**CRITERIA 1: NEED FOR ADEQUATE SHELTER**

An applicant’s present housing condition must fall under one of these categories:

1. Structure
   1. Current shelter requires repairs, which the family is unable to perform and/or the landlord is unwilling to complete.
   2. Present dwelling has deficient heating or cooling system and cannot maintain a healthy environment.
   3. Frequently reoccurring plumbing and/or water supply deficiencies.
   4. Unsafe or unreliable source of electrical power.
   5. Handicapped accessibility barriers with current dwelling cannot be corrected.
   6. Present home is in the process of being condemned.
2. Size
   1. Current shelter has an inadequate number of bedrooms.
   2. Family is tentatively living with relatives or friends in overcrowded conditions.
3. Safety
   1. Current neighborhood is unsuitable/unsafe.
   2. Dwelling is plagues with constant infestation of rodents.
4. Affordability
   1. Spends in excess of 50% of gross income for rent (excluding utilities).

**CRITERIA 2: ABILITY TO PAY FOR A HABITAT HOUSE**

1. Applicants must have sufficient and reliable income to pay the mortgage on this home. The mortgage lender will determine your qualifying income.

Reliable sources of income may include: full time employment, part-time employment (if you’ve been there 2 years), self-employment (if you have 2 full years of tax returns), retirement, disability, child support/alimony (if it will continue 3 years into the mortgage), public assistance (if it will continue), investments, etc.

1. The applicant’s annual income must fall within this range:

|  |  |  |
| --- | --- | --- |
| **Number** | **Qualifying Income** | |
| **in Household** | **Lowest** | **Highest** |
| 1 | $ 16,750 | $ 44,600 |
| 2 | $ 20,440 | $ 50,950 |
| 3 | $ 25,820 | $ 57,300 |
| 4 | $ 31,200 | $ 63,650 |
| 5 | $ 36,580 | $ 68,750 |
| 6 | $ 41,960 | $ 73,850 |
| 7 | $ 47,340 | $ 78,950 |
| 8 | $ 52,550 | $ 84,050 |

1. Depending on the loan type offered by the mortgage lender, there may be a household income limit. All adults living in the home would need to provide income documentation.
2. The applicant has a demonstrated record of consistently making regular monthly payments for rent and all credit obligations.
3. The applicant has not declared bankruptcy within the past 2 years. Any previous bankruptcies have been discharged/dismissed more than 2 years.
4. The applicant has not had a foreclosure within the last 7 years.

**CRITERIA 3: WILLINGNESS TO PARTNER WITH HABITAT**

An applicant must be willing to partner with Habitat. The three factors used to assess this willingness include:

1. Eagerness
   1. The applicant takes the initiative to stay informed and aware of the Homeowner Selection Workshop.
   2. The applicant is comfortable with promoting the mission of Habitat by sharing his or her story with the community.
   3. The applicant expresses a willingness to attend Homeownership training, financial literacy training and other Habitat functions.
2. Understanding
   1. The application fully participates in the Homeowner Selection Workshop and understands what Habitat is and what it isn’t.
   2. The applicant understands and readily accepts all provisions of the Habitat covenant: prompt house payments, cheerful completion of sweat equity hours, respectful care and attention of the Habitat homes and grounds.
   3. The applicant knows that Habitat builds a basic, simple yet decent house, and that he may not have any options on house design or features.
   4. When Habitat transfers the deed to the homeowner, the responsibility of all maintenance and repairs (both preventative and unscheduled) then belongs to the homeowner.
3. Realization
   1. The applicant realizes the implications of a highly publicized program.
   2. The applicant knows payments are due on the 1st of the month without default.
   3. The applicant realizes there are severe restrictions on the resale of the home.
   4. The applicant understand Habitat needs them as an “active” partner.