



Essex County Habitat for Humanity Homeownership Application Packet

Important Information - please read complete packet!

41-43 Curtis Street, Haverhill, MA 01832

This opportunity is offered by the City of Haverhill, Essex County Habitat for Humanity (ECHFH) and the Executive Office of Housing and Livable Communities (EOHLC). ECHFH does not discriminate in the selection of applicants on the basis of race, color, national origin, disability, age, ancestry, children, familial status, genetic information, marital status, public assistance reciprocity, religion, sex, sexual orientation, gender identity, veteran/military status, or any other basis prohibited by law.

Please review all attached information carefully to understand the eligibility qualifications and application process. Please include the enclosed checklist with the application and required documents.

You may be eligible for the Habitat for Humanity Family Partnership Program, if:

- You are in critical need of year round affordable housing, *and*
- You are willing to complete the required “sweat equity” on your home, *and*
- Your household meets the income and asset limits, *and*
- You are able to make monthly housing payments of approximately **\$1,500 to \$2,100** *and*
- You are unable to qualify for conventional mortgage financing for a market rate home, *and*
- You are a first time home buyer (some exceptions apply; see below for more information), *and*
- You are a U.S. Citizen or Permanent Resident.

Application period: Completed applications, including all required documentation, must be received by 12:00pm, on Friday, August 16, 2024. Qualified households are encouraged to apply.



AN EQUAL OPPORTUNITY HOUSING LENDER

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What You Should Know About Building a Home with ECHF

Affordability: To keep our homes affordable, we rely on cash donations, grants, land donations, volunteerism, and gifts of materials and professional services. We sell each home at an affordable price with an affordable mortgage through a local lender. These homes are deed-restricted and will remain affordable in perpetuity. Be sure to review this packet thoroughly to understand important details on income & asset limits and the affordable deed restriction.

Affordable Home Deed Rider: This home is subject to Deed Restrictions including a maximum resale price. This Rider will *limit* the future sale price of the house so that it will remain affordable in perpetuity and sold to an income-eligible household at the time of resale. The Rider requires that the home be occupied as your primary residence, **renting is prohibited**; any refinancing or capital improvements will need the approval of the City, ECHF and EOHLC.

A sample of the Deed Rider can be found on our website:
<https://www.essexcountyhabitat.org/application>.

Non-Discrimination: ECHF does not discriminate in the selection of applicants on the basis of race, color, national origin, disability, ancestry, children, familial status, genetic information, marital status, public assistance reciprocity, religion, sex, sexual orientation, gender identity, veteran/military status, or any other basis prohibited by law.

Limited English Proficiency: ECHF encourages applicants with diverse backgrounds to apply for housing at our communities. For those with Limited English Proficiency, the owner will utilize a Language Line Service, which provides translation services in a multitude of languages.

Financial Interest: Individuals who have a financial interest in the development and or family shall not be eligible.

Privacy Notice is enclosed in this packet.

Mortgage Guidelines: All applicants who are accepted into the Affordable Homeownership Program must be income qualified and be able to qualify for conventional financing.

Appraisal Disclosure: If you are selected to purchase a home, we may order an appraisal to determine the property's value, and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.

Resale Requirements: When you sell your home, you are required to give written notice to the Monitoring Agents of your desire to sell so that they may proceed to locate an Eligible Purchaser for your LIP home. Your sale price will be computed by EOHLC based on the formula set forth in the LIP Deed Rider to reflect your original purchase price plus certain limited adjustments.



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General Overview and Sales Price
(also see **Attachment D** – Project Overview)

ECHFH will be offering two (2) affordable homes to households earning no more than 60% of the area median income. We anticipate these home will be ready for occupancy in the winter of 2025.

Each home in the duplex has three (3) bedrooms, two (2) full bathrooms, a one (1) car garage, and a front porch. Each also includes a refrigerator, stove, washer & dryer hook up, and driveway parking for one additional car. There will be a Homeowners Association (HOA) fee that will cover master insurance and common expenses. This HOA will be set up at closing and will be managed by the homeowners.

Haverhill is a small city located on the Merrimack River and is approximately 35 miles north of Boston on the New Hampshire border.

# of Affordable Homes	Max. Affordable Sales Price	Bedrooms	Bathrooms	Living Area	Estimated Assoc. Fee	Parking
2	\$245,000	3	2	1200 +/- sq. ft	\$150.00	1 car garage and driveway parking for 1 car

The 2024 tax rate for Haverhill is \$10.64 and taxes are assessed to the affordable price (not the market-rate equivalent). Property Taxes, insurance and association fees will be paid by the homeowner.

Some of the restrictions included, but not limited to, are:

1. **Owner-Occupancy/Principal Residence.** The Property shall be occupied and used by the Owner’s household exclusively as his, her or their principal residence. Any use of the Property or activity thereon which is inconsistent with such exclusive residential use, including renting, is expressly prohibited.
2. **Restrictions against Leasing, Refinancing and Junior Encumbrances.** The Property shall not be leased, rented, refinanced, encumbered (voluntarily or otherwise) or mortgaged without the prior written consent of the Monitoring Agent. *See section 3 of the Deed Rider.*
3. **Options to Purchase.** When the Owner or any successor in title to the Owner shall desire to sell, dispose of, or otherwise convey the Property, or any portion thereof, the Owner shall notify the Monitoring Agent and the Municipality in writing of the Owner’s intention to so convey the Property. *See section 4 of the Deed Rider.*



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4. **Maximum Resale Price.** A maximum resale price will be determined by the Monitoring Agent at the time the home is being marketed for resale. This maximum price allows for some, but does not guarantee, appreciation and maintains the affordability of the home in the future. The home must be marketed to an affordable buyer earning no more than 60% of the area median income as determined by HUD at the time the home is being marketed for sale. *See the Maximum Resale Price sections of the Deed Rider.*

A sample of the Deed Rider can be found on our website
www.essexcountyhabitat.org/application/

Eligibility

To be eligible to apply for a to become a Habitat Homeowner, you must meet the three eligibility criteria:

1. Ability to Pay:

You must meet income guidelines. Habitat serves families whose incomes (see **attachment B1**) do not exceed more than 60% of the area median income (see **attachment B**). The Department of Housing and Urban Development (HUD) determines the area median income, which is subject to change annually. Since you will be purchasing a home from Habitat, you must demonstrate an ability to make the monthly mortgage payments. These payments will include not only the mortgage payment, but also payments for real estate taxes and insurance, and in the case of condominiums, a monthly condo fee. Your debt-to-income ratio should be no greater than 40%. Habitat mortgage payments typically do not exceed 30% of gross annual household income. We will request a credit check from a credit reporting agency and require verification of employment, income and current housing payment.

2. Housing Need:

You must demonstrate a need for housing beyond the desire to own a home. Consideration will be given to applicants whose housing is substandard, unsafe or overcrowded and are unable to obtain adequate housing through conventional means. Lack of adequate housing may include, unsafe living conditions, problems with the housing structure, electrical, plumbing or heating, or overcrowding (more than 3 family members sharing a bedroom). Additionally, consideration may be given to those who have housing costs that are excessive in relation to their annual income.

3. Willingness To Partner With Essex County Habitat For Humanity:

If selected and approved, you become a "Future Habitat Homeowner" and as such, each member of the household over the age of 18 who will be living in the house is required to contribute "sweat equity" hours toward the building of the home. These hours may be completed in a variety of ways including working alongside volunteers on construction, landscaping, site clean-up, volunteering at a ReStore, participation in affiliate activities and many other tasks.



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From the date of wall-raising, construction typically takes 12 to 18 months. During this period, you will be dedicating nearly one day per week, on Saturday or one weekday to accumulating your sweat equity hours. The sweat equity requirement is 240 hours per adult in your household, with a maximum of 360 hours and all hours must be complete before we will close on your home. You will be connected with a mentor to support you during the construction period and the first year of homeownership. You will also be required to attend pre-purchase education courses

In some instances, if an adult family member is disabled or otherwise unable to do physical labor, the Habitat office will work out an alternative plan. From the time you move into your home, you will be responsible for maintenance and repairs of your home.

Individuals who have a financial interest in the development and their families are **not eligible** for affordable units. Therefore, affordable units leased or sold to individuals who have a financial interest in the development or a Related Party, or to their families, shall not be eligible. "Financial interest" shall mean anything that has a monetary value, the amount of which is or will be determined by the outcome of the Project, including but not limited to ownership and equity interests in the Developer or in the subject real estate, and contingent or percentage fee arrangements; but shall not include third party vendors and contractors.

Local Initiative (LIP) General Eligibility Requirements

This opportunity is made available through the State's Local Initiative Program and is subject to regulations and guidelines determined by the Executive Office of Housing and Livable Communities (EOHLC)

Frequently Asked Questions

Q: What happens if I don't submit all necessary documentation or fail to correctly complete my Affordable Housing Program Application?

A: You will be notified of the missing documents and will have 5 business days to submit them, provided that the extended time does not extend beyond the deadline.

Q: Who is eligible to apply for the affordable home?

A: In order to qualify for an affordable home, the applicant must meet each of the following criteria:

1. Everyone in the household must qualify as a "first time homebuyer."
2. The entire household's income and assets must be below the maximum allowable income and asset limits.
3. Household size shall not exceed state sanitary code requirements for occupancy of a residential unit.



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Q: Who is a “first-time home buyer”?

A: A person is a “first-time homebuyer” if no person in his or her household has, within the preceding three years, either owned the house they lived in or owned an interest in one or more other houses, such as through joint ownership and cannot own a home in trust.

Exceptions may be made in the following instances:

1. A displaced homemaker: A displaced homemaker is an individual who is an adult who meets ALL the following criteria:

- Has not worked full-time for a full year in the labor force for a number of years but has, during such years, worked primarily without compensation to care for the home and family.
- Owned a home with his or her partner or resided in a home owned by the partner.
- Does not own the home previously owned with a partner.
- Is unmarried to or legally separated from the spouse.

2. A single parent, where the individual owned a home with his or her partner or resided in a home owned by the partner and is a single parent (is unmarried or legally separated from a spouse and either has one (1) or more children of whom they have custody or joint custody, or is pregnant).

3. An age-qualified household (in which at least one member is age 55 or Over) which is selling a home in order to purchase an affordable home.

4. A household that 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.

5. A household that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.

Q: If someone in my household is age 55 or over can I currently own a home?

A: Yes. However, you will not be given the opportunity to purchase an affordable home until your current home is under a Purchase and Sale Agreement.

Q: Can I apply for this home as a displaced homemaker or single parent if I currently own a home?

A: Yes. However, you will not be given the opportunity to purchase an affordable home here until your current home is under a Purchase and Sale Agreement. Please see the Asset Limits in the following pages.



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Maximum Income and Asset Limits

Q: How is a household's income determined?

A: A household's income is the total anticipated amount of money received by ALL members of the household over the next 12 months (starting from the date of application and projecting forward 12 months) based on their current income and assets. In an effort to provide as accurate an income estimation as possible, the Family Selection Committee will also review historical income data to provide a basis for future income estimates. Any monies you anticipate receiving in the next 12 months will be counted as income and monies received over the previous 6 months will be analyzed to help estimate future income. This includes, but is not limited to, Social Security, alimony, child support, overtime pay, bonuses, unemployment, severance pay, part-time employment, matured bonds, monies to be received in court settlements, and actual or imputed interest and dividends on bank accounts and other assets. All sources of income are counted with the exception of income from employment for household members under the age of 18 and any income over \$480/year for full time students who are dependents (but note that all such income must still be documented even if it is exempt from the household income calculation).

It will be assumed that all households will continue to receive any monies they have received over the past 12 months unless supporting documentation proves otherwise. It is also not up to the household to determine what monies received over the past year should and should not be counted as their calculated income. Therefore, all monies should be listed on the application and the inclusion of these monies in determining a household's eligibility will be based on affordable housing guidelines.

Households must submit Federal Tax Returns for the current tax year and two (2) years prior: 2021, 2022 & 2023.



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Maximum Allowable Income

To be eligible for the Family Partnership Program, the combined gross annual income for all wage earners in the household must be at or below sixty percent (60%) of the Area Median Income for the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR area.

The 2024 maximum income limits for this program, as defined by HUD are:

Household Size	60%	Household Size	60%	Household Size	60%
1	\$68,520	3	\$88,140	5	\$105,780
2	\$78,360	4	\$97,920	6	\$113,640

See also, **Attachment B**

The program typically requires that the homeowner pay no more than 30% of gross annual income on housing costs.

Asset Limits

Eligible Households shall not have total gross assets exceeding \$75,000 in value.

Household Assets are calculated at the time of application. Any monies you would use as a future down payment on the home will still be counted as assets. Assets may include cash, savings and checking accounts, net cash value of stocks, net cash value of retirement accounts (such as 401k), real property, bonds, and capital investments.

Q: I cannot withdraw money from my 401k or retirement fund; do I have to include it when I list my assets?

A: Yes. You need to include the **net cash value** of all your current retirement funds. We realize that most retirement funds assess large penalties for early withdrawal but this does not technically mean that you cannot withdraw your funds or don't have access to them. The post-penalty amount is what you need to provide along with supporting documentation.

Q: Are there eligibility exceptions for households that are barely over the income limit but considerably under the asset limit (or vice versa)?

A: No. All households must be under both the income limit and the asset limit. Eligibility isn't based on only one or the other.



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Age Qualified Households, Displaced Homemaker and Single Parent Exception

Only households qualifying under the exceptions listed herein may own a home when applying. This home must be sold before they purchase an affordable home. The amount that the household will retain in equity from the sale of the house will be added to their asset total. Their asset total must still be below \$75,000.

Q: If I qualify for the home as an age-qualified household or Displaced Homemaker or Single Parent, how much time will I be given to sell the home?

A: Before you are allowed to sign a Letter of Intent for a new affordable home, your current home must already be under a Purchase and Sale Agreement with a buyer. At that time, households will be able to estimate how much time they will have before they need to close on their home.

EOHLC (LIP) Mortgage Approval Standards

Prior to the sale of a home, EOHLC will review and approve the terms of the Buyer's mortgage financing. EOHLC requires mortgage loans for LIP homes (in the Habitat for Humanity program) to meet the following minimum standards:

1. Be a fully amortized fixed rate mortgage to potential first-time homebuyers.
2. Have a fixed interest rate through the full term of the mortgage that is a current fair market interest rate.
3. No more than 2 points.
4. Monthly housing (inclusive of principal, interest, property taxes, hazard insurance, private mortgage insurance, flood insurance (if applicable) and condominium or homeowner association fees) may not exceed 30% of their monthly income for the mortgage.
5. Non-household members shall not be permitted as co-signors of the mortgage.

Preferences

In order to make the best use of limited affordable housing resources, household size should be appropriate for the number of bedrooms in the home. Minimum household standard shall be established and shall conform to the following requirements. A household shall mean two or more persons who live regularly in the home as their principal residence and who are related by blood, marriage, law or who have otherwise evidenced a stable inter-dependent relationship, or an individual. Following is the preferences in order of priority:



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1. Accessible Units:

None of the units are being built as accessible. However, persons with disabilities are entitled to request a reasonable modification to the home when such accommodations or modifications may be necessary to afford persons with disabilities an equal opportunity to use and enjoy the house.

2. Household Size and Composition:

(a) First Preference

Within the applicant pool, first preference shall be given to households requiring the total number of bedrooms in the home based on the following criteria:

- i. There is at least one occupant per bedroom (households with a disability must not be excluded from a preference for a larger home based on household size if such larger home is needed as a reasonable accommodation.)
- ii. A married couple, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.
- iii. A person described in the first sentence of (ii) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and the individual provides reliable medical documentation as to such impact of sharing.
- iv. A household may count an unborn child as a household member. The household must submit proof of pregnancy with the application.
- v. If the applicant is in the process of a divorce or separation, the applicant must provide proof that the divorce or separation has begun or has been finalized, as set forth in the application.

(b) Second Preference

Within the applicant pool, second preference shall be given to households requiring the number of bedrooms in the home minus one, based on the above criteria.

(c) Third Preference

Within the applicant pool, third preference shall be given to households requiring the number of bedrooms in the home minus two, based on the above criteria.

Maximum Household Size: Household size shall not exceed, nor may the maximum allowable household size be more restrictive than, State Sanitary Code requirements for occupancy of a home.

3. Local Preference:

No more than 70% of these homes will be offered as a Local Preference. If two or more applicants are equally qualified and meet all three of the program criteria, then a preference will be allowed for an applicant who currently lives, works or has children attending school the Town of Haverhill's schools.



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- a. Allowable Preference Categories
 - (1) Current residents: A household in which one or more members is living in the city or town at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, street listing or voter registration listing.
 - (2) Municipal Employees: Employees of the municipality, such as teachers, janitors, firefighters, police officers, librarians, or town hall employees.
 - (3) Employees of Local Businesses: Employees of businesses located in the municipality.
 - (4) Households with children attending the locality's schools, such as METCO students.
- b. When determining the preference categories, the geographic boundaries of the local resident preference area may not be smaller than municipal boundaries.
- c. Durational requirements related to local preferences, that is, how long an applicant has lived in or worked in the residency preference area, are not permitted in any case.
- d. Preferences extended to local residents will also be made available not only to applicants who work in the preference area, but also to applicants who have been hired to work in the preference area, applicants who demonstrate that they expect to live in the preference area because of a bona fide offer of employment, and applicant households with children attending the locality's schools, such as METCO students.
- e. A preference for households that work in the community will not discriminate (including have a disproportionate effect of exclusion) against persons with disabilities and elderly households in violation of fair housing laws.
- f. Advertising will not have a discouraging effect on eligible applicants. As such, local residency preferences will not be advertised as they may discourage non-local potential applicants.

4. Minority Balancing

The local selection preferences will not disproportionately delay or otherwise deny admission of non-local residents that are protected under state and federal civil rights laws. To ensure this, minority applicants will be moved into the local selection pool to ensure it reflects the racial/ethnic balance of the HUD defined Metropolitan Statistical Area.

If the local preference pool does not have representation of minority applicants equal to the HUD Boston-Cambridge-Newton, MA-NH MSA percentage (33.4%), then non-local minority applicants will be added to the local pool to equal that



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percentage. These non-local applicants will be selected by having a preliminary lottery of such applicants to select which such applicants will be added to the “resident” category.

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5. General Pool

All those that don't qualify for Local preference will be put in the general pool. Local pool applicants will also be added to the general pool.

Lottery

A lottery for projects including a local preference should have two applicant pools: a local preference pool and an general pool. After the application deadline has passed, the Developer should determine the number of local resident minority households there are in the municipality and the percentage of minorities in the local preference pool. If the percentage of minority local resident households in the local preference pool is less than the percentage of minorities in the surrounding HUD-defined area, the Developer should make the following adjustments to the local preference pool:

- (a) The Developer should hold a preliminary lottery comprised of all minority applicants who did not qualify for the local preference pool, and rank the applicants in order of drawing.
- (b) Minority applicants should then be added to the local preference pool in order of their rankings until the percentage of minority applicants in the local preference pool is equal to the percentage of minorities in the surrounding HUD-defined area.
- (c) Applicants should be entered into all pools for which they qualify. For example, a local resident should be included in the local preference pool and the open pool.
- (d) Minorities should be identified in accordance with the classifications established by HUD and the U.S. Census Bureau, which are the racial classifications: Black or African American; Asian; Native American or Alaska Native; Native Hawaiian or Pacific Islander; or other (not White); and the ethnic classification Hispanic or Latino.



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Lottery Process

Resident selection for affordable units will be based on a lottery. To avoid discriminatory effects in violation of applicable fair housing laws, the following procedure will be followed:

General

- 1) Once all required information has been received, qualified applicants should be assigned a registration number. **Only applicants who meet the applicable eligibility requirements shall be entered into a lottery. The lottery shall be conducted after any appeals related to the project have been completed and all permits or approvals related to the project have received final action.**
- 2) Ballots with the registration number for applicant households are placed in **all** lottery pools for which they qualify. The ballots are randomly drawn and listed in the order drawn, by pool. If a project has units with different numbers of bedrooms, units are then awarded (largest units first) by proceeding down the list to the first household on the list that is of appropriate size for the largest unit available according to the appropriate-unit-size criteria established for the lottery. Once all larger units have been assigned to appropriately sized households in this manner, the lottery administrator returns to the top of the list and selects appropriately sized households for smaller units. This process continues until all available units have been assigned to appropriately sized applicant households.
- 3) The lottery should ordinarily be held at a public, wheelchair accessible location.

Deposits/Fees

- 1) Prohibited - Successful lottery participants cannot be required to pay any fee or deposit to hold a unit pending construction completion nor can applicants be required to pay any form of fee or deposit to be placed on a wait list.
- 2) Permitted – The foregoing language shall not prevent an Owner from requiring a deposit from a home buyer upon signing an offer and/or purchase and sales agreement, nor at the time that the Owner is offering to lease a specific rental unit to the applicant household. In the latter instance, the deposit shall not exceed the amount that the Owner would otherwise be permitted to require as a security deposit.

Accessible Units/Units with Adaptive Features; Reasonable Accommodations

- 1) If the project includes units that are fully accessible, or units that have adaptive features (also commonly referred to as “adaptable” units), for occupancy by persons with mobility impairments or hearing, vision or other sensory impairments, first preference (regardless of applicant pool) for those units shall be given to persons with disabilities who need such units, including single person households, in conformity with state and federal civil rights laws. This preference applies to fully accessible units (e.g., in projects in which 5% of the total units are to be wheelchair accessible and 2% are to be communications accessible in accordance with applicable accessibility standards). In projects that do not



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have such units but that have units with adaptive features for persons with mobility impairments and/or hearing, vision or other sensory impairments, this preference also applies to the units with adaptive features; however, such a preference is not required to exceed 5% (mobility) or 2% (sensory) of the total units under these guidelines.

- 2) Fulfilling the obligation for providing a first preference, as described above, does not limit an owner's fair housing obligations with respect to persons with disabilities. When a person with a disability is the next eligible applicant and the development contains available units with adaptive features, the applicant must be made aware of such availability and of the owner's obligation to adapt the unit as needed.
- 3) The owner also has obligations to make reasonable accommodations such as granting the request for an appropriately sized first floor unit.

Wait Lists

- 1) General - The lottery administrator should retain a list of households who are not awarded a unit, in the order that they were drawn from the general (non-local) pool. If any of the initial renters/buyers do not rent/purchase a unit, the unit shall be offered to the highest ranked household on that retained list.
- 2) Units with Adaptive Features - Where a person with a disability is awaiting an accessible unit and a unit with adaptive features becomes available, the owner/management agent must offer to adapt the unit.
- 3) Term of Wait List - The wait list generally may be retained and used to fill units for up to one year. However, other factors such as the number of households remaining on the list, the likelihood of the continuing eligibility of such households, and the demographic diversity of such households may inform the retention time of the list, subject to the approval of the Subsidizing Agency.
- 4) Updating - After the initial lottery, waiting lists should be analyzed, maintained, and updated (through additional marketing) so that they remain consistent with the objectives of the housing program and are adequately representative of the racial, ethnic, and other characteristics of potential applicants in the housing market region.

Application and Family Selection Process

Habitat Future Homeowners are selected through a fair and open process based on their ability to pay, willingness to partner and need for adequate housing. Our Homeowner Program includes educational and financial workshops to equip new homeowners with the skills they need for successful homeownership.

Persons with disabilities are entitled to request a reasonable modification to the home when such accommodations or modifications may be necessary to afford persons with disabilities an equal opportunity to use and enjoy the home.



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The steps of becoming an owner of a Habitat Home is described in detail below. Please read this carefully to determine if you will likely qualify and if you would like to participate in our unique process to becoming a homeowner.

1. Review income and asset limits for the program:

The income limits are determined annually by the Department of Housing and Urban Development (HUD). The Household income will be reviewed and approved by The Executive Office of Housing and Livable Communities (EOHLC) upon acceptance into the program and prior to closing. Limits are not negotiable.

2. Complete Application: The application is attached, and you are required to complete each section and sign it. If a particular section does not apply to you, do not leave it blank. Write N/A in that section.

3. Gather Supporting Documents: Along with your application, every wage earner in your household will be required to submit documentation for all forms of income including wages, social security and/or disability benefits, childcare payments, etc. In addition, any income from assets will also be reviewed so you will need to submit a copy of bank statements and statements for any investment accounts. See **Attachment A** for a complete list of required documents.

4. Submit Application Package by 12:00 PM on Friday, August 16, 2024.

This is **NOT** a postmark deadline and late applications will not be considered. All information is considered confidential and is to be used only for family selection.

Completed applications and required documents should be mailed or hand delivered (between the hours of 9:00am and 1:00pm, Mon – Fri) to:

Essex County Habitat for Humanity
14 Park Street
Danvers, MA 01923
Attn: Director of Affordable Housing Operations

You may also submit your application and documents digitally. Go to: <https://www.essexcountyhabitat.org/application/> and click the link to upload all of your documents to the folder in our secure Box account. Your documents will be encrypted in transfer and in rest.

Also see **Attachment C**

Please do not email account numbers, social security numbers or other personal information directly to us.



AN EQUAL OPPORTUNITY HOUSING LENDER

ECHFH does not discriminate in the selection of applicants on the basis of race, color, national origin, disability, age, ancestry, children, familial status, genetic information, marital status, public assistance reciprocity, religion, sex, sexual orientation, gender identity, veteran/military status, or any other basis prohibited by law.

5. **Application Review and Income Verification:** The Family Selection Committee is responsible for reviewing each application and determining your eligibility. We build our homes for families earning less than 60% of area median income and we need to make sure you have the ability to pay the mortgage, so the committee needs to carefully review your documents. Income limits are set by HUD each year and vary by family size. A list of the most recent limits can be found in **Attachment B**. The application review process may take several months to complete.
6. **Ability to Pay:** Once it has been determined that you are qualified based upon your household income, the family selection committee then verifies that you have the ability to pay an affordable mortgage. This step seeks to answer 3 important questions:
 1. **Do you have enough income to support a modest home loan?** The price of our homes typically range from \$175,000 to \$245,000. You will need enough income to cover monthly housing costs that do not exceed 30% of your total income. Mortgage payments, taxes, homeowners insurance and condo/association fees (if applicable) are all considered part of your monthly housing costs. The initial total housing costs (as described above) when owning a Habitat home typically ranges from \$1,500 - \$2,100 monthly and may go up over time as taxes and insurance costs change.
Based on the volatility of the current economic conditions, we anticipate interest rates will increase and may impact monthly mortgage payment.
 2. **Can you demonstrate a positive repayment history?** At this stage of the process, a credit check is performed to examine your history of repayment. We also request a statement of repayment from your current and previous landlord, as well as other credit references.
 3. **Do you have too much debt to make mortgage payments?** While Habitat homes are modestly priced, if your debt is too high it may affect your ability to make your mortgage payments on time. Your estimated monthly housing costs plus your monthly debt obligations cannot equal more than 40% of your income.
7. **Home Visit:**

Once your income eligibility and credit worthiness is determined, two members of the family selection committee will visit you and your family at home. At this time, the remaining Habitat partnership responsibilities and your housing need will be discussed in detail. In addition, the family selection committee will explain the details of the universal deed rider, the resale procedures and the capital improvement policy to which your home will be subjected. Finally, any responsibilities that you will assume if your home is part of a homeowner association or condo association will be discussed during the home visit.
8. **Board Approval:**

After conducting home visits, the family selection committee recommends qualified households to the Board of Directors for approval.
9. **Lottery:**

All eligible and approved applicants will be put into a lottery. The lottery will be conducted according to the Department of Housing and Community Development's



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comprehensive permit guidelines for housing lotteries. The lottery will be held publicly and all entrants are invited to watch live in person or remotely. Winners will be notified by phone.

Next steps apply only to households that are accepted into the program.

10. Verification:

Each selected household may be asked to verify their citizenship or permanent residency (if required by a third-party lender such as the USDA) and Habitat will conduct a criminal background check and sex offender registry check. Habitat will follow state guidelines for criminal background checks.

11. Agreement: If you are one of the two households selected, the Family Partner will have approximately 5 business days to review and sign a Partnership Agreement and Letter of Intent. It is recommended that you discuss these documents and Deed Rider with a local attorney. Because we cannot accurately project an occupancy date, we urge applicants to maintain the best housing circumstances possible until their new home is ready.

12. Construction of your Home: Due to strong involvement of community volunteers, it takes approximately 12 to 18 months to complete construction on a Habitat Home. During this time, you will be required to perform a minimum of 240 hours of sweat equity per adult household member with the required total not to exceed 360. A mentor will be assigned to you during this phase of the process and they will help you track your sweat equity hours, ensure that you meet the educational requirements and be on-hand to help select some of the custom elements available for your new home.

13. Purchasing Your Home: When construction is nearing completion, a financial review will be made 30 – 60 days prior to closing to determine if you remain eligible for the program and can move forward and purchase the home. Unfortunately, any significant changes to income, credit and or debt may result in deselection from the program. We will also confirm that the following contingencies have been satisfied. These include:

- a. Approval for an affordable mortgage
- b. Income reverification by ECHF
- c. Proof of insurance for your new home (you will need to pay for a full year in advance of closing)
- d. Certification of your sweat equity hours
- e. Receipt of your down payment
- f. Certification that you've completed an approved first-time homebuyer course
- g. Certification that you've completed an approved Home Owners Association course
- h. Receipt of deed restriction disclosure statement
- i. Receipt of warranty list and policy documentation

14. Home Dedication: There will be a Home Dedication scheduled prior to the closing to offer volunteers, sponsors and donors the opportunity to view the home. The Family Partners will be expected to attend the Home Dedication.



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15. **Closing Day:** Closing day is the day that you officially become the owner of a home! The Closing is conducted in a lawyer's office, and you can have an attorney represent you. DHCD must review all closing documents two weeks prior to closing and prepare a new deed rider. Prior to closing day, your mentor will sit down with you and review all the documents that you will be signing to determine if you have any questions. These documents include, but are not limited to the promissory note and mortgage to a local lender, a universal deed rider and re-sale price certification and any other mortgages that may be placed on the property by subsidizing agencies. The Buyer should be prepared to pay closing costs on the day of closing. Closing costs can average \$5,000.00.



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Essex County Habitat for Humanity, Inc. Privacy Statement and Notice

At Essex County Habitat for Humanity, we are committed to keeping your information private. We recognize the importance applicants, program families, tenants, and homeowners place on the privacy and confidentiality of their information. While new technologies allow us to more efficiently serve our customers, we are committed to maintaining privacy standards that are synonymous with our established and trusted name.

When collecting, storing, and retrieving applicant, program family, tenant, and homeowner data – such as tax returns, pay stubs, credit reports, employment verifications and payment history – internal controls are maintained throughout the process to ensure security and confidentiality.

We collect non-public personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others; and
- Information we receive from a consumer reporting agency.

We may disclose the following kinds of non-public personal information about you:

- Information we receive from you on applications or other forms, such as your name, address, social security number, income and assets, and sources of income.
- Information about your transactions with us such as your loan balance and payment history.
- Information we receive from a consumer reporting agency such as your credit worthiness and credit history.

Essex County Habitat for Humanity employees and volunteers are subject to a written policy regarding confidentiality and access to applicant data is restricted to staff and volunteers on an as-needed basis. Information is used for lawful business purposes and is never shared with third parties without your consent, except as permitted by law.

As permitted by law, we may disclose non-public personal information about you to the following types of third parties:

- Financial service providers, such as mortgage servicing agents;
- Non-profit organizations or governments; and related entities authorized to oversee grant compliance;
- Consumer Reporting Agencies

Please note that if Essex County Habitat for Humanity would be disclosing your non-public personal information to *non-affiliated third parties* – other than those permitted by law listed above – you would be given the opportunity to “opt out” of these disclosures by calling our office at 978-681-8858. **However, we do not disclose your information to such non-affiliated third parties.**



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