



Family Selection Guidelines

(Created August 2009)

This document is to be used in conjunction with Houston County Habitat for Humanity's Family Selection Policy. It is meant to give further clarification to the Family Selection Committee in the process of evaluating applicant families.

Houston County Habitat for Humanity builds homes in partnership with families in need of decent affordable housing who are able to make a house payment that includes principal, insurance and taxes that is no more than 25-30% of their gross monthly income.

1. NEED OF HOUSING

- a. Current **shelter inadequate** due to:
 - i. Structural defect
 - ii. Lack of effective HVAC, water or electricity service.
- b. Current **number of bedrooms inadequate** as determined by age, number, and/or gender of persons in household.
- c. **Inadequate living environment**: families who live in housing where they feel they, or their children, are physically or emotionally at risk or housing for a family with a handicapped person that is not adequately handicap accessible.
- d. Inability to purchase home through any other means.
- e. Inability to find affordable rental housing (rent is more than 35% of monthly income).
- f. Housing is transitional.

2. ABILITY TO PAY

- a. Gross income within HoCo Habitat Window of service depending on family size. A family needs to have adequate income to cover the mortgage payment as well as utilities and maintenance expenses.
- b. Ability to make minimum monthly payment of 30% of gross monthly income.
- c. Ability to make \$1000.00 deposit for closing costs.
- d. **Income**
 - i. Working Income - 2 year work/income history obtained, applicant may have changed jobs.
 - ii. TANF (TEMPORARY AID TO NEEDY FAMILIES) May accept families whose income is partially from TANF.
 - iii. SOCIAL SECURITY
 - iv. SSI-SUPPLEMENTAL SECURITY (Title 16 - Adult Welfare) may be given to an adult who has not paid into social security but is blind or disabled. Permanent disability is defined as a condition that is expected to last 12 months or until death. These families need to be considered on a case-by-case basis.

- v. SOCIAL SECURITY (Title II - Disability) is given to an adult who has paid into SS and is disabled. The considerations of #1 above would apply.
 - vi. SOCIAL SECURITY SURVIVOR BENEFITS are for spouses and children who lose a parent. It is given to children until age 18 and to surviving parent until children are 16 years of age. **In considering a family whose income is solely of this nature, the age of children and the parent's ability to be employed after the children come of age need to be considered on a case by case basis.**
 - vii. Food Stamps may be included as income.
 - viii. Court-Ordered Child Support and Alimony may be included as income as long as there is a history of timely payments.
- e. **Credit History – Guidelines**
- i. The credit score of the applicant/co-applicant should be listed.
 - ii. Comments and concerns about the credit report should be noted.
 - iii. Items to consider include:
 1. Whether there is a large number of charged off accounts;
 2. Numerous collections (especially if collections are not medical related);
 3. Numerous credit cards and/or high balances relative to income levels;
 4. Numerous credit inquiries; indicates recurring unsuccessful attempts to obtain credit
 5. Bankruptcy and discharge date;
 - a. Bankruptcies must have been discharged for at least 2 years.
 6. Credit trends (good credit since bankruptcy, continued poor credit, etc).
 - a. Positive comments are appropriate as well if credit is being well managed by the applicant/co-applicant.
 7. Applicants are not qualified if they have active unpaid judgments.
 8. Foreclosures within 2 years must be fully satisfied (balance paid off in full) if an applicant is to be considered qualified. If any of these items appear in the credit report, double-check the "Other Documents" section of the file for information that would mitigate these factors
 - a. (i.e. letter from courts that judgment has been satisfied).
- f. **Other Important Considerations:**
- i. We do not use a minimum credit score. We look at credit to determine whether we can see a trend in irresponsibility with credit, or perhaps a situation that caused bad credit. For example, lots of medical bills at one point in time after a decent period of credit history tells us there may have been an illness or accident that caused an applicant's credit record to deteriorate. We should not view this as a negative, though we should consider all the unpaid debt when evaluating the debt ratio. The too-high debt ratio could bump an applicant out of the running, but the credit score in and of itself, should not be the deal-breaker. Since credit counseling and classes are a part of our program, we also try to analyze whether an applicant would benefit from our program if they were selected since they would receive this service.

HOUSTON COUNTY HABITAT FOR HUMANITY IS IN COMPLIANCE WITH THE FAIR HOUSING ACT, 42 U.S.C. SECTION 3601-3619 AND THE EQUAL CREDIT OPPORTUNITY ACT, 15 U.S.C. SECTION 1691-1691F (ECOA).

- ii. It's easy to allow the "Ability to Pay" to play the largest part in our selection of partner families. We must make an assessment that is based on "Partnership" and "Need for Housing" as well.

Note: *If we select a family with perfect credit, but has no housing need, are we fulfilling our mission? It is very easy to only select families who don't embody a lot of financial risk, but is that what we should do? As Millard said, there are no perfect families!*

3. WILLINGNESS TO PARTNER WITH HABITAT

- a. Submit application and attend an orientation meeting.
- b. Provide necessary documentation and agree to home visit.
- c. Accept and appreciate Habitat's basic home and its location.
- d. Understand and accept the responsibility for caring for a home and yard.
- e. Realize the implications of a highly visible and well-publicized community program.
- f. Agree to deliver 500 hours of "Sweat Equity" for homeownership and understand the demands present in this commitment.

4. RESIDENCY

- a. The purpose of this criterion is to insure that we are helping families who have a commitment to live and work in Houston County.
- b. At the time of application, the family making application must have lived and/or worked in Houston County for a minimum of one year.
- c. Also we want to make sure that our partner families are legal residents of the United States.
 - i. Therefore we will ask for proof of citizenship from **all** applicants.
 - 1. At least one applicant must be a Permanent Resident of the US or a US Citizen.
 - 2. Acceptable proof of citizenship is one of the following:
 - a. Birth certificate
 - b. U.S. Passport
 - c. Legal Resident Card ("Green Card")

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Habitat for Humanity helps individuals and families achieve **strength, stability and self-reliance through shelter.**

As active participants in building a better future for themselves and their families, **qualified Habitat homebuyers are...**

in need of better housing

Potential homebuyers might be dealing with poorly made, unhealthy or inadequate housing; unaffordable rent; homes inaccessible for their disabilities or damaged by natural disasters; or have other shelter needs.



willing to partner with Habitat

Habitat homebuyers put in hundreds of hours of “sweat equity” helping build their own home and the homes of others in the program. This might also include classes in personal finances, home maintenance and other homeownership topics.

able to pay an affordable mortgage

Habitat offers homebuyers an affordable mortgage. Their mortgage payments cycle back into the community to help build more affordable houses.



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