payments are recycled over and over!

Homeowner A makes payments



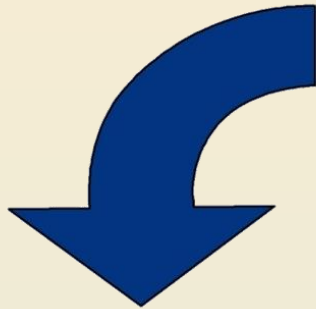
Money helps build a house for Homeowner B



Homeowner B makes payments



Money helps build a house for Homeowner C



And the GIFT goes on!!





Things to keep in mind...



- Habitat for Humanity is not a custom builder. We follow a basic construction plan. You may be given limited choices for flooring, countertops, paint color, etc.
- Habitat builds homes (as determined by family size) with a **maximum** of four bedrooms and two bathrooms, to keep the home affordable.
- Children of same gender and similar age may need to share a room.
- Our Habitat affiliate (HFHGFSF) only builds homes on property that is owned by Habitat.



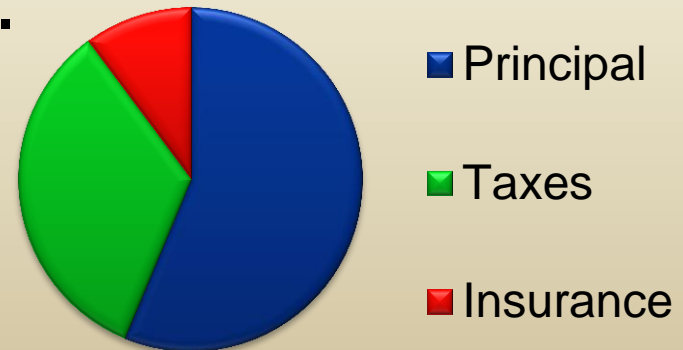
Some of our houses...





What will it cost me to get a Habitat house?

- **Up front costs:** You must pay off all your delinquent debts **and** save \$1,200 prior to closing the loan.
- You then begin making monthly mortgage payments, which include **principal** (your Habitat loans), plus **property taxes** and **homeowner's insurance**.
 - *Estimate is \$600-\$650 per month for principal, taxes and insurance.*





How do I apply?

- Fill out the application **completely**. No incomplete applications will be accepted.
- Return the application to Lisa Ross at the Habitat office. **Deadline is Friday, February 19.**

**Drop off hours:
9 a.m. – 4:30 p.m.**





What is the next step?

If your application passes initial screening, you will be asked to bring in **supporting documentation**.

Gather required documents and **make copies**. (Do not bring in or mail originals).

- Give or mail all documents to Lisa Ross, Family Services Coordinator, at the Habitat office by the deadline given.



Things to remember...

- Applications will not be accepted after the **February 19** deadline.
- The application process takes several months before final applicants are approved. *If you haven't received a denial letter, then your application is still "in process."*
- Qualified applicants will be contacted for an interview.



Things to remember...

- Home visits will be scheduled for the most qualified applicants. **(Make sure we always have your current phone numbers & address!)**
- **Having a home visit is not a guarantee that you will be selected.** We can only select a limited number of applicants, even if you are qualified.



Keep in mind...

- If your application is denied, you will receive a letter and explanation. You can reapply next year.
- Some applicants apply several times before they become eligible or get selected – every year is different based on who applies.
- **If your application is approved, you can expect the process of becoming a Habitat homeowner to take from 18 – 24 months.**



Habitat Build Openings

We anticipate building around 10 homes in 2017. The possible sites of those builds are:

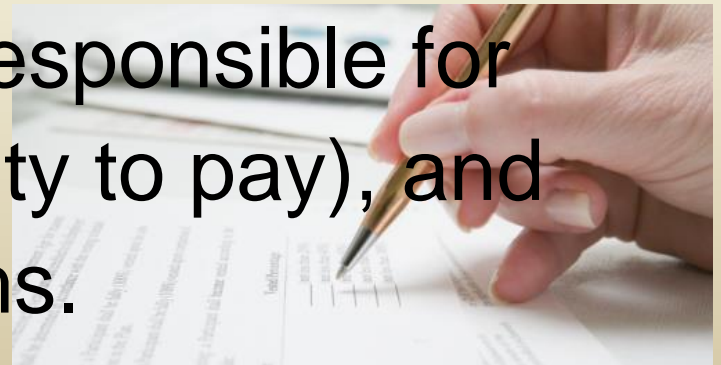
- 8 will probably be in Sioux Falls
- 1 may be in Canton, SD
- 1 may be in Marion, SD

****The number of homes we build is dependent on sponsorships, funding resources and staff.**



Application Instructions

- Please indicate the places where you are willing to live (see checkboxes on page 1).
- All people who will be living in the Habitat home must be listed somewhere on the first page of the application.
- The applicant and co-applicant will be evaluated as the parties responsible for paying the mortgage (ability to pay), and must sign all consent forms.





Thank you for your time!

Lisa Ross, Family Services Coordinator

Habitat for Humanity of Greater Sioux Falls

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Available in person: 9 a.m. to 5 p.m.

Available by phone: 8 a.m. to 5 p.m.

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