

Montcalm County Habitat for Humanity's Mortgage Buy Down Policy

Because Montcalm County Habitat for Humanity's mission is to help low income families become home owners in affordable housing, it is important as costs rise, to keep house payments affordable.

When funds are specifically donated to Montcalm County Habitat for Humanity for mortgage reduction, this policy will guide decisions of how to distribute those funds.

No funds are to be given for a specific family. Donors will not be allowed to dictate who receives funds or how much families receive. Funds must be donated to Montcalm County Habitat for Humanity with specific instructions to be placed in the Mortgage Buy Down designation. Mortgage Buy Down funds are to be used for buying down partner family mortgages ONLY.

Distribution of funds shall be as such:

| | |
|-------------------------------------|-----------------------------|
| Families making 35% of area average | Up to 20% of cost of house |
| Families making 40% | Up to 16 % of cost of house |
| Families making 45% | Up to 13% of cost of house |
| Families making 50% | Up to 10% of cost of house |

For example, a house costing \$53,000.00 with a family making 40% of area average would be allowed up to \$8,480.00 mortgage reduction. This will make their monthly payments lower, therefore, more affordable. When a smaller amount of reduction money in designated accounts is less than percentage allowed, it will be up to the discretion of the board how much to apply. Also, if two or more houses are to be closed upon at the same time, and funds are not available to meet these percentages, the board will decide how to adequately distribute this money