



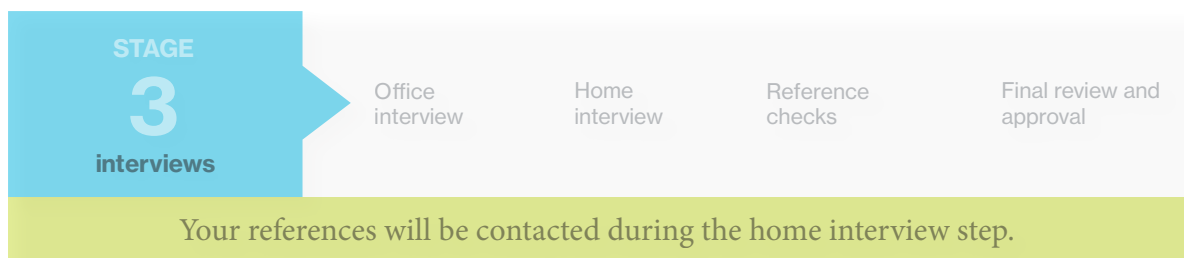
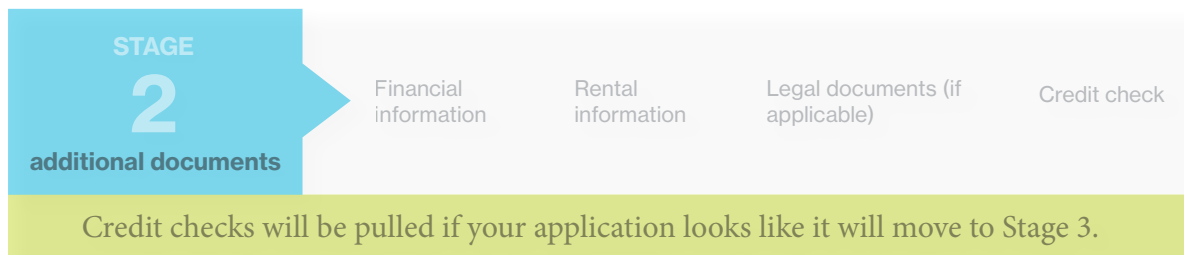
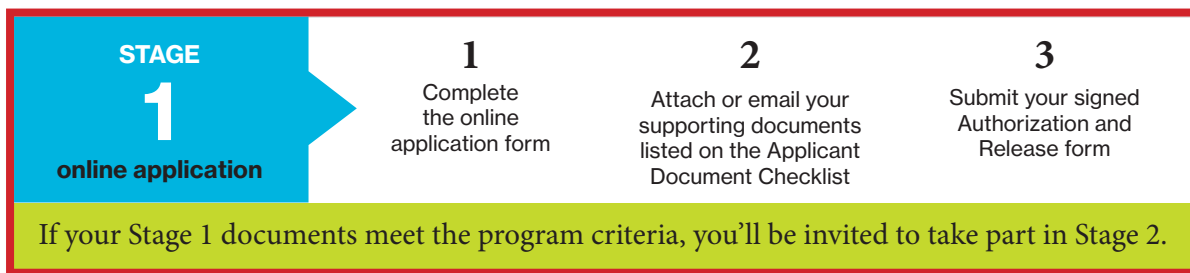
# Homeownership Application Guide & FAQs



# Thank you for your interest in buying a home through Habitat for Humanity!

This guide is designed to help you complete the first stage of your application.

- If the first stage of your application meets the program criteria, you'll be invited to Stage 2
- The entire application process can take up to three months
- The faster you submit the application and documents, the faster your application will be processed
- If you are declined at any stage of the process, you are welcome to reapply after one year



# Section 1: Household information

## Family members

Please list everyone who lives in the home at least 50% of the time.

## Primary applicant

- Main income earner
- This will be the primary contact person for your application

## Co-applicant

Please include your spouse/partner even if they aren't employed at the time of application.

- Spouse or common-law partner

## Additional household members

Please include your spouse/partner even if they aren't employed at the time of application.

- Children
- Any other adults living in household (i.e. grandparent)

# Section 2: Assets and debts

## Assets are your financial savings:

Please list ALL accounts with all financial institutions that you and your co-applicant (if applicable) have. These may include:

- Bank balances – Chequing, Savings, TFSA
- Registered savings plans & Pension plans – RRSPs, RESPs
- Investments & Other Assets (ex: stocks, cash, etc.)

## Debt is money owed:

Please list the balances owing mandatory and the minimum monthly payment that you and your co-applicant (if applicable) have, even if it is less than what you pay per month.

For example, if you have a student loan and the mandatory minimum payment is \$200 per month, but you pay \$250 per month, **list the mandatory minimum of \$200 NOT \$250.**

- |                  |                                                                    |
|------------------|--------------------------------------------------------------------|
| • Loans          | • Personal loan                                                    |
| • Line of credit | • Credit cards (balance, institution, monthly payment)             |
| • Student loans  | • Any additional payments you may be making, such as child support |
| • Car loan       |                                                                    |

## Section 3: Household income and employment

**Household income** is the sum of all income earners that live in the home (18+).

Include income summaries for the primary applicant, co-applicant, and any additional household members who are 18+ and working full-time.

- Gross (before tax income)
- Government benefits (Canada Child Benefit, Employment Insurance, WCB etc.)
- Child support
- Pension

**Note:** you do not need to include the income of any additional household members (e.g. children) who are 18+ if they are a full-time student.

### Employment

- Your current job AND all jobs within the past two years. You must demonstrate a full-time work history for at least the past two years
- Include for every person living in the house who is 18+ and working full-time

## Section 4: Current housing

**Describe why your current home is not meeting your needs.**

**This could include:**

- Size
- Safety
- Repairs are needed
- Rental cost or increase
- Neighbours
- Unresponsive landlord

**Describe why you want to buy a home through Habitat.**

- Tell us how buying an affordable home will make a difference for your family

## Section 5: Personal statement

Your personal statement helps us to understand your family's story and get to know you better.

**Some examples of things to include are:**

- Describe yourself and your children.
- Why do you feel you would make a good homeowner?
- How do you plan to complete your volunteer hours?
- Do you currently volunteer and give back to your community?
- How will you work towards building strong community relationships as a Habitat homeowner?

## Section 6: References

If your application moves forward to the final stages, we will contact these references.

1. Current employer (direct manager or supervisor)
2. Landlord (current or previous)

# FAQs about Habitat Homeownership

## Buying and selling a Habitat home

### Can I sell my Habitat home on the open market?

No, not if there is a mortgage. When selling a Habitat home, homeowners must speak to staff to discuss the sale as Habitat will often buy back a home to sell to another family. If the mortgage is paid off, a family can sell their home on the open market.

### Can I leave my Habitat home to my children?

Habitat homeowners cannot leave their home to their children until their mortgage is paid off and Habitat is removed from the title. As part of homeowner education classes, families will learn about the importance of a will that will ensure the sum of principal mortgage payments made will be left to their children.

### Does a homeowner share in the increase or decrease of the value of the home?

An increase or decrease in the value of the home is shared between homeowners and Habitat, minus 5% of the Fair Market Value at the time of sale for administrative fees\*. This is discussed in further detail after an application is approved.

\*subject to change.

### Are there costs associated with selling a home back to Habitat?

Yes, when selling a home back to Habitat, homeowners will pay 5% of the Fair Market Value (FMV) of the home at the time of sale for an administrative fee.

For example, a home with an FMV of \$400,000 will have a fee of \$20,000.

## About the homes

### How big are the homes?

Habitat homes are, on average, 1,100 square feet, 3 bedrooms and 1.5 baths. We develop the basements for larger families if required, and at our discretion. Our policy is age dependant and two children of the same sex may share a bedroom. If a family requires more bedrooms because of the number of children in the family at the time of application, we will develop additional rooms, in accordance with this policy. **Additional bedrooms will not be added if family size changes after application approval.**

This is based on the needs of the family and will be added to the final cost of the home.

### Can I choose where my home will be built?

Families will indicate their preferred home location; however, as we only build where we have land available, we are unable to accommodate specific requests.

We attempt to match families with homes that are suitable for the size of the family and income. This is discussed prior to the Home Visit. Once families have selected their home, they cannot select a different home as Habitat develops new properties.

### Do I get to choose cabinetry, flooring, appliances, and paint?

We give options where we can. Homeowners may have the opportunity to choose from flooring and countertop packages. All other items such as paint colour, cabinetry and appliances are standard.

### What is included in my home?

In addition to the basic structure, homes typically include a furnace, hot water heater, refrigerator, stove, washer, dryer and dishwasher. Some pre-owned homes do not include dishwashers.

## Renovations, condos and maintenance

### Can we renovate the home or develop the basement to add extra bedrooms?

If you are considering renovations to your home, you must contact Habitat for Humanity in writing to request approval of the planned renovations.

Approved renovations must also be done with the proper City permits and be inspected and approved by The City after completion. Homeowners are required to forward copies of the final inspection papers to Habitat for Humanity. You may also need approval from the Condo Corporation.

### Who is the condominium board in a Habitat complex?

The Condominium Board is made up of homeowners. All the Condo Corporations have a professional property manager to ensure that maintenance and repairs are completed according to the yearly plan and budget and that homeowners respect the by-laws of the corporation. Having these by-laws in place helps to ensure that the community is safe and enjoyable for all.

### What maintenance is a homeowner responsible for?

Some of Habitat's newest homes are condominium style townhomes because it makes the homes more affordable. Families begin paying condo fees to the Condominium Corporation upon move-in.

The Corporation is responsible for insuring the building, exterior maintenance (eg. siding and roofing), landscaping, garbage and snow removal. Homeowners are responsible for insuring and maintaining the interior of their homes.

For new and pre-owned homes that are not built as condominiums, the homeowner is responsible for all of the maintenance of the home (interior and exterior). Homeowners will be instructed on obtaining the right insurance as part of the occupancy process.



## Costs of owning a home

### How much does an average Habitat home cost?

Habitat sells homes to families at Fair Market Value (FMV). Typically, the FMV of a Habitat home ranges from \$350,000 - \$450,000.

### What costs are associated with owning a home?

Besides the monthly mortgage payment and condo fees (if applicable), homeowners are responsible and must budget for costs associated with home maintenance, utilities and insurance. If the home is on leased land, additional fees will apply.

### How much are condo/maintenance fees?

Fees average about \$335 per month, depending on the property, and typically increase over time.

### How much are property taxes?

Property taxes are billed to the property owner by the municipality you live in and are, on average, \$250 per month. These fees may go up yearly.

### How much will my monthly payment be?

Your monthly shelter payment will not be more than 30% of your family's gross (before taxes) income. If you live in a stand-alone or non-condominium home, monthly payments will be set at 25% of your family's eligible income. This 25% payment will include property taxes and your mortgage principal. If you live in a condominium or a leased land home, your monthly payments will be set at 30% of your family's eligible income. This 30% payment will include the condominium fee, property taxes, mortgage principal and the full ground lease fee (for leased land if applicable). The monthly payment will be adjusted annually with your Notice(s) of Assessment.

### Can we increase the monthly mortgage payments voluntarily?

Yes, you can increase your monthly mortgage payments if you choose to do so. This would reduce the length of time required to pay out the mortgage.

### After we move in, will my income ever reach a point where I will cease to be eligible for my Habitat home?

No. As income rises, Habitat adjusts the mortgage payment, which shortens the term of the mortgage, and the family will own their home sooner.

### What happens if I lose my job?

Families must have income from full-time employment on the day they move into their home. If there is job loss after the family has already bought their home, it is important to inform us to let us know if there will be any delays in making the monthly mortgage payment. When income is interrupted through job loss, families are still responsible for making mortgage payments; however, a short-term (temporary) reduction of the monthly payment is also possible to assist the homeowner in some circumstances. These decisions are made on a case-by-case basis. If job loss is prolonged and there are no savings to cover monthly costs, the family can sell their home back to Habitat and exit the program without penalty.

## Volunteering

### How long does it take to complete the 500 volunteer hours?

It can take up to 12 months to complete the volunteer hours. On average, most families complete their hours in 6 months.

### Can my friends and family help me complete my volunteer hours?

Yes, your friends and family are welcome to help you reach your hours. Friends and family can help you with up to 100 hours (for a two-parent family) or 300 hours (for a single-parent family), which can help you get the hours done faster. **They must attend a Volunteer Welcome Session before volunteering.**

### Can I ask other volunteers I meet to help me with my hours?

No, you cannot ask other volunteers, groups, or organizations that you meet at our ReStores or build sites to help you with your volunteer hours.

### Will I be compensated for my volunteer hours if I leave the program?

No, families that leave partnership will not be financially compensated for volunteer hours completed.

### Can my children participate in volunteering?

- Yes, children 18+ years of age can contribute a maximum of 100 hours/child
- Children 16-17 years of age can contribute a maximum of 50 hours/child
- Children ages 5-15 can contribute a maximum of 25 hours/child

Children 16+ may volunteer on a construction site or ReStore with parental consent. Children under the age of 16 may participate in volunteering in other ways, such as creating donor artwork.

### How many hours do I need to complete per month?

- Two-parent families are required to contribute at least 30 hours per month
- Single-parent families are required to contribute at least 15 hours per month
- These hours are in addition to any hours contributed by your family or friends

## Questions?

Get in touch at [familyservices@habitatsouthernab.ca](mailto:familyservices@habitatsouthernab.ca)