



FAMILY SELECTION CRITERIA

Montcalm County Habitat for Humanity - 2013



There are three standards that must be met in order to qualify for a Habitat home. These are: **Need for adequate housing, Ability to pay, and Willingness to partner.** All applicants will be reviewed by these standards. We will not discriminate based on race, sex, color, age, handicap, religion, national origin, family status, or marital status, or because all or part of income is derived from any public assistance program. We believe that home ownership can enhance and empower families. We feel that by judging each applicant on the same criteria it not only adds stability to our program, but also helps us help those who fall outside the criteria to locate other opportunities for them. We acknowledge that home ownership is not for everyone. If a family is not ready to deal with the responsibilities of home ownership, we will not add extra burden upon them.

NEED FOR ADEQUATE HOUSING- The following will be used to determine if the present housing is inadequate. Does the existing dwelling have any factors below?

Structural safety, integrity, and mechanical function

1. Reparability:

- ☐ Head(s) of household, family and friends unable to readily repair deficiencies.
- ☐ Landlord is consistently unwilling to complete necessary repairs.
- ☐ Repairs cannot be made as documented by building inspection officials.

2. Heating System and Climate:

- ☐ Heating system does not provide healthful/ comfortable living.
- ☐ A wood burning or kerosene heater is primary source of heat.
- ☐ Insulation is not sufficient to maintain minimal comfort even after correction.
- ☐ Air infiltration at doors or windows cannot be stopped even after weatherization.
- ☐ Gas/ electric bills are consistently in excess of \$150.00 per month.
- ☐ Need for a special environment has developed & present conditions cannot be adapted

3. Plumbing:

- ☐ There is not a continuous supply of safe water.
- ☐ There is not a safe/ sanitary method of sewage disposal.

4. Electrical:

- ☐ Supply is not reliable. Fuses blowing or breakers tripping. Service unable to handle load.
- ☐ Wiring poses a threat to safety--shocks, fire, etc.

5. Safety:

- ☐ Access to street, yard, parks or playgrounds is hazardous.
- ☐ There are unavoidable dangers to children
- ☐ Immediate physical environment contains un-removable hazardous or toxic material.
- ☐ There is not ready means of egress from a basement bedroom.

6. Accessibility:

- ☐ Un-corrective barriers to physically challenged family members.

Size of living quarters. Present dwelling can be considered inadequate if any below are present:

- ☐ More than three family members share a bedroom
- ☐ School-age children of opposite sex share a bedroom
- ☐ Each family member has 100 square feet or less of living space

Temporary Housing. Inadequacies are true if any of the following are found:

- ☐ Family has tentative living arrangements with family or friends
- ☐ Family is living in a transitional housing unit or motel
- ☐ Family is living in a house that is being condemned, sold or moved
- ☐ Family is losing its lease due to uncontrollable circumstances
- ☐ Family is living in a car, tent or other quasi-homeless state

Cost of Housing. Present housing situation can be considered inadequate if this is true:

- ☐ Family is paying more than 32% of its total gross income on housing.

Upper income guidelines. If below is true, a family can be considered with our guidelines:

- ☐ Family's total income presently calculated does not exceed 50% of the county's average based on family size

Conventional financing: A family meeting this criteria will show one of the following:

- ☐ Family has applied for other available housing and been denied
- ☐ Family is unable to obtain conventional housing from banks or other lenders
- ☐ Family has no other marketable assets that could be used to obtain a conventional loan

Certifying the need for adequate shelter

The following methods and resources are used to determine actual housing need:

- ☐ Information given on the homeowner application
- ☐ Habitat "Current Housing Evaluation" completed on interview visit
- ☐ Utility Bills- verify currency of payments as well as costs
- ☐ Rent or house payment stub
- ☐ Medical documentation of special need
- ☐ Proof of rejection from other financing options
- ☐ Total income verification
- ☐ Advice from a building committee member

Additional Considerations:

1. Trailers/ mobile homes are not considered inherently inadequate
2. A reliable vehicle (asset) for transportation to and from work is appropriate
3. Living in subsidized housing does not necessarily preclude a family from consideration

ABILITY TO PAY- The following factors are used to determine whether applicants have resources necessary to purchase housing with Habitat:

Minimum income guidelines: A family can be considered to have minimum income necessary if the below are true:

_____ Family has a reliable income source available that is no less than 30% of median income for Montcalm County but no more than 50% of median income. Based on family size, incomes vary, however, an example for a family of four, in 2013, must make at minimum \$15,500, but no more than \$31,020.

_____ Family's reliable source of income is comprised of (1) employment pay (2) Public assistance (3) income revenue from assets and /or other legitimate activity. Child support payments are used in computing minimum and maximum income and the reliability of these payments are evaluated. However, a family is not denied solely on the basis of child support since support may not always be reliable.

Debt-to-income ratio: A family will be within our guidelines if the below is true:

_____ The family's total debt payment does not prohibit the family from paying for child care, food, clothing, transportation, education, health insurance, and care, house maintenance, and other items critical to basic living. Ideally, debt payments (excluding proposed housing costs) should not exceed 10% of monthly income.

_____ If you include the family's projected house payments to Habitat in your calculations, the family's monthly debt payments should not exceed 38% of the family's income.

Monthly Payment Consistency: Can the family show:

_____ The family has demonstrated ability to make regular monthly payments for rent, utilities, and other considerations.

Bankruptcy, liens and judgments: A family can be considered to meet these criteria if:

_____ The family has not declared bankruptcy within (3) years of application review.

_____ The family has no collections, liens or judgments that cannot be cleared prior to closing or the family demonstrates an ability to meet financial obligations.

Closing Costs: A family can be considered to meet these criteria if:

_____ Family can potentially save a small amount of money for payment of utility deposits, homeowner's insurance premium, moving costs and/or other incidental expenses occurring at the time of closing.

CERTIFYING THE ABILITY TO PAY: The following methods and resources are used to determine actual ability to pay:

- Information given on the homeowner application
- Employment paycheck stubs
- Public assistance income documents
- Bank references
- Credit Reports and credit references
- IRS tax forms. The board requires a verification of the family's tax returns for the last two years.
- Employment references
- Records of liens and judgments

WILLINGNESS TO PARTNER:

The following factors are used to determine whether families are will to partner with Habitat for Humanity:

Eagerness:

- _____ Family took initiative to obtain an application and fill it out completely
- _____ Family readily engaged in a home visit
- _____ Family attempted to attend Habitat functions
- _____ Family provided necessary documentation
- _____ Family members expressed desire to make this community their permanent home
- _____ Family is comfortable with credit and landlord reference evaluations

Understanding:

- _____ Family participated in an explanation of what Habitat is and is not
- _____ Family engaged in an explanation of "So you want to be a homeowner"
- _____ Family is pleased with Habitat's basic house design
- _____ Family knows it is responsible for care of its home

Realization:

- _____ Family realizes the sweat-equity requirement of 250 hours for every adult (age 18 and over) living in the home and recognizes its importance.
- _____ Family realizes implications of a highly publicized program
- _____ Family realizes that it must make payments monthly without default
- _____ Family realizes expectations of the letter of acceptance
- _____ Family realizes the equity sharing mechanism
- _____ Family realizes that Habitat needs it as an active partner

Certifying the willingness to partner: The following methods and resources are used to determine willingness to partner:

1. Information given on the application
2. Information gathered in interview

Approved by Board of Directors April 2013