

WELCOME TO LAKEWAY AREA'S OPEN ENROLLMENT

Building Communities One House at a Time

MISSION STATEMENT

- Lakeway Area Habitat for Humanity seeks to put God's love into action by building homes, communities, and hope by bringing people together.
- We aim to ensure everyone has access to safe, decent, and affordable housing.
- We believe that the home is the foundation on which we all build our lives.
- We create a partnership with our families that last a lifetime.

WHAT DO I NEED TO QUALIFY FOR HOMEOWNERSHIP?

To become a habitat homeowner you must:

- One, show a Need for Adequate Housing -applicants must demonstrate a need for safe and affordable housing. This includes living in overcrowded or substandard housing, paying excessive rent or utilities costs, or living in an unsafe neighborhood.
- Members appointed by Lakeway Habitat will come and assess your house for determination of a need for housing.

INCOME AND CREDIT

2. Income and Credit

Lakeway Area Habitat focuses on helping families with low to moderate incomes. Income requirements vary by location and household size. You must demonstrate that you can afford a mortgage and be able to pay all your bills. Habitat assesses credit history rather than relying on credit scores. Habitat housing is funded by various grants that do rely on certain credit scores though.

WILLINGNESS TO PARTNER

3. Willingness to Partner

The Habitat homeownership program is a hand up, not a handout. You will be purchasing a home and needing to meet certain requirements to achieve that. We require sweat equity and a savings plan.

Sweat Equity

Household members contribute 250 hours of sweat equity with 100 of those hours into the construction of their homes. Friends and family can donate a portion of those hours. Reasonable accommodations are made for health and disability reasons.

Savings Plan

Once your household has been selected as a partner household, we will be working with you to create a plan to keep you on course financially. You must be able to pay 1% of your house's appraisal for closing costs. For example, if your house appraises for \$220,000, you must pay \$2,200 towards your closing costs.

ABILITY TO PAY A MONTHLY MORTGAGE

4. Ability to Pay

Habitat ensures that the monthly mortgage payments do not exceed 30% of the homebuyer's gross monthly income at closing. This percentage is to prevent selling our homebuyers a house they cannot afford.

KEY REQUIREMENTS:

- **1. Income:** Your household income must fall within Habitat's specified income range, which is typically based on a percentage of the area median income (AMI) of 30, 60, up to 80%.
- **2. Credit:** A reasonably good credit score is usually required, but some affiliates may consider applicants with lower scores or alternative credit documentation. Lakeway Area Habitat gets funding through grants that do require higher credit scores.
- **3. Debt-to-income ratio:** Your debt-to-income ratio, which compares your monthly debt payments to your monthly income, must be below a certain threshold (often around 43%).

HAMBLLEN COUNTY YEARLY INCOME LIMITS

Yearly Income	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
30% Minimum Limits	\$19,150	\$21,850	24,600	27,300	29,500	31,700	33,900	36,050
60% limits	\$38,220	43,680	49,140	54,600	58,980	63,630	67,740	72,120
80% Maximum Limits	\$51,000	58,250	65,550	72,800	78,650	84,450	90,300	96,100

GRAINGER COUNTY AREA MEDIAN INCOME LIMITS

Yearly Income Limits

30% Minimum Limits

1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
\$14,450	\$16,500	\$18,550	\$20,600	\$22,250	\$23,900	\$25,550	\$27,200

60% LIMITS e

1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
\$28,860	\$32,940	\$37,080	\$41,160	\$44,460	\$47,760	\$51,060	\$54,360

80% Maximum Limits

1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
\$34,500	\$43,950	\$49,450	\$54,900	\$59,300	\$63,700	\$68,100	\$72,500

KEY REQUIREMENTS

- **4. Financial Review:**
 - Habitat will review your financial information to assess your ability to afford the mortgage payments.
- **5. Home Visit:**
 - A Habitat representative will visit your current home to assess your housing needs and determine if you qualify for the program.
- **6. Partner with Habitat:**
 - If approved, you will partner with Habitat to build your home and participate in educational programs.

KEY REQUIREMENTS

7. Financial Stability:

- You need to demonstrate a history of financial responsibility, including stable and verifiable income, and the ability to afford monthly mortgage payments. We will look over your bank statement, credit card bills, and order a credit check to assess your readiness for homeownership.

SWEAT EQUITY

- Habitat provides a mix of hands-on and classroom learning through homebuyer education classes. From budgeting to small home repairs, landscaping to retirement planning, each course is aimed to help homeowners achieve success in their new homes, all while developing connections with their fellow future Habitat homeowners.
- Each family who partners with Habitat completes a certain number of hours of sweat equity before move-in day. Often, any adult member of the immediate or extended family – and sometimes volunteers, co-workers or friends – can contribute sweat equity hours.
- Participants can accrue hours in a variety of ways, including working on a Habitat build site (their own or someone else's), helping out in the Habitat ReStore, and assisting with administrative tasks in the Habitat office.

SWEAT EQUITY

8. Sweat Equity:

- Habitat homebuyers are required to contribute a certain number of hours (e.g., 250 individual or 500 co-applicants) building their homes and participating in other Habitat activities. By completing these hours, you demonstrate your willingness to partner with Lakeway Area Habitat.
- These hours cannot be refunded should you drop out of the program for any reason.

SWEAT EQUITY BREAKDOWN

- You will need to complete 50 hours in education. LAHFH will generate online courses to help you become a successful homeowner. These classes cover topics such as: weatherizing your home, understanding a Closing Disclosure, nutrition on a budget, and more.
- While you watch the video you will take notes, fill in the number of hours it took you to complete the video, and turn the sweat equity sheet in as proof of your course. LAHFH will provide the course sheets for you.
- ALL these courses must be completed by the homeowner(s).

SWEAT EQUITY

- You will need to complete 50 hours of sweat equity through community service. This can be done by volunteering at a church, pet shelter, school functions, the library, etc.
- You will bring your sweat equity tracking sheet with you when you go, and the supervisor at your location will sign it and fill in the number of hours you volunteered. These are to be turned in monthly.
- If you have family or friends that can volunteer with you, their hours will count towards your sweat equity. Family and friends can only give you 25 hours of sweat equity. The rest must be completed by you.

SWEAT EQUITY

- You will need to complete 50 hours of your sweat equity volunteering at the ReStore. You may be asked to complete tasks such as: cleaning furniture, folding clothes, sweeping floors, etc.
- If you have family or friends that can volunteer with you, their hours will count towards your sweat equity. Family and friends can only give you 25 hours of sweat equity. The rest must be completed by you.

SWEAT EQUITY

- You must complete 100 hours in the construction of your home, at other build sites, or at the Habitat ReStore.
- Lakeway Area Habitat will provide hands-on workshops to help with the do-it-yourself projects.
- Participating in construction helps you better understand the foundation of your house, spot problems should they arise, and how to fix them.
- Family and friends 18 and older can help with this as well.
- People with disabilities or health issues will be given alternative work to do.

• Other Requirements

- No foreclosures or bankruptcies in the last three year. We look at the date of discharge for the bankruptcy.
- Maximum debt-to-income ratio of personal reoccurring debt of Habitat's program has a maximum debt-to-income ratio of 43% and assumes your monthly housing costs to be 35% (the maximum allowed by the program), leaving just 8% of your income that can be used toward monthly debt (student loans, credit cards, auto loans, etc.).
- All applicant(s) whose name will be on the title must show proof of legal U.S. residency and at least one applicant must show proof of permanent legal U.S. residency. Please refer to the pre-application to see which documents are acceptable.

OTHER REQUIREMENTS

First Time Homebuyer

All applicants must be first-time homeowners.

A first-time homebuyer is someone who meets any of the following requirements:

- **An individual who has had no ownership in a residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers).**
- **A single parent who has only owned with a former spouse while married.**
- **An individual who is a displaced homemaker and has only owned with a spouse.**
- **An individual who has only owned a residence not permanently affixed to a permanent foundation in accordance with applicable regulations.**
- **An individual who has only owned a property that was not in compliance with state, local, or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.**

APPLICATION PROCESS

- **1. Lakeway Area Habitat Affiliate Video:**
- The first step is to watch this presentation and see if you meet the qualifications to become a Lakeway Area Habitat homeowner. If yes, print and fill out the application.
- **2. Complete Application:**
- Make sure that when you fill out the application form, provide information about your income, credit history, and other relevant details. Send in application with **all the supporting documents** to Lakeway Area Habitat for Humanity , Attn: Homeowner Services Director
- **3. Supporting Documents (Must be Included with the Application)**
- Copy of each applicants driver's license and Social Security Card
- Last two paychecks or proof of income, SSI, child support, alimony, etc.
- Last 3 bank statements
- Last 2 income tax returns

FINALLY

- All applications must include the supporting documents to be considered a complete application.
- Applications will be processed in the order they are received.
- A Lakeway Area representative will contact you if you are missing any documents.
- If you are not able or do not have a computer, Lakeway Area Habitat will provide you with a place to watch the Homeowner Open Enrollment PowerPoint and an application form.
- Any questions, feel free to call Lakeway Area Habitat at (423) 353-1193

SUPPORTING DOCUMENTS

- A copy of your drivers license and that of any adult listed on the loan application.
- A copy of your social security and any adult living in the home
- Copies of your last two (2) paystubs or any other form of income: SSI, Child Support, Disability, etc.
- Copies of your last three (3) bank statements
- Copies of your last two (2) Income Tax Returns - Do Not Send Originals
- These must be included with your application to be considered complete.