



Family Partner Homebuyer Manual

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Family Partner Homebuyer Manual

The purpose of this manual is to set forth the requirements needed to be met in order to become a Habitat homeowner. Please keep the manual and all other Habitat related documents in a safe and accessible place.

HABITAT FOR HUMANITY CONTACT INFORMATION

The Habitat staff and volunteers are here to answer any questions that you may have. Listed below are some useful contacts:

Habitat for Humanity Buffalo

1675 South Park Avenue
Buffalo, NY 14220
www.habitatbuffalo.org
Office Phone: (716) 204-0740
Open Monday through Friday
from 9:00 a.m. to 5:00 p.m.

Volunteer Coordinator

Kristy Kalman
volunteer@habitatbuffalo.org
Office: (716) 204-0740, x106
Cell: (716) 331-0744

Family Services Manager

Keelan Erhard
kerhard@habitatbuffalo.org
Office: (716) 204-0740 x 108
Cell: (716) 275-7591

Family Services Coordinator

Tammy Budniewski
familyservices@habitatbuffalo.org
Office: (716) 204-0740 x 111
Cell: (716) 382-3420

Family Liaison

In addition to the Habitat staff, each family partner is assigned a volunteer family liaison. The role of the liaison is to mentor and assist each family partner through the homebuyer process. The liaison is here to be your first point of contact if you have any questions. They will work with you each step of the way; from meeting all program requirements, through home assignment and the closing process, as well as helping you and your family adjust to home ownership.

Family Liaison:

Name: _____

Phone: _____

Email: _____

Best form of communication with your liaison (circle one): Text Phone Email

HABITAT FOR HUMANITY BUFFALO

Who We Are

Habitat Buffalo is a local affiliate of Habitat for Humanity International (HFHI). The Buffalo organization was founded by a group of dedicated volunteers concerned with the lack of affordable housing in the City of Buffalo. Habitat Buffalo is one of the largest single-family homebuilders in the City of Buffalo

More than 5,000 volunteers support our organization each year, including more than 100 weekly volunteers who assist on construction sites, committees, and in our ReStore.

Our Mission

Seeking to put God's love into action by bringing people together to build homes, communities and hope. Habitat Buffalo's goal is to provide safe, decent and affordable shelter for individuals who otherwise could not afford a home. Thus, freeing them to create new futures full of possibilities and help to foster the skills and confidence they need to invest in themselves and their communities.

Our Vision

A world where everyone has a house to live in and a place to call home.

HOW OUR PROGRAM WORKS

All Are Welcome

At Habitat Buffalo, all who believe that everyone needs a decent, affordable place to live are welcome to help with the work, regardless of race, religion, age, gender, political views or any of the other distinctions that too often divide people. In short, Habitat Buffalo welcomes volunteers and supporters from all backgrounds and serves people in need of decent housing regardless of race or religion.

Non-Proselytizing Policy

Habitat for Humanity and its affiliate organizations will not proselytize. Nor will Habitat work with entities or individuals who insist on proselytizing as part of their work with Habitat. This means that Habitat will not offer assistance on the expressed or implied condition that people must adhere to or convert to a particular faith or listen and respond to messaging designed to induce conversion to a particular faith.

Principal Resident

Habitat Buffalo's mission is to help people become homeowners. Habitat International requires that the homes we sell are owner occupied.

Grant Security

Many of our homes are built using cash assistance in the form of a grant from one or more sources. These grants typically require a lien (also known as a second mortgage or restricted covenant) on the property as security for the granter. This lien will have a dollar amount equal to the grant dollars we received to help fund your home. The granter does not require you to pay off this lien if you remain in your home during the prescribed period of time. This lien will be amortized (decreased in value) over a timeline provided by the granter (typically over five to ten years). If you remain in the home and make your mortgage payments, this lien will never have to be paid by you.

Shared Equity

If the Habitat Buffalo house is sold prior to satisfying the mortgage, and the house is sold for more than the Habitat Buffalo subsidized sale price, the profit will be split between Habitat Buffalo and the family partner. The entirety of this agreement will be provided to you prior to closing on your home.

Information Sharing

With your permission, your information may be shared with third party partners, such as the bank who will be underwriting your mortgage. Your payment history will be reported by our mortgage servicing company to various credit reporting agencies and could affect your future credit.

Right of First Refusal

Habitat Buffalo has the right to re-purchase the house from the family partner under the same terms and conditions as made by a prospective purchaser through a bona-fide offer.

HABITAT FOR HUMANITY INTERNATIONAL

Habitat for Humanity is a global nonprofit housing organization working in local communities across all 50 states in the U.S. and in approximately 70 countries. Habitat's vision is of a world where everyone has a decent place to live. Since 1976, Habitat for Humanity has helped more than 13.2 million people meet their affordable housing needs.

For more information visit, www.habitat.org.

PROGRAM REQUIREMENTS

Families who are selected to become part of the Habitat Homebuyer Program are selected based on the following criteria:

- The completion of an application accompanied by all necessary documents.
- A review of the applicant's financial picture to determine if their financial status meets Habitat Buffalo's federal, state and internal requirements. This includes income verification and credit worthiness (credit reports will be obtained)
- The applicant's level of need
- The applicant's willingness to partner with Habitat Buffalo
- The applicant's ability to repay a mortgage through an affordable payment plan

Once accepted, **and in order to remain in the program**, the family partner must follow the program guidelines and complete all requirements.

SWEAT EQUITY HOURS

One of the fundamental concepts of Habitat for Humanity is that it is a hand-up not a hand-out program. For this reason, the family partner must earn sweat equity hours through a hands-on, physical investment of their time and commitment to home ownership.

There are three (3) types of sweat equity hours that you can earn; construction, community and education. For more information on how you can earn sweat equity hours, please see the Earning Sweat Equity Hours section of this manual.

Sweat Equity Requirements

- 400 hours for single applicant household
- 500 hours for co-applicant household

200 sweat equity hours (for both 400- and 500-hour family partners) must be completed on a construction site. If you are unable to complete your required construction sweat equity hours due to a medical restriction, contact Family Services to discuss your options.

Note: All hours ***must*** be met before a family can move into their Habitat home

Minimum Monthly Hours

At least 12 hours must be completed each month that a family partner is in the program.

If you know that you will not be able to complete the 12-hour minimum during a month, you must notify your family liaison or Family Services in advance. If you do not complete the 12-hour minimum and prior notification was not given, any hours that are completed in that month will be forfeit.

Recording Your Hours

It is up to you to record and confirm your hours each time you earn them. You will submit your hours to the Family Services department on the provided form. **Failure to report hours on time will result in a penalty of sweat equity hours.**

SAVINGS AND DOWN PAYMENT

At closing, you will be required to pay your portion of closing costs. As a homeowner, you will be responsible for all maintenance costs of your home. To help you prepare for these costs, **Habitat Buffalo requires that each applicant/co-applicant saves at least \$75 a month.** The Family Partner is required to provide proof of their savings each month.

The applicant/co-applicant on the mortgage is required to apply for a minimum of two down payment assistance grants to help pay for closing costs. This helps you save money on closing costs and helps Habitat Buffalo save so we can continue building affordable homes for more families. The Family Services department will help you find assistance grants to apply for once you have been matched with a home.

MONTHLY AND QUARTERLY REPORTING

You are required to submit your paperwork to the office by the 7th of each month (for example, all January reporting will be due on February 7th). If this date falls on a weekend or holiday it is up to you to submit before that date.

The following documents must be provided each month:

- Sweat equity hour form

The following documents must be provided each quarter (January 1, April 1, July 1, October 1)

- Proof of income (pay stubs) for each family member 18 years of age or older
- Proof of savings (bank statement) for applicant/co-applicant

Failure to submit your monthly reporting on time will result in a penalty of sweat equity hours. After failing to submit your monthly reporting three (3) times, you will be deselected from the Program.

ANNUAL REPORTING

The applicant and co-applicant (if applicable) must submit a copy of their signed and filed Federal Tax Return, along with the corresponding W2s and/or 1099s each year, no later than April 15th. If any additional income is earned, such as Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI), proof of this income is also required each year.

Failure to submit your annual reporting by April 15th will result in a penalty of 12 sweat equity hours. If reporting is not received within 60 days from this date, you will be deselected from the Program.

MEETING WITH YOUR FAMILY LIAISON

On a monthly basis you are required to check in with your family liaison to review your progress through the Homebuyer Program. This meeting can be in person, through email or by phone. As you progress through the Homebuyer Program, your family liaison will coordinate face-to-face meetings to discuss your progress and next steps.

Life changes can impact the type of home that you may be eligible for. It is your responsibility to notify your family liaison or Family Services in the event of any life changes. Life changes include, but are not limited to, a change in employment or other income, addition or subtraction of family members, change in housing conditions or location, change in phone number, email, or street address. If you are not sure if you have experienced a life change, speak with your family liaison.

PENALTY OF SWEAT EQUITY HOURS

Failure to comply with the program requirements can result in a penalty of sweat equity hours. This penalty will reduce the total sweat equity hours earned by the family partner. Once a family partner loses sweat equity hours as the result of a penalty, they cannot gain them back and must earn additional sweat equity hours to complete their program requirements.

DESELECTION FROM THE HOMEBUYER PROGRAM

Habitat Buffalo reserves the right to deselect, or remove, a family from the Habitat for Humanity Buffalo Homebuyer Program at any point before purchasing and closing on the sale of the home. In the case of deselection, all sweat equity hours are lost, there will be no compensation given for these hours. Habitat Buffalo may deselect partners in the following cases:

1. Demonstrated fraud on the application or other submitted paperwork
2. Failure to complete requirements set forth in the letter of acceptance and family partner homebuyer manual
3. Any negative change in financial condition that would significantly affect the ability to pay
4. Presence on a sex offender database.
5. Unwillingness to partner

EARNING SWEAT EQUITY HOURS

Signing Up for Construction and Re-Store Sweat Equity Hours

Upon acceptance into the program, you will be trained on how to access and sign up for hours. Family partners and any family and friends volunteering for construction and ReStore sweat equity are required to sign up for volunteer hours through our website: www.habitatbuffalo.org

To sign up, just follow the below steps:

1. Go to our website listed above and click the “volunteer” button (first time users will need to sign a “volunteer waiver” prior to being allowed to volunteer for sweat equity hours)
2. Click “Restore” to volunteer in one of our two (North and South) Restore locations
3. Or click “Sweat Equity” to sign up for our construction sites.

If you need help using the website, contact the Volunteer Coordinator at volunteer@habitatbuffalo.org.

Habitat Buffalo relies on the scheduled sweat equity hours to develop construction and Re-Store schedules. For this reason, it is best to sign up for hours as soon as you possible, but at least 24 hours in advance. If you arrive at a construction site or a Re-Store without signing up in advance, you will be turned away and will not earn any sweaty equity hours.

Once you have signed up for sweat equity hours, you are making a commitment to work the scheduled hours. **Failure to show up for your scheduled sweat equity hours will result in a 6-hour penalty of sweat equity hours.** If you cannot keep the scheduled shift, please contact Volunteer Coordinator at volunteer@habitatbuffalo.org 24 hours in advance. Prior notice will avoid penalties otherwise assessed.

Plus One Friend or Family

Only the applicant/co-applicant may bring one family or friend with you to volunteer. They must sign-up through our website in the same manner that the applicant/co-applicant signs up. Friends and relatives of the family partner (who will not be living in the house) cannot obtain sweat equity hours on their own; the applicant/co-applicant must be present. **Plus One hours can be earned for Construction and ReStore sweat equity hours only.**

Solicitation of sweat equity hours from volunteers that were not signed-up in advance as your Plus One is not allowed.

CONSTRUCTION HOURS

- All family partners and Plus One’s must sign up for construction sweat equity hours on our website
 - Family partners 16 years or older may earn construction sweat equity hours. Only the applicant/co-applicant may bring a Plus One
- Construction sweat equity hours are only for persons 16 years and older
 - A waiver is needed from the legal guardian of any person under 18 years of age
- **200 sweat equity hours** (for both 400- and 500-hour families) must be completed on a construction site
- You do not need to have *any existing construction skills*; the Site Supervisor will give you directions
- More information on what to wear and bring will be provided when you sign-up for your shift on our website

Construction days and times

- Start at 8:30 am and finish at 3:00 pm
- Workdays are Tuesday through Saturday
- You must sign up at least 24 hours in advance for construction sweat equity hours. If you are interested in a specific date, and there is no availability, you can contact our Volunteer Coordinator at volunteer@habitatbuffalo.org to inquire if construction sweat equity hours have become available due to demand and build schedule availability.

Friends and Family Day

Friends and relatives of the family may contribute to the Family Partner's sweat equity hour requirements by scheduling a Friends and Family Day.

- **May only** be earned at construction sites
- May be approved to bring a minimum of 4 and maximum of 8 Friends and Family, dependent on construction schedules and demand
- **Must be approved** by the Volunteer Coordinator in advance by sending an email to volunteer@habitatbuffalo.org
- Each Family is entitled to at least one (1) Friends and Family Day
- If you need to cancel a Friend and Family day, please give us two weeks' notice. **Failure to provide two weeks' cancellation notice will result in you being unable to schedule another Friend and Family day.**

COMMUNITY HOURS

ReStore

Earn sweat equity by volunteering your time working at one of Habitat Buffalo's ReStore locations. Family partners 16 years and older are eligible to earn community sweat equity hours. A waiver is needed from the legal guardian of any persons under 18 years of age.

Only the applicant/co-applicants may bring one family or friend with you to volunteer. They must sign-up through our website in the same manner that the applicant/co-applicant signs up. Friends and relatives of the family partner (who will not be living in the house) cannot obtain sweat equity hours on their own; the applicant/co-applicant must be present.

North Store

501 Amherst Street, Buffalo, New York 14207
716-852-6607, ext. 203

Hours of Operation

Sunday & Monday CLOSED
Tuesday-Saturday 10:00 am-5:00 pm

South Store

1675 South Park Avenue, Buffalo, New York 14220
716-852-6607, ext. 302

Hours of Operation

Sunday & Monday CLOSED
Tuesday-Saturday 10:00 am-5:00 pm

Community Non-profit Volunteer Hours

You can earn sweat equity hours by volunteering with other non-profits in the community. These hours must be pre-approved by the Family Services Department. Only the applicant/co-applicant can earn community non-profit volunteer hours.

Habitat Public Relations Events

You can earn sweat equity hours by attending events hosted by our resource development department. You will be notified of public relations events by Habitat Buffalo, including who to contact to sign up.

EDUCATION HOURS

Homebuyer Classes

Homebuyer classes are provided by Habitat Buffalo and our partner organizations to help prepare you for homeownership. Only applicants and co-applicants are eligible to earn sweat equity hours for homebuyer classes. Please see schedule provided by Habitat Buffalo for more information on class availability.

- Required
 - HUD
- Optional
 - Financial Literacy
 - Household Repair and Maintenance
 - Home Safety
 - Crime Prevention
 - Fire Prevention
 - Debt Prevention
 - Etc.

Report Card Hours

- Family partner children can contribute to earning sweat equity hours by receiving good grades. Only children in grades 7-12 can earn Report Card Hours
- Report Cards can only be submitted twice a year, after each Fall and Spring Semester (typically in January and June for submitting report cards)
- One (1) hour will be received for each A, B and C grade on a report card, for a maximum of five (5) hours per report card
- A maximum of 25 report card hours can be earned per school year
- A maximum of 50 report card hours can be earned by the family partner

Other Education Hours

Family partners can earn Education hours by successfully completing an English as a Second Language (ESL) course and/or earning a General Education Diploma (GED). Ten (10) Education hours will be earned per completed course when proof of completion is submitted to Family Services.

Meeting with Your Family Liaison and Habitat Buffalo Staff

The family partner will receive a minimum of one sweat equity hour for each meeting with their family liaison or Habitat staff member. This includes all scheduled meetings with Family Services Staff.

PICKING YOUR HOME

Families are offered a house based on progress through the Homebuyer Program and house availability.

House Matching Process

Many factors are considered to determine the order in which eligible family partners are offered a house.

1. Size of the home – a house must be available with the number of bedrooms that your family is eligible for
2. Price of the home – a house must be available in your eligible price range based on Habitat Buffalo's income guidelines
3. Sweat Equity Hours – multiple family partners may be eligible for houses with the same number of bedrooms and price range. The family partner who has earned the most sweat equity hours will be offered an available house first
 - If the family partner does not accept the offer, the family partner with the next highest sweat equity hours, that is eligible for the same size and price range, will be offered the house

Options Available

Habitat Buffalo builds or renovates houses where it can find affordable land and suitable homes to rehabilitate. Family partners select a home from the houses that Habitat Buffalo has available at the time that they become eligible for their home selection opportunity.

The Construction Manager will review the house plans with you. Together you will make choices, such as interior options and available upgrades, but please remember that Habitat Buffalo is not a custom contractor. All upgrades selected need to be paid for prior to closing.

Bedroom Upgrades

You may add one additional bedroom from the total that you are eligible for. To ensure that Habitat Buffalo has the appropriate house availability for your family, you must notify your family liaison or Family Services as soon as you know that you would like to add another bedroom, but **no later than 6 months after starting the Program or completion of 100 sweat equity hours**, whichever comes first.

1. Family partners must make an initial down payment to qualify for a bedroom upgrade.
2. Family partners must develop a payment plan based on ability and timeline to pay for the remainder of the upgrade prior to the expected move in date. This payment plan needs to be shared with and approved by Family Services.
3. All payments made toward the bedroom upgrade will be held in escrow. If at any time you decide that you no longer wish to add the additional bedroom, you must notify Family Services, in writing. You will be refunded your payments in full.

Note: Habitat Buffalo does not build houses larger than 5 bedrooms

Turn Down Process

While Habitat Buffalo realizes that the family partner is making a 30+ year commitment and, thus, should be buying a house that they like and which is appropriate for them, there are limitations to the houses that Habitat builds or renovates.

The family partner has an opportunity to turn down a proposed Habitat house that does not fit their needs. However, four (4) turn downs of potential homes will cause your family to receive lower priority on their next house choice opportunity and will result in a delay in receiving your next house offer. **Excessive turn downs may result a penalty of sweat equity hours and/or deselection from the program.**

For families joining the program after June 2021, a turn down will only count for homes offered in the neighborhoods you were accepted into the program for. If you are offered a house outside of your accepted neighborhood and you decline it, it will not count as a turn down.

FINANCING

Since you have made it to this point in the Program, you have been pre-approved based on your current income level, credit worthiness, and willingness to partner. However, there is still more to do before you are approved for a mortgage.

Maintaining Stable Income

In order to remain eligible for the program, your income must remain the same or improve from the time of initial application. Income is verified by Habitat Buffalo each month from your pay stubs. Additionally, you will be asked to provide documentation such as tax forms and W-2s annually.

Maintaining Good Credit

It is very important to maintain good credit during your time in the Habitat Homebuyer Program. Changing your credit in any way, such as buying a car, opening a new credit card or financing a large purchase through store credit could affect your credit score. It is best to avoid opening new lines of credit during this time. Habitat Buffalo will monitor your credit score quarterly for changes.

Applying for the Mortgage

Within one month of choosing your Habitat house, you will meet with the bank to be pre-approved for your mortgage. At this time your credit and income will again be checked to make sure you are still qualified.

Sales Price

The sales price of a Habitat home is determined by the fair market value, which is provided by a third-party appraiser. Habitat Buffalo will help you determine if subsidies are available to lower the purchase price of your home. All Habitat Buffalo homes are sold at a price that makes them affordable based on family income.

DEDICATION, CLOSING AND MOVING IN

Dedication

Home dedications are a day for you, your family and friends, Habitat staff and volunteers, your family liaison and donors to celebrate all your hard work in completing the program and purchasing your new home.

About a month prior to move-in, Habitat Buffalo will coordinate with you to determine the date for the dedication of your house. During your dedication, which is typically on a Saturday, a blessing is offered for your family and new home. You may invite your faith leader, if applicable, to offer a prayer or blessing.

Moving In

Habitat Buffalo will coordinate with you to determine the date of your move-in. The family partner will meet with Family Services to review what to expect at move in and information on when your rental/mortgage payment is due and how to switch over utilities into your family's name.

Pre Move-In Walk Through

Prior to moving in, Family Services will schedule a final walk-through of the house with the family partner and Construction Manager. At this time, you will be shown how to use the appliances and utilities in the house and give your final approval and acceptance of the house.

Renting Prior to Closing

In some cases, moving in may happen before closing. In this situation, you will temporarily be renting your home from Habitat Buffalo. Prior to moving in, you will meet with Family Services to sign a lease agreement and discuss how rent will be paid.

If you are renting prior to closing on your home, your homeowner's insurance will not be active. Habitat Buffalo will insure the structure. In order to provide coverage for your belongings, it is highly recommended that you obtain renter's insurance.

Closing and Purchasing Your Home

Family Services will coordinate with you to determine your closing date. Before your closing, Habitat Buffalo will again verify your income. Family partners meet with two attorneys; one representing the family partner as the homeowner and one representing Habitat Buffalo. Many documents are signed by the homebuyer, after which the house ownership is legally transferred from Habitat Buffalo to the family partner.

Repaying Your Mortgage

After your closing, Habitat Buffalo's mortgage servicing company will contact you. They will send you a welcome package with a coupon book. Once received, you will make your mortgage payments directly to the mortgage servicing company. You will have the option to send in a monthly payment or to set up automatic payments.

Your monthly mortgage payment includes three parts, the principal - this is the amount that pays toward your loan, the interest - this is the amount that is paid to us, Habitat, to help us build more houses, and the escrow - this goes into savings to pay your annual tax and insurance bills. Because property taxes and insurance premiums are subject to change, your total monthly payments are subject to change and may increase over the term of your mortgage.

House Warranty

At the pre move-in walk through, you will receive a copy of the house warranty. This document describes in detail what is and what is not covered under warranty by Habitat Buffalo. This will clarify the responsibilities of Habitat Buffalo and the responsibilities of the family partner after move-in.

CONTINUING RELATIONSHIP WITH HABITAT BUFFALO

Staying Involved

Your family will be sent periodic Habitat Buffalo mailings and emails to keep you informed about current events that are happening within the Habitat Buffalo organization.

You are encouraged to:

- Volunteer with the Habitat Buffalo organization (speaking engagements, working on other houses, participating in events, etc.)
- Attend other family partners' dedications
- Continue the friendships that you have made with the Habitat Buffalo staff and volunteers, as well as with other families who have been in partnership with you

In Cases of Financial Crisis

We realize that owning your own home is a big financial commitment. Sometimes other financial needs may come in conflict with paying your mortgage. If you find yourself in a challenging financial position, please do not choose to miss a payment on your mortgage. Contact Family Services to see what assistance programs may be available to you.

Non-payment of Mortgage

Continued non-payment of your mortgage may result in foreclosure. While Habitat Buffalo prefers to avoid the foreclosure process and will work with you to help meet your obligations, we must follow all fair lending laws, including foreclosure for non-payment.

Family Partner Homebuyer Manual Acknowledgement and Agreement Form

This manual is intended to outline the rules and requirements of the Homebuyer Program you are entering with Habitat for Humanity Buffalo. All content within the manual is subject to change. If changes occur, you will be notified and subject to any updated rules and requirements.

Signed statement of understanding:

This manual is intended to outline the general requirements of the Habitat Homebuyer Program. By signing this acknowledgment form you are indicating that you understand the Program and agree to complete and adhere to the outlined requirements. If you are unable to comply with these rules and requirements, you will be deselected and be unable to continue the Homebuyer Program with Habitat for Humanity Buffalo.

Family Partner Signature

Date

Family Partner Printed Name

Family Partner Signature

Date

Family Partner Printed Name