

FY2017 Affiliate Quality Assurance Program

Important Update: When submitting your Affiliate Quality Assurance Checklist, the form may take up to 1 or 2 minutes to complete. Please be patient. We are currently looking to improve performance in the near future.

Please Note: You must save your progress every 20 minutes to prevent losing any data you have entered since your last save. To do so, click the "Save My Progress" button at the bottom of this form.

NOTE: The answers you previously supplied have been saved, but your Affiliate Quality Assurance Checklist is not yet complete.

Once you have supplied all the required information for the Affiliate QA Checklist, please click the "Submit QA Checklist" button at the bottom of this form to finalize this year's Affiliate QA Checklist.

If you are not yet ready to finalize your Affiliate QA Checklist, you may return to this form at a later date to complete it. Any data you previously entered has been saved and will be available for you to review until you finalize and submit your data as mentioned above.

Contact Information

* Indicates required field

Affiliate Name: Buffalo, HFH

Partner ID: 0072-2677

State: New York

Submitter Name: Jerry Sheldon

Submitter Title: Executive Director

Submitter Email: execdirector@habitatbuffalo.org

Submitter Phone: * 716-204-0740

NOTE: If any of the above information is not correct, you may update your [My.Habitat profile](#) and you will be returned to the Affiliate QA Checklist once you have made the necessary changes. If this is not your account, please [logout](#) and then either login with your credentials or register with My.Habitat to create your own account as the information displayed above will be captured as the person submitting the Affiliate QA Checklist data.

U.S. Affiliated Organization Covenant

Covenant between **Habitat for Humanity International** and U.S. Affiliated Organization, **0072-2677 Buffalo, HFH New York**

Preface

Habitat for Humanity International and Habitat for Humanity U.S. affiliated organizations work to create decent, affordable housing in partnership with those in need and to make shelter a matter of conscience with people everywhere. This Covenant outlines the relationship between Habitat for Humanity International and its affiliated organizations in the United States.

Mission vision

A world where everyone has a decent place to live.

Mission statement

Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities and hope.

Mission Principles

1. **Demonstrate the love of Jesus Christ.** We undertake our work to demonstrate the love and teachings of Jesus, acting in all ways in accord with the belief that God's love and grace abound for all, and that we must be "hands and feet" of that love and grace in our world. We believe that, through faith, the miniscule can be multiplied to accomplish the magnificent, and that, in faith, respectful relationships can grow among all people.
2. **Focus on shelter.** We have chosen, as our means of manifesting God's love, to create opportunities for all people to live in decent, durable shelter. We put faith into action by helping to build, renovate or preserve homes, and by partnering with others to accelerate and broaden access to affordable housing as a foundation for breaking the cycle of poverty.
3. **Advocate for affordable housing.** In response to the prophet Micah's call to do justice, to love mercy and to walk humbly with God, we promote decent, affordable housing for all, and we support the global community's commitment to housing as a basic human right. We will advocate for just and fair housing policy to eliminate the constraints that contribute to poverty housing. And, in all of our work, we will seek to put shelter on hearts and minds in such powerful ways that poverty housing becomes socially, politically and religiously unacceptable.

4. **Promote dignity and hope.** We believe that no one lives in dignity until everyone can live in dignity. We believe that every person has something to contribute and something to gain from creating communities in which all people have decent, affordable places to live. We believe that dignity and hope are best achieved through equitable, accountable partnerships.
5. **Support sustainable and transformational development.** We view our work as successful when it transforms lives and promotes positive and lasting social, economic and spiritual change within a community; when it is based on mutual trust and fully shared accomplishment; and when it demonstrates responsible stewardship of all resources entrusted to us.

In addition, in recognition of and commitment to the global nature of the Habitat for Humanity mission, each U.S. affiliate is expected to contribute (tithe) at least 10 percent of its undesignated cash contributions to Habitat for Humanity's international work.

Agreement to Covenant

In recognition of the Mission Principles stated in this covenant, **Habitat for Humanity International** and **Buffalo, HFH** covenant as follows.

• Habitat for Humanity International Covenants:

- To support the work of Habitat for Humanity affiliated organizations through program development, communication, learning opportunities, advocacy, and protecting and promoting the good name of Habitat for Humanity;
- To coordinate global fundraising efforts;
- To create a global movement around the need for decent and affordable housing;
- To administer tithe funds contributed by affiliates in support of the efforts of Habitat for Humanity national organizations and affiliates.

• Buffalo, HFH Covenants

- To support the work of Habitat for Humanity affiliated organizations through program development, communication, learning opportunities, advocacy, and protecting and promoting the good name of Habitat for Humanity;
- To comply with the minimum operational standards contained in an annual certification process;
- To conduct its operations within its defined service area;
- To tithe for Habitat for Humanity's housing work outside the United States;
- To reject any support that is conditioned on deviating from the Mission Principles outlined earlier or other approved policies and practices;
- To conduct its operations in a manner that protects and promotes the good name of Habitat for Humanity and contributes to the growth of the Habitat for Humanity movement and is in the best interests of other affiliates and of Habitat for Humanity International, including, but not limited to, actions that are specified in this covenant and in Habitat for Humanity policies.

- This covenant is valid upon approval by the affiliate board of directors and a designated representative of Habitat for Humanity International.

Covenant Signatures

Habitat for Humanity International, Inc.:

By: Sue Henderson, Vice President, US and Canada

Date: 10/24/2016

Buffalo, HFH

By: * Teresa Bianchi, Executive Director

Date: * 10/23/2016

(mm/dd/yyyy)

I certify that the covenant between **Habitat for Humanity International** and **Buffalo, HFH** was approved by the board of directors at a meeting held on:

Covenant Approval by Board of Directors

Date: *

(mm/dd/yyyy)

Secretary of Board of Directors: *

Board President Information

Board President Name: * Gerald Sheldon

Phone Number: * 716-570-3449

Email Address: * jerrysheldon@outlook.com

Affiliate Contact Information

Affiliate Contact Name: * Habitat for Humanity of Buffalo

Phone Number: * 716-204-0740

Email Address: * execdirector@habitatbuffalo.org

Affiliate Website: www.habitatbuffalo.org

Other Affiliate Board Members

Note: Please enter all current board member names below. Enter one name per field and select the corresponding role. Please leave any unneeded fields blank.

Name and Contact Information

Role	Name	Phone	Email
Board Vice President ▾	John Sexton	716-848-3417	jsexton@mtbank.com
Board Secretary ▾	Marge Plumb	716-839-3053	plumb@buffalo.edu
Board Treasurer ▾	Mike Schaffstall	716-675-6104	mschaffstall@chiampou.com
Executive Director / CEO ▾	Teresa Bianchi	716-204-0740	tbianchi@habitatbuffalo.org
Board Member ▾	Jennifer Beltre	716-912-9263	jennifer.beltre3@gmail.com
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Core tenets (Affiliates must comply with the core tenets)

- Christian Identity:** Affiliate is an organization based on Christian principles committed to witness to the love and teachings of Jesus Christ. Affiliate will partner with people regardless of faith.
 - Homeownership:** Affiliate is committed to homeownership through the use of available resources, including volunteers and a no-profit mortgage.
 - Homeowner Selection:** Affiliate intends to sell homes to low-income families in need who have ability to repay a mortgage and are willing to partner with Habitat for Humanity. Need will be evaluated in the context of the affiliate's service area median income.
 - Sweat Equity:** Affiliate will require sweat equity of partner families with whom affiliate will build safe, decent and affordable housing.
 - Tithe:** Affiliate will participate in the tithe.
 - Integrity:** Affiliate will operate as a nonprofit with the highest integrity in a nondiscriminatory manner in accordance with applicable laws.
- Affiliates will use best efforts to comply with the Quality Assurance Checklist.
 - "Best efforts" is a very high standard of compliance. "Best efforts" means that an affiliate must take all action and exercise all of its skill, talent and resources possible to comply with the Quality Assurance Checklist.

Section 1: Covenant

Covenant - Habitat affiliates are formed in a community as a Christian ministry that not only builds homes in partnership with those in need but also transforms communities.

Christian Identity

01. Affiliate public relations materials identify the organization as based on Christian principles.

Yes ▾

02. Affiliate mentions Christian principles in its bylaws or articles of incorporation.

Yes ▾

03. Affiliate board members read and sign the online U.S. Affiliated Organization Covenant annually. *Completed electronically with the submittal of the online Covenant and Quality Assurance Checklist*

Yes ▾

Affiliate Tithe

04. Affiliate supports the international work of Habitat for Humanity through an annual tithe.

Yes

Section 2: Governance

Governance - Habitat affiliates are governed by a board of locally elected volunteers who are committed to the affiliate's mission, determine policies and procedures, and monitor the affiliate's financial and programmatic performance.

Board

05. Affiliate bylaws include term limits for board members (term limits of no more than eight consecutive years). Bylaws are observed and enforced by the board of directors.

Yes

06. Affiliate's current [board roster](#) is filed with the Affiliate Support Center.

Yes

07. Affiliate has active board committees, such as Executive, Personnel, Finance and Nominating.

Yes

Policy

08. Affiliate has and abides by a written, board-approved homeowner selection policy that defines the underwriting criteria used and how they are applied in a nondiscriminatory manner as per applicable laws.

Yes

09. Affiliate has and abides by a written, board-approved sweat-equity policy that requires, for new and rehabilitated houses, no less than 200 hours of sweat equity per household, including 100 hours of construction, with appropriate accommodations made for homeowners with physical limitations in accordance with the Americans with Disabilities Act (ADA).

Yes

10. Affiliate has and abides by a written, board-approved policy for selling each housing unit. The policy provides that the sale price of each housing unit is its fair market value (except when applicable laws or funding program requirements require a different methodology) which is established by an independent, third-party appraisal for each housing unit.

Yes

11. Affiliate has and abides by a written, board-approved policy that provides for the transfer of marketable title of the completed house to the approved applicant upon occupancy, or on a specific timeframe as soon as practical thereafter.

Yes

12. Affiliate has and abides by a written, board-approved [conflict of interest policy](#), which establishes procedures to identify, document, and monitor all potential conflicts of interest related to board members, employees, and volunteers.

Yes

13. Affiliate has and abides by written, board-approved construction and ReStore (if applicable) safety policies that address training of staff, volunteers and homeowners; volunteer management; safe construction methods, and emergency response.

Yes

14. Affiliate has and abides by a written, board-approved personnel policy (paid or volunteer) that complies with all local, state and federal employment laws, including those relating to nondiscrimination, sexual misconduct in the workplace and worker compensation, and includes statements on retention and confidentiality of personnel files, terms of employment, benefits, position descriptions, and a sexual harassment policy.

Yes

15. Affiliate has and abides by a written, board-approved policy that prohibits any actions or conduct that may discriminate against or harass any homeowner or applicant for a Habitat home.

Yes

16. Affiliate has and abides by a written, board-approved policy of record retention and adheres to the policy.

Yes

17. Affiliate has and abides by a written, board-approved servicing policy that includes the following elements:

- i. Requires mortgages to be serviced in a professional manner, according to applicable state and federal laws, HFHI policies, best industry practices for mortgage servicing, and the Affiliate Operations Manual: Financial Policies and Procedures.
- ii. Provides for prompt and efficient collecting and recording of mortgage payments.
- iii. Includes written procedures for responding to payoff and information requests, force-placed insurance, and loss mitigation.
- iv. Incorporates HFHI's delinquency categories, as specified in the supporting documents for the Affiliate Statistical Reports.
- v. Includes prompt corrective action procedures in the event of missed payments or other violations of provisions of the mortgage agreement.

Yes

18. Affiliate has and abides by a written, board-approved policy to check registration of homeowner applicants, board members, employees and key volunteers in its state's sex offender database.

Yes

19. Affiliate has officially adopted the registered Habitat for Humanity logo and branding materials and uses the current logo and branding materials and all HFHI marks in accordance with all [brand user guide](#) (US edition) guidelines.

Yes

20. Affiliate abides by all requirements set forth in Policy 30 of the U.S. Affiliated Organization Policy Handbook regarding Habitat for Humanity ReStore retail operations. **N/A should be selected only by affiliates without ReStores.*

Yes

21. Affiliate's website displays the Habitat for Humanity vision statement and mission statement, along with a reference to Habitat for Humanity's non-proselytizing policy. **Affiliate website address should be entered in the Contact Information Field in the first section of the online form*

Yes

Section 3: Volunteers

Volunteers – Affiliate manages volunteers according to legal requirements and Habitat for Humanity policy.

Volunteers

22. Affiliate has liability waivers signed annually by all volunteers and retains those waivers for at least one year beyond expiration of the statute of limitations.

Yes

23. Affiliate abides by applicable federal and state laws and HFHI policies regarding child labor, including restricting anyone younger than 16 from an active construction work site, and anyone younger than 18 from engaging in hazardous construction activities (which include the use of power tools or motor vehicles, demolition, roofing or working from a height of six feet or more, or excavation operations).

Yes

24. Affiliate tracks volunteer hours.

Yes

Section 4: Finances

Affiliate complies with Generally Accepted Accounting Principles (GAAP) and with HFHI's Affiliate Operations Manual: Financial Policies and Procedures.

Financial Management

25. Affiliate has and abides by a written, board-approved policy of fiscal safeguards practiced by the affiliate, with adequate internal controls in place, and adequate segregation of duties.

Yes

26. Affiliates with revenues of more than \$250,000 per year or assets greater than \$500,000 have had financial statements audited by an external auditor within the past 12 months.

Yes

27. Affiliate board annually approves a written budget that includes anticipated sources of income and expected expenses for the fiscal year. The budget categories coincide with accounting categories used to track the affiliate's finances.

Yes

28. Affiliate board reviews the actual expense and revenue statements against the board-approved budget at least quarterly.

Yes

29. Affiliate annually files the appropriate IRS tax filings (e.g., Form 990-N, Form 990 EZ, Form 990, Form 990-T) in a timely manner and in full accordance with IRS regulations and requirements. (See guidance at [irs.gov](https://www.irs.gov) for clarification of which filings are required for your affiliate)

Yes

30. Affiliate files Form 990-T along with its annual 990 and, when applicable, pays unrelated business income tax (UBIT) if less than 85 percent of affiliate's ReStore gross revenue is generated through the sale of donated products. (Note that UBIT can also be triggered when certain other unrelated business activities exceed specified thresholds.) *N/A should be selected only by affiliates without ReStores.

No - But policy/procedure change in this area is in progress or pending board resolution

31. Affiliate complies with Internal Revenue Service Section 501(c)(3) and with all applicable state and local laws.

Yes

32. At least quarterly, affiliate board reviews the payment status of its mortgage portfolio, comparing the number of mortgages that are delinquent and the dollar value of any arrearages with prior periods, including the same period in the prior year, using HFHI's delinquency definitions as specified in the supporting documents for the Affiliate Statistical Reports.

Yes

Legal and Risk Management

33. Affiliate has the required [minimum insurance coverage](#) for General Liability, Builders Risk, Volunteer Accidental Medical, Directors and Officers Liability; and if applicable, workers compensation and auto coverage.

Yes

34. Affiliate legal papers are kept in a secure, central, fireproof location that is accessible only to appropriate Habitat for Humanity representatives. Bank safe deposit boxes, locked filing cabinets or similar storage of documents is required. Such papers include, but are not limited to, all documents related to the homeowner's application, original promissory note, executed mortgage document and documentation used in determining the homeowner's needs, ability to repay and willingness to partner.

Yes

Section 5: Mortgage Procedures and Regulations (MPAR)

Habitat affiliates are under the scope of the Consumer Finance Protection Bureau (CFPB) for supervision, examination, and enforcement. Affiliates must adhere to all federal, state and local regulations for real estate lending.

Mortgage Procedure and Regulations (MPAR)

35. Affiliate uses the HUD Equal Housing logo or equal housing opportunity statement on all homeowner selection outreach materials.

Yes

36. Affiliate qualifies each loan originator by (i) conducting a criminal background check, (ii) conducting a credit check and (iii) ensuring each such staff member has completed all required state or federal training licensing requirements.

Yes

37. Affiliate uses a deferred subordinate mortgage ("soft second") to protect equity if the sum of (i) the first priority (payable) mortgage, plus (ii) any cash down payment paid by the homebuyer, plus (iii) any direct third-party down payment assistance secured by a mortgage is less than the sale price of the housing unit.

Yes

38. Affiliate sells the house via an affiliate-originated mortgage document that states that zero interest is charged or a third-party-originated mortgage that is recognized as an authorized financing option ([or via a third-party-originated financing model approved under Policy 29.](#))

Yes

39. Affiliate directly services mortgage loans in compliance with applicable laws or contracts with a qualified servicing agent.

Yes

40. Affiliate that services its own mortgages keeps its homeowners' escrow funds in a federally-insured mortgage escrow account that is separate from all other affiliate funds. Affiliate completes an annual escrow analysis on each homeowner's escrow account and provides an annual escrow statement to every homeowner who is not more than 30 days delinquent. * N/A should be selected only by affiliates that have 100 percent of loans serviced by a third party.

N/A - Not Applicable

41. Affiliate has and abides by a written, board-approved policy for Suspicious Activity Reporting in accordance with the Financial Crimes Enforcement Network's Anti-Money Laundering Program and Suspicious Activity Report Filing Requirements for Residential Mortgage Lenders and Originators.

No - But policy/procedure change in this area is in progress or pending board resolution

42. Affiliate has and abides by a board-approved Anti-Money Laundering (AML) program ensuring the following provisions are met:

- i. Policy and procedures, which include internal controls, are developed and applied consistently.
- ii. AML compliance officer is appointed and aware of his/her responsibilities
- iii. Ongoing training is conducted with all applicable staff/volunteers
- iv. Independent audit tests compliance and effectiveness of the AML Program.

No - But policy/procedure change in this area is in progress or pending board resolution

Homeowner Selection

43. Affiliate has and abides by a board-approved written policy for mortgage origination which includes requirements for appropriate due diligence in determining the ability to pay and credit worthiness of its homebuyers. Such due diligence includes but is not limited to: income verification, credit reporting and assessment of all other borrower debt, projected utility costs, homeowners' association dues (if any), special assessments and other costs directly associated with the ownership of the home.

Yes

44. Affiliate deselects partners only in the following cases: demonstrated fraud on the application, failure to complete requirements set forth in the letter of acceptance/Partnership Agreement, negative change in financial condition which would significantly impact the ability to pay, or presence on a sexual offender database.

Yes

45. Affiliate abides by all applicable federal, state and local laws and regulations, including but not limited to: Fair Housing, Fair Lending, Fair Credit Reporting Act, Privacy, Flood, Anti-Money Laundering, Office of Foreign Assets Control, Real Estate Settlement Procedures and Truth in Lending.

Yes

Section 6: Service Delivery

Service Delivery - Habitat affiliate programs support and actively work to accomplish its mission.

Partnership

46. Affiliate makes all reasonable efforts to serve families whose incomes do not exceed 60 percent of the area median income, or AMI, and in no case selects households with incomes above 80 percent of AMI. Affiliate sells homes to low-income families in need. Need is evaluated in the context of the affiliate's service area median income, cost of living index and other local factors.

Yes

47. Affiliate provides homeowner support services to all selected families through appointed volunteers, staff or other professionals.

Yes

Service Area

48. Affiliate conducts all operations within its defined service area.

Yes

House Building

49. Affiliate complies with all applicable building codes. Where there are no local codes, the International Residential Code, or IRC, will be used as minimum.

Yes

50. Affiliate serves at least one family per year through one of the following housing interventions:

- (i) New home
- (ii) Rehabilitated home
- (iii) Repaired home, through home preservation including the *A Brush with Kindness* program, critical home Repair or weatherization
- (iv) Recycle

A minimum of one family served over a three-year period is through a rehabilitated home or new home construction.

Yes

51. Affiliate builds houses generally in accordance with the [Habitat House Design Criteria](#).

Yes

Section 7: Development

Development – Fundraising activities adhere to professional and ethical fundraising practices.

Fund Raising

52. Affiliate donors receive a written receipt documenting their contributions, as required by IRS guidelines.

Yes

53. Affiliate is not overly dependent on any single source of revenue including ReStore, government funding or single private donors.

Yes

54. Affiliate adheres to U.S. [Collaborative Development Handbook](#).

Yes

55. Affiliate uses all contributions for the purpose expressed by the donor.

Yes

56. Affiliate fundraising personnel, including both employees and independent consultants, are not compensated on a percentage of the amount raised or any other commission formula.

Yes

Section 8: Communications and Technology

Communications and Technology – Communications and technology are important for basic affiliate functioning and public accessibility.

Communications and Technology

57. Affiliate has a publicly accessible central office with a dedicated mailing address.

Yes

58. Affiliate has a unique telephone number in the directory under "Habitat for Humanity" and has voice mail or an answering machine.

Yes

59. Affiliate has access to a computer with commonly used word processing and spreadsheet software and internet access.

Yes

60. Affiliate has a unique email address.

Yes

[Read Core Documents to learn more about 2017 standards.](#)

Board Approval of Certification Application

A. A. Affiliate's board of directors has reviewed the answers provided on this Annual Affiliate Certification Application and approved its submission as an accurate declaration of the affiliate.

☒ ☐

Yes No

B. B. Affiliate's board of directors understands that in submitting this document, the contents herein are being certified as accurate. Failure to submit a timely and accurate checklist may result in disciplinary action.

☒ ☐

Yes No

Additional Information

Affiliate has used best efforts to comply with the Quality Assurance Checklist and has selected "Yes" for full compliance and "No" where, despite best efforts, affiliate has not complied fully. For all "Nos", please provide an explanation below:

We have said No for questions 30, 41, 42 which are all policies that are under review. Final review and edits are due in January with voting expected the first half of 2017.

Save My Progress

Submit QA Checklist

Please review your answers carefully. Changes to the form are not possible once you click the **Submit QA Checklist** button!

Once you click the Submit QA Checklist button, a printable copy of your answers will be displayed for your convenience.

By clicking the **Submit QA Checklist** button, I am indicating that the information supplied in this report is accurate and complete. Clicking Submit QA Checklist will complete my Affiliate Quality Assurance Checklist and send this data to Habitat for Humanity International.