



Homeownership Program Overview

Northwest Michigan Habitat for Humanity is a nonprofit housing developer serving Emmet and Charlevoix counties. We want everyone in Northern Michigan to have a safe and affordable home where they can be proud to live.

When we partner with families and individuals, not only do we help them obtain an affordable mortgage to purchase a home, we help them develop the skills they need to become successful homeowners.

If you, or someone you know needs affordable housing and would like to join our program, please contact us at 231-348-6926.

The basics:

- We build and remodel homes that are sold to approved buyers at their appraised value.
- Homebuyers purchase the home by qualifying for a mortgage in an amount meeting or exceeding our annually set approval threshold (amount in green below). This amount is based on construction costs and the organization's financial resources each year.
- Habitat partners may be able to qualify for specialized lending programs, which can provide additional flexibility in down payment requirements and interest rates. However, buyers may seek financing through any lender they choose.
- Purchasing a home through Habitat is made more affordable than buying a home on the open market through opportunities for down payment assistance, individual development savings accounts (with matching grant opportunities), and interest free gap financing through local, state, and federal resources (items below in blue).
- With current homes on the open market selling for well above the asking price (depicted in orange), Habitat buyers also have the added advantage of not having to compete in the market. When a home is complete, it is appraised, and the purchase price is set at that appraised value rather than being bid on by multiple interested parties.



Purchasing on the Open Market

Program Qualifications

2024-2025

- Must live or work in Emmet or Charlevoix County
- Must pass a background check (offenses are reviewed on a case-by-case basis)
- Must NOT be listed on the national sex offender registry (automatic disqualification)
- Must fall under the income guidelines below

Charlevoix County


Members in Household	Annual Income Limit
1	\$77,195
2	\$88,225
3	\$99,250
4	\$110,280
5	\$119,100
6	\$127,925
7	\$136,750
8	\$145,575

Emmet County


Members in Household	Annual Income Limit
1	\$75,600
2	\$86,400
3	\$97,200
4	\$108,000
5	\$116,640
6	\$125,275
7	\$133,920
8	\$142,560

FY 2023 income limits summary--HUD *Income levels are set annually by US Department of Housing & UrbanDevelopment. (Note: Minimum income limits have been adjusted to reflect program requirements.)


We will assist families and households of any size or composition. Some examples of household wages that would meet our income guidelines are:




Adult Couple
Up to \$86,400/year



**Single Adult
Two Children**
Up to \$46.73/hour



Single Adult
Up to \$36.35/hour



**Two Adults
Two Children**
Up to \$108,000/year



We are so happy you've made the decision to work toward owning your own home! Thank you for reaching out for more information.

Buying a home is a long and complicated process. There is a lot of work involved in applying for and obtaining a mortgage as well as closing on the home. If at any time you have questions about the program, please give us a call. Once intake is complete, you will also go through an orientation that will help to walk you through each step of the process in detail.

Application Process

STEP 1: Complete a program interest form by calling 231-348-6926 or following the link: [Program Interest Form](#)

If you are having issues opening the Program Interest Form please right click on the link and select 'copy hyperlink' and paste the hyperlink in your browser of choice.

STEP 2: Once the online interest form is complete, a representative will contact you to discuss next steps. Based on your current qualifications, you will either be referred to:

Option 1. Homeownership Promotion Program with Habitat Michigan

If you do not need credit repair/credit building prior to applying for a mortgage please refer to Option 2.

This program is great for applicants who would like to learn more about homeownership and the process to become mortgage ready. The program also helps households become qualifiable for a mortgage when minor credit issues such as unpaid judgements, an unfavorable credit score, or a higher than acceptable debt-to-income ratio may be a barrier to mortgage readiness.

There is a \$35 fee to enroll. However, any money spent completing credit counseling and homeownership education courses through Habitat for Humanity Michigan will be included toward your cash for closing requirement if you choose to purchase a home through Habitat.

Any hours spent completing credit counseling and homeownership education courses through HFHM will count towards your required 200 hours of Sweat Equity.

To create your account:

1. Visit www.habitatmichigan.org
2. Select 'Client Login' on the top right
3. Select 'Sign Up Now' in the welcome banner
4. Select Homeownership Promotion
5. Check the box for "I am ready to pursue my dream of being a homeowner!"
6. Select your desired county from the drop-down menu
7. Select your desired county under 'Available Areas'
8. Check the box for "I agree to the Consent and Receive Documents Electronically"
9. Select Continue
10. Enter the required information on the next page and select 'Create Account'

This program is not run through Northwest Michigan Habitat for Humanity so we will not have access to the system to assist with your account. For assistance creating and managing your account please

call 517-485-1006 or email info@habitatmichigan.org



Option 2. Mortgage Pre-approval

If initial intake indicates that the applicant may be financially ready to pursue a mortgage, applicants will receive information regarding lending options and may begin a mortgage application with a lender of your choosing. Completing a mortgage application in its entirety is the responsibility of the program applicant; however, Habitat is here to assist you. If one-on-one time with a staff member, or use of the office computer and printer is needed, please call 231-348-6926 to make an appointment.

We have options for affordable mortgage products that do not require any down payment and offer lower interest rates than conventional lenders. If you are ready to apply for a mortgage please discuss these options with our Program Services Manager.

Regardless of the final appraised value of the home we offer down payment assistance and gap financing so that your mortgage payments will not exceed 30% of your gross monthly income.

STEP 3. Mortgage approval is obtained that meets the minimum annual threshold below

This amount for 2024-2025 is \$190,000

If at this time, your qualification comes in below the minimum threshold, you will be referred to Habitat Michigan Homeownership Promotion Program to continue working on mortgage readiness (refer to option 1).

If at this time, your qualification is at or above the minimum threshold, you will:

1. Complete an application with Northwest Michigan Habitat for Humanity and pass an income verification.
2. Internal assessments (background checks) and board approval will be handled by the Program Services Manager.
3. Attend an Orientation and Program Acceptance meeting.
4. Agree to all program requirements, guidelines, and expectations listed below.

Program Agreements

Those who are accepted into the Home Ready Program have been pre-qualified during the enrollment process as financially ready to obtain a mortgage and purchase a home. By participating in the program, applicants agree to:

- Complete the Homebuyer Education Workshop. This can be done online or we offer quarterly in-person courses in partnership with the Northwest Michigan Community Action Agency
- Save a minimum of \$1,000 cash for closing as well as funds to purchase a homeowner's insurance policy. This is treated as earnest money and is due upon a purchase agreement being signed.
- Pledge to complete 200 hours of sweat equity within two years of purchasing the home.



- Fulfill the terms of the mortgage loan and all other costs associated with homeownership including but not limited to utility costs (water, electric, sewage, trash disposal, and heat) yard care costs, snow removal, and home maintenance.
- To be of good stewardship to the new property and show respect for neighbors and the neighborhood.
- Be an advocate for Northwest Michigan Habitat for Humanity in your community.
- If you choose to sell or otherwise transfer ownership of the property in the future, you agree that Habitat will have the first option to re-purchase the property. See Future Transfer of Property Agreement section below.
- Be responsive to our Program Services Manager or any staff members while on the wait list. Communication between the buyer and our team is necessary for successful program completion.

Home Selection Process

Approved applicants (“buyers”) will be placed on our homebuyer waitlist in the order in which they have been accepted into the program. As construction is completed, homes will be offered for purchase to those in order on the waitlist.

- When a buyer is notified of an available home, they will be given five (5) days to either accept or deny moving forward with the purchase of the property. A home tour will be made available.
- If the property meets the needs of the buyer, they will complete a final mortgage approval and prepare to close on the home.
- If the buyer passes on the offered property or does not submit a response within five (5) days of the tour, the buyer will maintain their placement on the waitlist for a total of 5 home selection rounds. If a home is denied on the 5th round, this buyer will be removed from the waitlist due to a lack of need.
- Prior to closing, the buyer will need to purchase 1 year of homeowner’s insurance. We recommend shopping around and getting at least 3 quotes. The final price of the homeowner’s insurance will be determined by the appraised value of the home.

Please note that a placement on the waitlist does not guarantee a home. A home cannot be guaranteed until buyers complete all program requirements, obtain a mortgage, and complete the closing on the home.

Buyers removed from the waitlist for any reason may re-apply at a later time.

If you have any questions regarding the application process, selection process, or purchasing process please contact our program services manager at:

231-348-6926 or emily@northwestmihabitat.org



Home Purchasing Process

Once a home is selected, a purchase agreement is signed and an appraisal is ordered by the buyer's lender. Our Program Services Manager will then assist the buyer with down payment assistance applications through various programs based on eligibility and availability of funds.

If after all sources of financing (mortgage) and assistance are secured, the buyer still does not have enough funding to purchase the home, then Habitat, in accordance with current program policies, may offer gap financing. This financing is provided as a 0% interest loan to the buyer that will only be paid upon future transfer of the property.

This funding is limited to \$50,000 per household (exceptions can be made with board approval) so please note that seeking a mortgage only at the minimum of \$190,000 may not secure homeownership if you are not eligible for any other down payment assistance. Please work with your lender to secure your highest approval possible without your payments exceeding 30% of your income.

After closing, you own the home and the land that it sits on.

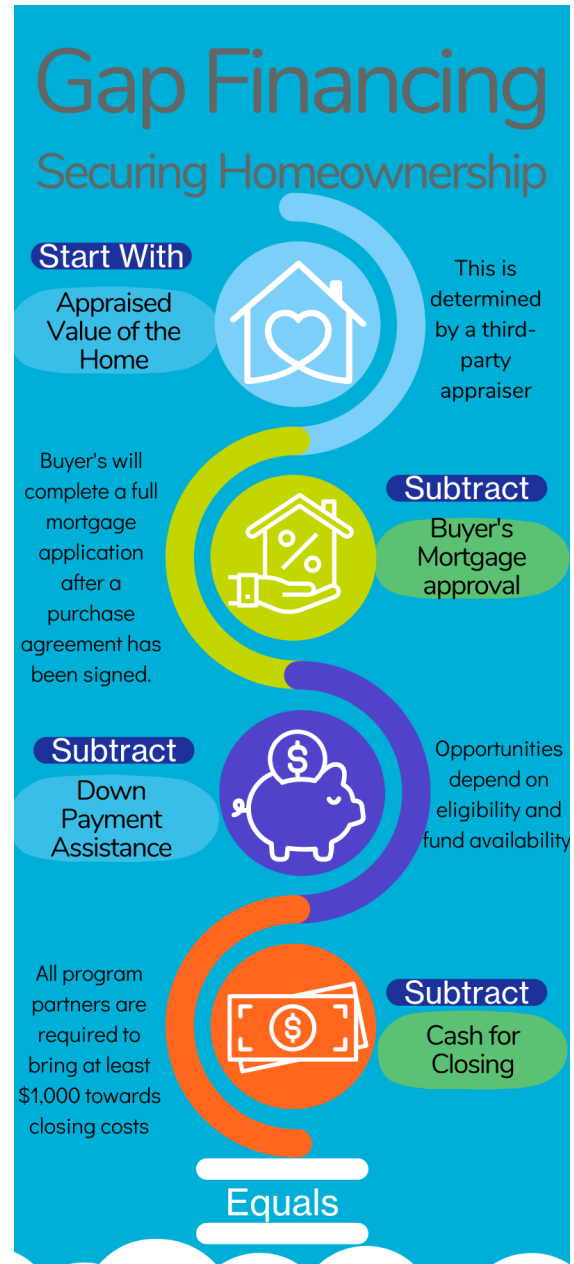
Future Transfer of Property Agreement

In the future, if you ever choose to sell the home for any reason, you will agree to sell it back to Habitat at an agreed upon price. The price will be the lesser of 1) an amount based on the number of years of ownership or 2) the fair market value of the property, as determined by a licensed third-party appraiser. This is done in order to ensure long-term affordability of our homes, and help more households realize the benefits of homeownership as you have.

Prior to closing, you will receive an agreement outlining the sale prices based on years of ownership for review. Any future upgrades that you make to the home will be considered as part of this agreement at the time of sale.

For any further questions regarding our homeownership program, eligibility, program requirements, application process, or steps towards program completion:

Please call 231-348-6926 or email emily@northwestmihabitat.org



Gap Financing is the remainder of funding needed after all other resources have been used in an amount up to \$50,000



Northwest Michigan Habitat for Humanity Fair Housing Policy:

Northwest Michigan Habitat for Humanity Inc. is an Equal Housing Opportunity Lender. As such, we do business in accordance with the Federal Fair Housing Law (Fair Housing Amendments Act of 1988). It is illegal to discriminate against any person because of race, color, religion, sex, handicap, familial status or national origin in the

- Sales or rental of housing or residential lots
- Advertising the sale or rental of housing
- Financing of housing
- Provision of real estate brokerage services
- Appraisal of housing
- Blockbusting is also illegal

If anyone feels they have been discriminated against, you may file a complaint of housing discrimination by calling 800-765-9372 or send your complaint in writing to the US Department of Housing and Urban Development, Assistant Secretary for Fair Housing & Equal Opportunity, Washington DC 20410.

Notice: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (with certain limited exceptions); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with the law concerning OK 44114- 2507 or Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.

