



20 YEARS | HOMES,
COMMUNITY
& YOU



May 1, 2023

Dear Candidate,

Habitat for Humanity is a housing nonprofit that builds strength, stability and self-reliance through housing.

Our Family Services Committee is responsible for recommending applicants for partnership agreement approval. The Committee shall make recommendations in accordance with the Fair Housing Act, which prohibits discrimination based on race, sex, color, religion, national origin, family status or handicap, and the Virginia Fair Housing Act.

Currently, our Habitat home mortgages are financed through the U.S. Department of Agriculture's 502 rural direct program and interest rates are subject to change. USDA guidelines are followed and an approx. 640 credit score is needed. *A potential Habitat partner family needs to receive a certificate of eligibility for a 33-year or 38-year loan from USDA.* In addition, homeowners also may qualify for a subsidy from USDA to help keep their mortgage loan payment (including taxes and insurance) not more than 30 percent of their household income. If the appraised value of the home is more than the homeowner's first mortgage loan, Habitat will put in place a second silent mortgage for the difference with stipulations relating to the sale of the home.

Guidelines include:

1. To qualify you must have a **housing need**. For example: poor heating, leaks in the roof, overcrowding, unsafe or unsanitary conditions, cannot qualify for a

conventional mortgage, or more than 30 percent of monthly income going to housing.

2. You need to **have lived or worked in Powhatan County for the last 12 months**. Applicants must be a U.S. citizen, a U.S. non-citizen national, or a qualified alien.

3. Your household should have had steady annual income for the past two years. Guidelines generally require 36 months after a bankruptcy discharge or dismissal in order to qualify for a USDA loan. In addition, you have not owned a home in the past three years. Depending on family size, a minimum of gross household income of \$30k and up is needed for our partnership program, and household income won't exceed 70% of the county's median income:

Household Size	Min Annual Income	Max Annual Income
1	\$30,000	\$49,337
2	\$32,220	\$56,385
3	\$36,248	\$63,433
4	\$40,275	\$70,481
5	\$43,497	\$76,119
	6 Min 46,719	Max \$81,758
	7 Min 49,941	Max \$87,396
	8 Min 53,163	Max \$93,035

5. With your permission, USDA will verify employment and other income, verify checking and savings account balances, get a rent roll from your current and/or previous landlords, perform a credit check and ask you for other credit references. A criminal background check, sex offender registry check and foreign assets control database check also is performed by Habitat

6. You will be required to receive a certificate of loan eligibility from the USDA to be considered for the Habitat partnership program and will attend sessions on budgeting and homeownership. In addition, if you become the Habitat partner family, all adult (18 years and older) members of your household must be willing

to contribute 200 hours of sweat equity through working on builds, in the ReStore or through other Habitat volunteer opportunities.

7. If you become a Habitat partner family, there will be \$500 cash needed for a down payment. You will have some time to save this money.

8. If you are approved for the partnership program, Habitat will sell you a home for a price based on Habitat guidelines.

After reviewing the above guidelines, please complete the USDA pre-application form, **AND even though it says to return it to USDA**, please turn it in **by end of day May 31, 2023** to:

Habitat for Humanity - Powhatan,
P.O. Box 416, Powhatan, VA 23139

You also can drop in our lockbox at 1922 Urbine Road (do not place in our unlocked mailbox at the street).

Habitat will review the pre-application for completeness and submit to USDA.

Questions, call 804-594-7009, line 2, or email executivedirector@habitatpowhatan.org