

Homeownership Program Family Selection Criteria

Greater Des Moines Habitat for Humanity, Inc. is an ecumenical Christian non-profit housing ministry that sells new or renovated houses with affordable financing to qualified low-income families in Polk County. We serve 30-60% of the area median income. Greater Des Moines Habitat for Humanity selects Partner Families based on criteria that does not discriminate on the basis of age, race, creed, color, gender, religion, physical or mental disability, national origin, or family status. Greater Des Moines Habitat for Humanity welcomes volunteers and supporters from all backgrounds and also serves people in need of decent housing regardless of race or religion.

The definition of a completed application for the Greater Des Moines Habitat for Humanity Homeownership Program includes: completion of a *Home Buyer Pre-Screening Questionnaire* including required supporting documentation, and a credit report fee; completion of a *Habitat Homeownership Program Application* including required supporting documentation; employment verification and rental history verification; need assessment and partnership meeting; and Family Selection Committee approval.

Need for Housing

- The household income must be between 30-60% of the area median income for the current year. GDMHFH uses HUD income guidelines, which takes family size into account.

Only one of these examples is needed to satisfy the Need for Housing criteria:

- The current residence is structurally unsafe or unhealthy.
- The current residence is overcrowded—more than two children of the same sex share a bedroom or children of the opposite sex share a bedroom.
- The applicant is spending more than 30% of the family income on housing.
- The applicant is living in subsidized housing including Section 8, income-based housing, a shelter, transitional housing, or a supportive services program.
- The applicant is living with friends or extended family.

Ability to Pay

- The applicant must have two years of stable income history.
- The applicant must have a social security number and be eligible to work in the United States with a three year history of Employment Authorization Documentation issued by the U.S. Citizenship & Immigration Services.
- The applicant's total monthly debt, including the estimated mortgage payment, must be less than 40% of the applicant's monthly income. Additionally, the estimated mortgage payment must be 30% or less of the applicant's income.
- An applicant cannot have any judgments, liens, or collection accounts that are a result of unpaid child support, money owed to the IRS, or unpaid student loans.
- An applicant needs to show proof of payment arrangements for unsatisfied judgments and liens, and judgments and liens must be paid before an applicant can select a lot or house.
- An applicant may apply, at the minimum, one year from the date of discharge of a bankruptcy. GDMHFH Family Selection Committee will then examine bankruptcies on a case-by-case basis.
- An applicant that lives in a rural area and meets the following criteria may be financed through the USDA 502 Loan Program:
 - An applicant has a reliable 640 credit score or demonstrates approved nontraditional credit.
 - An applicant must pay any collection accounts 6 months prior to application (additional restrictions may apply).
 - An applicant must have judgements paid 12 months prior to application.
 - An applicant must be 36 months from date of bankruptcy discharge or debt restructuring plan successfully paid for 12 months (additional restrictions may apply).

Willingness to Partner

- An applicant must be willing to contribute sweat equity with a minimum of 300 hours for a previously owned home and 400 hours of sweat equity on a new construction. Sweat equity opportunities are available in the office, in the Habitat ReStore, at Special Events, and working on other houses as well as their own. If a Partner Family is physically able, at least 100 hours of sweat equity must be earned working on the construction of GDMHFH houses. Every effort is made to utilize all family members listed on the application. Once selected, the partner family is required to successfully complete the Blueprint to Homeownership Education series, and upon completion will earn 50 hours of sweat equity. Prior to working on their own house, the partner family is required to work one day a month on a job site. When the partner family has worked 25 sweat equity hours (applicant) or 50 sweat equity hours (applicant and co-applicant) and has demonstrated that they are financially ready for homeownership, they are eligible to select a lot or house. Once construction begins on their house, the partner family must work one day a week on their own house.

The criteria outlined above are part of the overall evaluation. GDMHFH reserves the right to exercise and evaluate other options and criterion providing an applicant has circumstances outside the outlined criteria.