



## Homeowner Education Class

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# Introduction to Habitat Homeownership Program



### Training objectives for this class:

- Understand the monthly sweat equity, payment and documentation requirements expected for you to remain in good standing.
- Understanding the overall sweat equity and payment milestones that must be met before closing.
- Understand which of the Habitat Staff members to contact if you have questions, concerns, or changes while in the program.

# Disclaimer

## Changes in Policy



The contents of these classes serve only as educational guidelines for our Homeownership Program.



Change at Habitat for Humanity of Citrus County is inevitable. Therefore we expressly reserve the right to interpret, modify, suspend, or cancel, with or without prior notice, any part of our program guidelines at anytime. Changes will be effective on the dates determined by HFHCC.



## You have been accepted to the program... now what?

- You will be scheduled to come in and sign your letter of intent.
- You will complete the ReStore and Construction Safety videos. (either online or at the admin. Office)
- You will recruit family and friends to help you with earning your sweat equity hours.
- You will complete the Homeowner Education classes
- You will complete the 8hr HUD Homeowner class
- You will start paying towards your closing costs
- You will watch your spending and turn in all requested financial information.

# Your Letter of Intent



- Our partner families are expected to meet certain requirements, which Habitat feels will provide for a successful transition into homeownership. The letter of Intent/Acceptance that you signed contains an explanation of these requirements.
- It is incumbent upon the partner family to fulfill these requirements in order to move into a Habitat house.
- A representative of HFHCC, the **Support Partner and/or Mentor**, will be assigned to you as a resource and guide.

# Family Services Mentors

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Your Mentor will:

- Answer questions about the program
- Help you if you have special needs
- Will work in conjunction with Family Services Staff to ensure you are meeting all program requirements.
- May attend your mortgage closing, prior to your dedication





# Sweat Equity

- The term Sweat Equity refers to the actual hands-on involvement of homeowners in the work necessary to achieve our goal of eliminating substandard housing. It is the homeowners' physical investment in Habitat's work. This investment is made by working in a variety of settings as well as working on one's new home.
- We have discovered the most effective way to ensure that all are investing their fair share of sweat equity is to simply require a minimum number of volunteer work hours per family. These hours need not be contributed solely by the approved applicants. They are, in fact, encouraged to solicit help from other family members, friends and churches.
- We require that at least 250 of their hours be completed before construction is started on their house. The remaining 100 hours must be completed before closing on the home can take place.

**All sweat equity hours must be approved and signed off by an individual with authority.**



# Sweat Equity Requirements



## Partner Families

- An individual (1) will be solely responsible for working **50** Construction hours and **50** ReStore hours
- A two (2) person borrower will be solely responsible for working **100** Construction hours and **100** ReStore hours
- **Solely** is meant to mean the person or persons themselves without the help of family or other persons contributing. The above requirement is mandatory

## Who can help?

- Family members and friends can help earn hours
- All volunteers must be vetted and trained before they can begin earning hours.
- Volunteer age restrictions
  - Construction site – 18yrs and older
  - Sod days – 10yrs and older with parent supervision
  - ReStore – 16yrs and older

WORK



## Remaining Eligible throughout the process

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- Throughout your time in the program, you will be required to submit updated documentation ensuring you remain qualified for your Habitat home.
- Beware of changing employment during this period.
- Beware of buying or borrowing during the period between program acceptance and final closing.
- Before doing anything of this nature, **please verify** with Family Services staff that the proposed changes will not **DISQUALIFY** you.

## DESELECTION

Unfortunately, not all homeowner partnerships work out. If the partner family does not meet their responsibilities outlined in the letter of intent, HFHCC will inform the partner family that the partnership is in jeopardy.

If the family agrees to remedy the situation, a letter will be signed indicating their intention. Should the family still not live up to the requirements they will have to be deselected.

Deselection is defined as terminating the partnership as defined in the letter of intent between the time of Board approval and the closing/occupancy of the house.

The only grounds for deselection of a partner family are as follows:

1. Fraud or misrepresentation of facts and information on the application for homeownership.
2. Failure to complete the requirements of the Letter of Intent (i.e. sweat equity, willingness to partner, homeownership classes, failure to pay monthly closing costs)
3. Negative change in economic circumstances that affects the applicant's ability to meet the monthly payment beyond foreseeable remedy.
4. Does not meet HUD guidelines.
5. Presence on a sex offender database



# Prior to Closing

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- You will finalize and turn in all required documentation
- You will need to secure a homeowner insurance policy
- You will need to set up your utility accounts (**you are responsible for the utility deposits**)



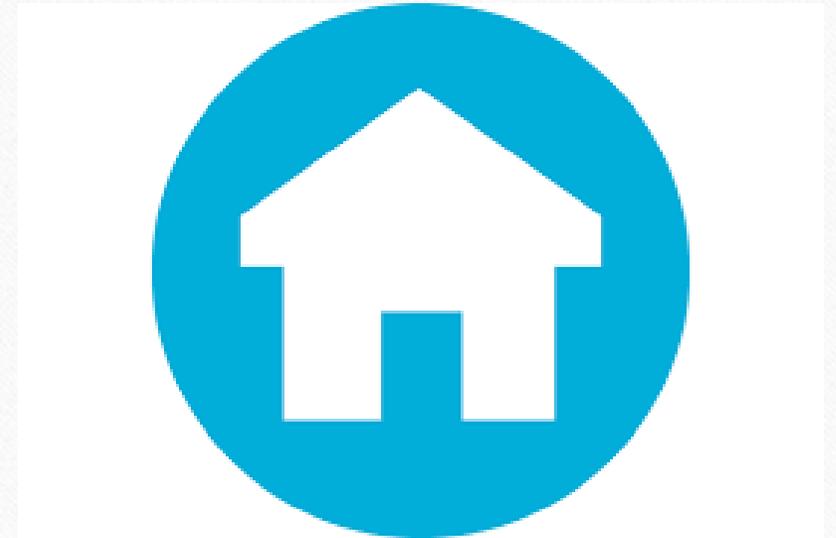
# Closing Costs

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- Once the Letter of Intent has been signed, an escrow account is set up for the partner family. The escrow account will include estimated closing costs (Title Policy fees, standard Homeowner's Insurance Premium, Recording fees, Survey etc..)
- Monthly minimum deposits of \$50.00 are required. The payments must be paid in a timely manner.
- One half of the escrow payment (\$1,000.00) must be made prior to the house assignment.
- The total escrow payment of \$2,000.00 must be paid prior to the closing on the home.
- This amount **does not include** necessary **utility deposits** or **moving costs**.
- This deposit is refundable in the event the partner fails to meet the requirements in the Letter of Intent or if the family decides not to continue working with HFHCC.

## The Basic House Includes:

- 1380 sq. ft. for three bedrooms or 1420 sq. ft. for four bedrooms
- One covered stoop at front/rear entrance
- Bedrooms/Living room-pre-wired for ceiling fans
- Concrete steps and retaining wall when necessary
- Lawn graded, seeded, and/or sod (3000 sq. ft.)
- Sidewalk at one location
- Washer & Dryer electric hookup only
- Steel entry doors with deadbolts
- Vinyl flooring
- Water heater (40 gal.) Water Sense products (toilets, faucets, shower heads)
- HVAC – 14.5 SEER heat pump
- Low-maintenance exterior siding
- Insulated windows with screens
- 1 car garage
- Refrigerator / Electric range
- 1 ¾ bathrooms
- Two phone jacks/two cable outlets
- Linen closet

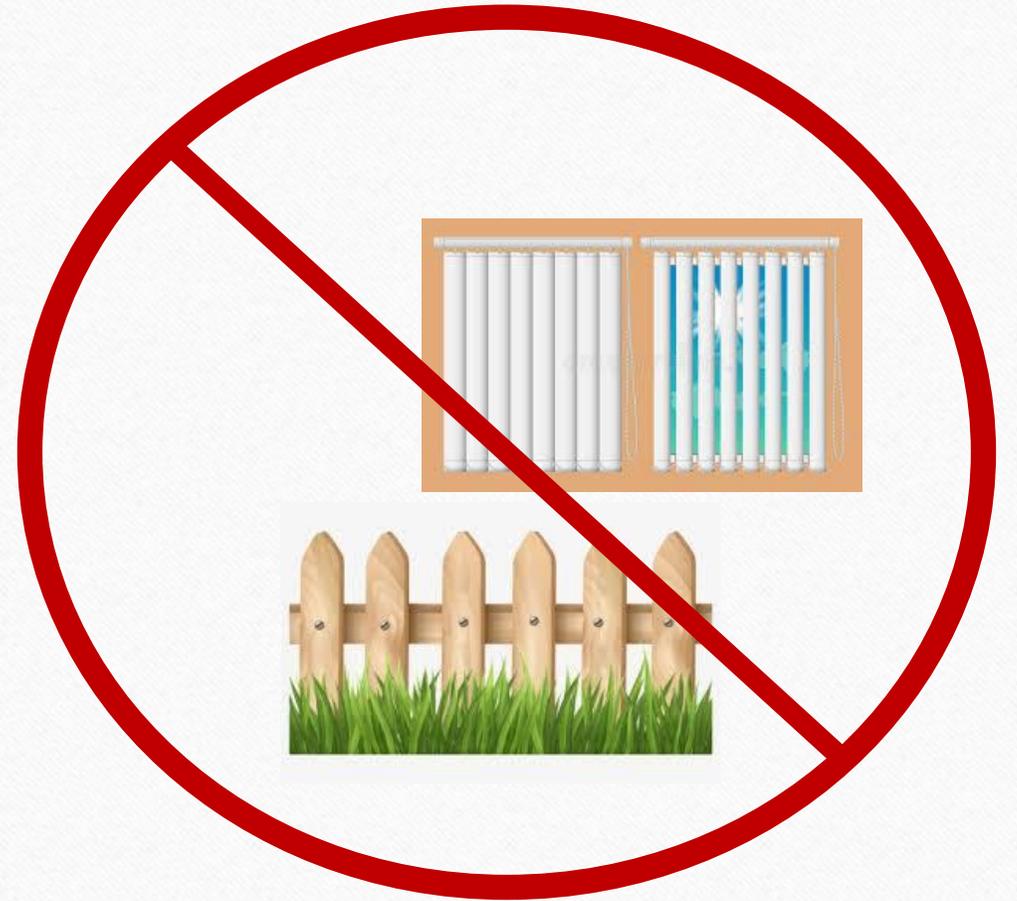


*(Subject to change without notice)*

## The Basic House Does Not Include:

(Subject to change without notice)

- Garbage disposal
- Dishwasher (unless donated)
- Special doors or trim work
- Special cabinets
- Curtains
- Fences
- Washer & Dryer (unless donated)
- Freezer
- Concrete patio
- A detached storage shed
- Shutters (unless donated)
- Donated items are subject change by the donor



# Home Warranty vs Home Maintenance

- **Habitat for Humanity of Citrus County, Inc will be responsible for all defects in materials and workmanship for a period of one year after closing.**
- **Home maintenance issues due to homeowner neglect, abuse or normal wear and tear will be the responsibility of the homeowner**



*or*





## *MAKING YOUR MORTGAGE PAYMENTS*



- HFHCC recognizes the importance of its ministry to provide decent affordable housing to the residents of our county.
- In keeping with that spirit of commitment it is essential that mortgage payments are made in a timely manner. Payments from these homes fund current projects; therefore, it is imperative that payments are kept current.
- **ALL MORTGAGE PAYMENTS ARE DUE ON THE 1<sup>ST</sup> OF THE MONTH.**
- Payments that are 15 days late will be assessed a late fee of \$10 a month. The Family Services Director or assignee, will immediately contact the family when they are 15 days delinquent. A report is prepared for the HFHCC Board of Directors, for monthly meeting.

HFHCC recognizes that there are circumstances that can occur that may effect our homebuyers financially. Therefore, the following guidelines are set forth to deter misunderstandings and/or state the intentions of HFHCC for delinquent payments.

- ❖ **AGAIN, ALL MORTGAGE PAYMENTS ARE DUE ON THE 1<sup>ST</sup> OF THE MONTH**
- ❖ A \$10.00 late fee will be charged if your payment is **RECIEVED** after the 15<sup>th</sup> of the month.
- ❖ **Communication is KEY** if you run into issues making your payment.
  - ❖ You will receive a call if your payment is late, if we can not contact you, you may also receive a letter in the mail letting you know you are in default of your contract and that you must contact the office to make arrangements to bring your account current.
  - ❖ If you contact the office, we will help you, by offering local resources available for financial assistance. It is your responsibility to contact those resources and provide all required documentation to the agencies.
  - ❖ Note: HFHCC can only accept Full Mortgage Payments (checks or money orders only) No partial payments are accepted without a signed Memorandum of Understanding.
  - ❖ If you do not make satisfactory arrangements to bring your mortgage current, HFHCC will have no choice but to proceed with Foreclosure.



**Family Services Team**

**352-563-2744**

Christine Erick

Donna Fore



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***This completes “Introduction to Homeownership Program” class,  
please follow this link for a short quiz to receive credit***

<https://forms.office.com/Pages/ResponsePage.aspx?id=4Wz47ybOu0-OsA96KvhFiGLtsnh7IpRA116CzdOlgRUNzFRUTFZNkpPTThJQ0U5TkYyITkzNEkwOC4>