



7198 GRAND RIVER ROAD * BRIGHTON, MICHIGAN 48114-9347
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E-MAIL: LCHFH@SBCGLOBAL.NET * WEBSITE: WWW.LIVINGSTONHABITAT.ORG

FAMILY SELECTION CRITERIA AND INFORMATION SHEET

Livingston County Habitat for Humanity is a non-profit, self-sufficient, well-recognized construction company. Our mission is to eliminate sub-standard and inefficient housing allowing families to achieve home ownership, increased dignity, and self-respect. We will accomplish this through a partnership with God, community and volunteers.

Families are selected for Habitat housing based on the following criteria:

1. **Applicant must have resided or worked in Livingston County for at least the last six months.**

2. **NEED FOR ADEQUATE SHELTER:**

This means your present housing is inadequate and you can not get adequate housing through other means. There may be any problems with structure, water, electrical, sewage or heating system, or a cost burden. You may be paying higher rent than your income allows. The number of family members per bedroom in your current home is also taken into consideration.

Examples of Need:

- A. Problem with existing home. (i.e. structural, water, electrical, sewage systems)
- B. Number of family members compared to number of bedrooms in present home.
- C. Landlord's failure to meet city property maintenance standards.
- D. Can not find adequate housing through other means.
- E. Cost burdened. Applicant is paying over 30% of gross income to housing.

3. **ABILITY TO PAY:**

Since you will be buying your house from Habitat, you must demonstrate your ability to pay a monthly mortgage payment. This payment will include mortgage principal, taxes and insurance. Your current income must fall within the guidelines for maximum income and family size criteria as established by the affiliate.



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One of the major considerations in determining a family's ability to pay is credit history. You will be asked to sign an Applicants Certification and Authorization Form to allow Habitat to pull a credit report giving information containing your credit history which includes, but is not limited to, record of payments, loan defaults, judgments, repossessions and outstanding debt. You will be required to openly and fully discuss your financial situation with Habitat.

We help you determine if a Habitat house payment will be feasible as it relates to your credit history and financial obligations.

Examples of Ability to Pay:

- A. Credit history provides ability to make payments consistently. Families are encouraged to pay off bad debt before closing.
- B. Income should fall below the median family income for Livingston County, which is \$88,100 (per 2007 HUD figures). This chart shows the income limits by family size:

2	3	4	5	6
40%	45%	50%	55%	60%
\$35,520	\$39,960	\$44,400	\$48,840	\$53,280

- C. Ability to pay \$1,000 closing escrow costs (payable between signed letter of intent and move in date).
- D. Demonstrated ability to make regular monthly rent, utility, credit, etc. payments.

4. WILLINGNESS TO PARTNER / SWEAT EQUITY:

If selected for Habitat housing, each able-bodied adult (18 or older) in the household must perform 250 hours of sweat equity prior to the family moving into the home. The construction on his or her Habitat home will not begin unless each adult family member has earned at least 100 sweat equity hours. These 100 hours per adult may not include donated hours by family or friends. Sweat equity can be work done on another Habitat home, fund raising, office work, food preparation or participation with your child's school volunteering. Habitat staff approves all sweat equity. All 250 sweat-equity hours must be completed before you move into your house. You will be responsible for any maintenance and repairs (due to owner damage) of your house from the time you move in. There is however, a 1-year limited warranty on the construction of your home from the time you move in.



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Examples of Willingness to Partner:

- A. Acceptance of sweat equity requirements.
 - B. 250 hours of sweat equity for every able-bodied member of the household 18 years and older. (100 hours must be completed prior to the start of the house.)
 - C. Knowledge that applicant may be in public eye via newspapers, photographs, articles, etc.
 - D. Applicants should understand that homes are built by volunteers and not by a traditional contractor. Time and availability issues may affect build schedule.
- 5. Habitat For Humanity does not discriminate against an applicant based on their race, color, religion, sex, handicap, familial status, national origin, marital status, age or source of income.**

Other Key Points:

- 1. We will respond to your application within 30 days of our next scheduled Family Selection Committee meeting.
- 2. The Family Selection Committee will visit the current homes of qualifying families.
- 3. The Board of Directors of Livingston County Habitat for Humanity makes the final selection of Habitat homeowners.
- 4. The following structural items are not included in a Habitat home, unless required by area ordinances: garages, decks, basements, or carports. Internal items not included are air conditioning, ceiling fans, dishwashers, water softeners, and garbage disposals.
- 5. A range and refrigerator will be provided and included in the mortgage amount. A washer and dryer can be purchased at a reduced price and the cost will be included in the homeowners mortgage.
- 6. All houses are approximately 1,050 square feet. Four bedroom houses are no more than 1,230 square feet unless superseded by local ordinance.



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7. Habitat for Humanity does not accept applicants receiving Federal Housing Subsidies.
8. Each selected homeowner will be given a \$1,000 allowance for upgrades on materials used in building the house. This must be used at the time of the build. Any portion not used will be forfeited.
9. Habitat will sell this house to you at no interest and no profit to us. You will make monthly mortgage payments to Habitat and this enables us to build more Habitat homes.

Livingston County Habitat for Humanity will hold a second mortgage on the house to cover the gift equity portion of the actual house value. (This is the difference between the mortgage amount and the appraised value at the time of sale.)

Homeowners selected by Livingston County Habitat for Humanity will be provided the appraisal price of the house, clear title to the land and a certificate of occupancy. Financial situations can be reviewed to make sure that the ability to make payment is still within Habitat guidelines at time of sale. All families will be provided with assistance, guidance and support by Livingston County Habitat for Humanity.

Mortgage payments will be made to Livingston County Habitat for Humanity. Mortgage payments are expected to be paid on time. Grace periods are provided but late payments are penalized. **Payments missed for over two (2) months will be subject to foreclosure as in any conventional mortgage.**