

Repair 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.

The Habitat Repair Program provides households with the opportunity to perform necessary repairs in an affordable manner. We want everyone in Northern Michigan to live in a safe home that does not leave any household members at risk. If you, or someone you know needs a critical home repair and would like to join our program, please contact us at 231-348-6926

The Basics:

- We work with local contractors to complete critical home repairs in Emmet and Charlevoix counties.
- The program results in a 7-year no-interest loan.
- The amount of the loan (the principle) is determined by income. Households never pay for more than 80% of the total cost of the project.
- Please refer to the graphic below:



Annual Household Income is determined and compared to current Area Median Income statistics



The household finds 3 quotes from local contractors to assess the cost of the project



Repayment is determined by the total cost of the project and the household's AMI percentage.



The repair is completed and a 7-year repayment schedule is set.



John makes \$35,330 and has 2 children.

This household of 3 in Emmet county falls at 43.62% of the Area Median Income (AMI).



\$15,000 \$18,000
\$16,500

We help John select a contractor considering, cost, quality, and time. We then work alongside the contractor to complete the project. A 10% administrative fee (up to \$1,000) is added and John pays a 1.5% down payment before work begins.



$\$16,500 \times 10\% = \$1,650$ (\$1,000 limit)
 $\$17,500 \times 1.5\% = \262.50 (down payment)
 $\$17,237.50 \times 43.62\% = \$7,519$

John selects the 2nd contractor. After the administrative fees are added and the down payment is paid the total cost of the project is \$17,237.50. John only pays 43.62% (AMI calculation) of the project, totaling to \$7,519.



The \$7,519 is turned into a 7-year no-interest loan. John and his family have a brand new furnace to keep them warm for only \$89.51/month.

Depending on the project there will be required assessments and activities that may not be included in the contractor's quote but will be included in the final cost.



Our guidelines to be considered eligible for a home repair include but are not limited to:

- a. Applicant owns and resides in the home the repair would be made on
- b. Applicant owns the home AND the land that it sits on
- c. Applicant is up to date on property taxes
- d. The home is currently insured or the applicant has a letter of intent to insure from an insurance company upon the completion of the repair
- e. Home resides in Emmet or Charlevoix County
- f. Household income typically falls between 30-80% AMI (Area Median Income – varies based on household size)
- g. Applicants meet all program eligibility screening criteria
- h. Applicants are considered to have the “ability to pay”
- i. Household can pay a down payment of 1.5% of the repair cost
- j. Household debt-to-income ratio does not exceed 43%

Income Notes:

- All household members’ income is included in the calculation of total gross income.
- Income from all wages, SSI, SSD, Section 8 housing vouchers, retirement, alimony, VA benefits, child support, etc. are included.
- The guidelines are annual (to convert gross monthly income to annual multiply amount by 12).

Charlevoix County

Members in Household	Income Guidelines
1	\$19,250-\$51,350
2	\$22,000-\$58,700
3	\$25,820-\$66,050
4	\$31,200-\$73,350
5	\$36,580-\$79,250
6	\$41,960-\$85,100
7	\$47,340-\$91,000
8	\$52,720-\$96,850

Emmet County

Members in Household	Income Guidelines
1	\$19,250-\$51,350
2	\$22,000-\$58,700
3	\$25,820-\$66,050
4	\$31,200-\$73,350
5	\$36,580-\$79,250
6	\$41,960-\$85,100
7	\$47,340-\$91,000
8	\$52,720-\$96,850

Please note, our repair program does not assist with cosmetic repairs such as flooring, painting, and updating fixtures unless the critical repair in question requires tampering with those items.

The following overview will discuss the application process, completing the repair, repayment requirements, and early payoff incentives.



The Repair Program

The repair program is aimed at helping households accomplish repairs that increase the safety and integrity of the home. Northwest Michigan Habitat for Humanity will provide a subsidized no-interest or low-interest loan to be paid back over the course of 7 years.

Repair program applicant agrees to:

- Provide accurate and up to date household and income information.
- Down payment of 1.5% of the repair cost.
- Be an ambassador and support Habitat for Humanity in your community.
- Paying off the balance of the loan once the repair is complete.

Ability to pay

Ability to pay is determined by reviewing information provided and collected during the application process. Examples of resources used to determine ability to pay includes information on the paper application, pay stubs, benefit statements, previously filed federal tax returns, credit reports, etc.

Applicants must have:

- A steady, reliable source of income and demonstrate financial responsibility.
- The ability to pay a monthly payment on the repair loan.
- Direct ownership of the home in question.
- NOT filed for bankruptcy within the past 2 years.
- NO outstanding collections, liens or judgements that cannot reasonably be paid within three-six months.

Application Process

STEP 1: Read the entirety of the repair program overview to determine if your repair is eligible.

STEP 2: 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 3: Once the online interest form is complete, a representative will contact you to discuss next steps and provide an application.

STEP 4: Complete the application and collect the required supporting documents. If you need any assistance completing the application or collecting the supporting



documents we have a computer and printer in the office you can reserve at any time by calling 231-348-6926 or emailing emily@northwestmihabitat.org

STEP 5: Once an income verification is complete and all other program eligibility requirements are met a walk through of the home will be scheduled with the program services manager and director of construction to determine what repairs are necessary to make sure the home is safe for the household. It is important to note that further repairs may be required beyond the initially requested repair. For instance, if you need a new furnace but your roof is in poor condition we will also repair/replace your roof to make sure the new equipment runs as efficiently as possible.

STEP 6: Based on the walkthrough, our team will determine what repairs need to be completed and we will recommend local contractors. You will then contact the contractors to schedule a time for them to come to the home, assess the repair, and provide a quote. Please seek at least 3 quotes.

STEP 7: Once a contractor is selected, an orientation with the program services manager will be scheduled. At this orientation you will discuss the remainder of the program, create an estimate of your repayment, submit your 1.5% down payment and begin scheduling the repair.

Repair Process

STEP 1: Once the orientation is complete, a 1.5% down payment is made, and a program agreement is in place our team will work closely with your selected contractor to complete the repair.

STEP 2: Once the work is complete, depending on the project, final inspections and assessments may be needed through the county to confirm the work is satisfactory and the home is safe.

STEP 3: When the repair receives final approval, you schedule a loan closing in our office to finalize the final cost of the repair and your repayment plan. This includes method of payment (automatic withdrawals or submitting a check each month), your monthly due date, and opportunities for early payoff forgiveness.

STEP 4: You will continue paying off your loan until the principle is paid off or until you reach the 5 or 3-year early payoff forgiveness dates.

Early Payoff Forgiveness

3-Year: If 80% of the loan is paid within 3 years of the completed repair the remaining 20% of the loan will be forgiven.

5-Year: If 90% of the loan is paid within 5 years of the completed repair the remaining 10% of the loan will be forgiven.



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.

