

HABITAT FOR HUMANITY - POWHATAN

Dear Applicant,

Date: January, 2020

Habitat for Humanity is a Christian housing ministry financed through private donations and utilizing volunteer labor. Our purpose is to partner with lower income families to build homes that they can purchase.

Currently, our Habitat homes are financed by USDA (United States Department of Agriculture) and the interest rate on a USDA loan is usually about 3%. In addition, a homeowner may qualify for a subsidy from USDA to help with the mortgage loan payments. The price of the home will be considerably less than market value so there will be a second mortgage issued for the difference. You will be required to only pay the first mortgage and your payment will include taxes and insurance.

There are three main criteria for selection: housing need, ability to pay and being a good habitat partner.

Please read the following items to see if you meet our general guidelines.

1. To qualify you must have a **housing need**. For example; no indoor plumbing, poor heating, leaks in the roof, overcrowding (three to a bedroom), unsafe or unsanitary conditions or too much of monthly income going to housing.
2. You need to have **lived or worked in Powhatan County for the last 12 months**.
3. You need to have a **minimum steady income** (depending on family size & counting income from all adults living in the home) of around \$2,097 per month or roughly 30% of the county average.
4. Your **total family income** (depending on family size and counting income from all adults living in the home) **should not be much more than** \$4,195 per month or 60% of the county average.
5. With your permission, we will verify employment and other income, verify checking and savings account balances, get a statement from your current and previous landlords, have a credit check done and ask you for credit references. Plus we will visit your current home to inspect your living conditions.
6. If you are approved for a Habitat home, you will be required to attend programs to learn and practice budgeting, home repair and maintenance. In addition, if approved for a habitat home we require that all adult (18 years and older) members of your household be willing to **work 200 hours of sweat equity** on your home.
7. If approved for a Habitat home about **\$500** will be needed for a down payment and closing costs. You will have some time to save this money before closing if selected.
8. If you are approved for a home Habitat will sell you a home for a price determined by the Board based on the costs of land, labor and materials.

After reviewing the above qualifications and determining you qualify complete the enclosed USDA application and even though the application says to return it to USDA, please return it to me at Habitat For Humanity - Powhatan, P.O. Box 416, Powhatan, VA 23139.

Roseleen Rick– Executive Director

804-594-7009