

## Frequently Asked Questions

### **Q. How long does it take to get an answer or response after I complete an application?**

A. You will get a response by mail within 30 days of submission date.

### **Q. What counts as income?**

A. Income must be verifiable and projected to continue for at least three years. Verifiable means pay stubs, bank statements, tax returns, and proof of benefits. Court order and proof of payment for six consecutive months will be needed for child support or alimony to prove as income. We do not count food stamps as income.

### **Q. What if my income changes while I am going through the Habitat process?**

A. If someone's income drops below the minimum income level required the homeowner would not be able to continue until the income increased and proved steady via verifiable documentation for at least 6 months. The reason for this is because the homeowner would no longer have the 'ability to pay.' If someone's income increases above the maximum income level allowed the homeowner would not be disqualified as we always hope people are trying to improve their lives and better their financial situation. A board approved potential homeowner would not be penalized for making too much money so long as they were approved while their income was in the acceptable range.

### **Q. If I am married does my spouse have to be on the mortgage?**

A. Yes, if you are married you must have both names on the mortgage.

### **Q. What if there is a change in my income, credit score, living situation, family size, contact information, marital status, or criminal history after being approved for a home?**

A. If any of those things change during the process from filling out your application until you close on your home you are required to notify Habitat immediately as they affect your application for a loan.

### **Q. If I have my own land, will you build on it?**

A. No, currently we are only developing our Canopy Oaks neighborhood.

### **Q. If I have a felony, am I automatically disqualified?**

A. No, we have a system that determines eligibility for criminal backgrounds. All applicants 18 years of age or older, that will live in the home, will be required to complete a background check.

### **Q. If I have a sexual offender offense, am I automatically disqualified?**

A. Yes.

### **Q. Am I required to have perfect credit or a high credit score?**

A. To be eligible your credit score must be above 580. You must have a debt-to-income ratio (DTI) under 43%. We do pull your credit report and review your credit history. You will not be approved with large unpaid collections, judgments, liens, or recent bankruptcy. Our Homeowner Selection Committee reviews these items and decides to accept or deny your application. If you have any of these issues, you are encouraged to attend credit counseling to determine what needs to take place to repair your credit.

### **Q. Am I required to attend Homebuyer classes?**

A. Yes, to show your willingness to partner you will need to attend financial literacy and homebuyer education classes that Habitat helps coordinate for you. Other educational workshops or meetings may be required.

### **Q. Do I have to be a US Citizen?**

A. You must be a citizen of the United States or have been granted permanent residency status. We will require documentation for either status.

### **Q. How many sweat equity hours am I required to work?**

A. Each individual applicant is required to complete 250 hours. Hours are worked on the construction site and includes all required educational workshops.

### **Q. What days do I have to perform sweat equity hours?**

A. We work on the construction site on Fridays and Saturdays 8am-3pm. Homeowners are required to work at least 14 hours each month to show their willingness to partner. The homeowners must accumulate the minimum number of sweat equity hours (250 for each individual applicant) before they are able to close on their home.

### **Q. Will all of my sweat equity hours be performed on my own home?**

A. No, you will be required to work on other people's homes as well as your own. Many times you will spend months working on other homes before your home construction even begins.

### **Q. What if I am disabled and unable to perform sweat equity hours?**

A. We do not discriminate based on individual's disabilities and will design a volunteer plan that works for you. Additionally, homeowners with disabilities can designate friends or family members to perform a portion of their sweat equity hours.

**Q. What do homeowners get to choose in terms of their home?**

A. Homeowners can select colors of their exterior siding, counter tops, and flooring!

**Q. What appliances come included in a Habitat home?**

A. Homes come furnished with a fridge and stove/range that are donated by Whirlpool Corporation to all Habitat homes across the United States. There is a hookup provided for a washer and dryer but the appliances are not provided.

**Q. Where will my home be built?**

A. Habitat builds anywhere and everywhere in St. Johns County based on the land we have available to us. We are currently working on our Canopy Oaks neighborhood that includes single family homes and townhomes. We cannot guarantee a specific location or site as the construction schedule dictates the next lot to be built. Homeowners should take this into consideration when they begin the process and make sure they are comfortable with getting a home in a place no matter where it may be. We build homes for those who are in need and work with the resources we have available to us.

**Q. What if I do not want to live on the lots that you offer me?**

A. You will have the opportunity to choose from our available lots. If you do not select a lot from the options presented, you could be de-selected from the program.

**Q. What do habitat homeowners pay for the home on a monthly basis?**

A. There is not a set amount that every homeowner pays. The amount of the monthly mortgage payment is based on what is affordable to each specific homeowner.

**Q. How long of a term is a Habitat mortgage?**

A. The term of the Habitat mortgage varies but can be anywhere between 10 and 30 years.

**Q. What does the monthly payment include?**

A. The monthly payment includes principal and escrow.

**Q. What is principal?**

A. Principal is a portion of your monthly mortgage payment that goes to Habitat to pay off the actual mortgage amount on your home.

**Q. What is escrow?**

A. Escrow is a portion of your monthly mortgage payment that covers the cost of property taxes, insurance, and termite bond. Habitat collects these funds with your principal payment each month so that they can pay your taxes, insurance, and termite bond on an annual basis for you. HOA fees may apply to some Habitat neighborhoods.

**Q. Do I have to pay closing costs?**

A. Habitat pays the majority of the closing costs and lumps the cost into the overall loan. Homeowners do have to pay the first year's insurance cost (between \$500-\$800) and a 2-month escrow cushion (usually around \$200-\$400). For a total of approximately \$700-\$1200. Keep in mind these are estimates and can vary.

**Q. Do homeowners have to pay a down payment and if so when?**

A. Homeowners pay a \$350 deposit which is due when the sales and purchase agreement is signed. This occurs months before closing to allow homeowners time to save for closing costs.

**Q. How long does it take to get a Habitat home?**

A. This varies based on the number of homes Habitat projects to build in upcoming years. The speed of getting through our process also varies based on the homeowner's "willingness to partner" in terms of fulfilling sweat equity hours and also the number of qualified and approved homeowners who happen to be going through the process at the same time. This process can take anywhere from 12-24 months but can be longer or shorter.

**Q. Who decides who gets a Habitat home?**

A. Habitat staff serve to help the homeowners through the process but the Homeowner Selection Committee and the Board of Directors approve families for homeownership based on our four criteria.