



## Homeownership Application FAQ's (Frequently Asked Questions)

- **Are both applicant AND co-applicant required to attend Orientation? What about other household members?**  
No, only one applicant per household is required to attend. Also, note that we will have volunteers at each Orientation to provide child care during the presentation.
- **What counts as acceptable income for purposes of the homeownership program at HFHGS?**  
We will consider the following forms of income in evaluating your eligibility for mortgage lending: employment income (including self-employment), SSI, SSA, disability payments, and child support or alimony payments, VA benefits, GI Bill benefits.
  - We cannot accept any inflexible or impermanent forms of income as mortgage qualification. This includes many government assistance programs, such as welfare (CashAid, CalWorks, etc.), unemployment, CalFresh, financial aid/work study, and others. However, these sources of income ARE considered as vital parts of your monthly budget and cash flow analysis. As such, if you are enrolled in any of these benefits, we ask for proof of receipt of any/all of these benefits.
- **I am self-employed. How do I show my income?**  
You would show your income the same way you show it on your tax returns. Please create a profit and loss statement for the last 6 months of business to show your accurate income. For self-employment we use your net income rather than your gross income. You can work with an accountant or provide this statement yourself, as long as you provide adequate proof of payment (checks, receipts, bank statements) and expenses (receipts, business reports).
- **Can I include my adult children's income if they live with me?**  
Yes, we require documentation of income for all working household members in order to evaluate your family's budget and level of need. However, only the income of the applicant and co-applicant (household members who will assume fiduciary responsibility for the home and mortgage) is considered when evaluating how well your family meets our "Ability to Pay" requirements and calculating your mortgage payment amount.
- **Should I list a person on the application as planning to live with me if I am not sure that he or she actually will be? For instance, my mom might come to live with me later in the year, but I am not sure yet. Should I list her on the application as going to be living in the house if I am approved?**  
You should not list the person this early in the process, but when you are interviewed, let us know that this is a possibility. If the person comes to live with you anytime during the process, you should add them to the application.

- **If I get a raise or lose my job after I have been approved, does that affect my application?**

Once you have been approved, a raise or new job opportunity will not disqualify you from homeownership.

Your application and family partnership could be affected if you LOSE an income source during the application or home build process. If your gross family income falls below 30% AMI you will no longer qualify for a loan through Habitat for Humanity based on our mortgage lending policies. Depending on your circumstances, we may place your application on hold, or, if the change is permanent, may be forced to de-select you from the program.

The best way to ensure you will qualify for a mortgage after completion of the home is to honor your partnership to HfHGS by maintaining consistent communication with us and actively managing your income and finances throughout the entire application and home build process.

- **What documents are proof that I am a permanent, legal resident of the United States?**

These are the documents we will consider as proof of legal residency in the US:

1. Birth Certificate—shows proof that individual was born in the US.
2. I-94 Arrival/Departure Record—shows that individual left their country and arrived in the US legally. This card has an expiration date that may be extended, or the card will acknowledge that the individual may stay in the US indefinitely.
3. Permanent Resident Card (Green Card)—shows that the individual has been granted authorization to live and work in the United States on a permanent basis. Conditional permanent residents and temporary resident aliens do not meet our qualification requirements.
4. Certificate of U.S. Naturalization (form N-550 or N-570) —shows proof that individual has obtained U.S. citizenship through the legal process of naturalization.
5. US Passport—shows proof of US citizenship.

- **If I am engaged, do we have to apply together?**

Yes, you need to go ahead and apply as a couple. If you do not and we find out later, we will consider the application falsified. California is a community property state; as such, you will both assume fiduciary responsibility for the home when you become a married couple.

- **What are Habitat for Humanity of Greater Sacramento's credit standards for acceptance?**

- We do not base decisions on FICO scores alone. There is no minimum score.
  - All accounts in negative standing must be made current.
  - No liens or judgements—all must be cleared.
  - At least 5 years evidence of financial stability following a foreclosure or bankruptcy discharged date.
  - Medical collections may be excused on a case-by-case basis.
  - We look for a debt-to-income ratio no greater than 43%.
- **How does student loan debt impact my eligibility? Do student loans count as part of my debt-to-income ratio?**  
 Student loans only count against your credit if they are in default. Total student loan debt will not be considered in determining debt-to-income ratio. To meet our qualification requirements, all loans must be in good standing, meaning:
    - a) You are actively making payments.
    - b) The loan is in active deferment.
      - a. If so, you must provide a statement showing why the loan is in deferment, when it will be out of deferment, and how much your monthly payments will be.
    - c) Any/all delinquent loans are made current by time of application submission.
    - d) Loan was previously in default, but you are now current.
      - a. If so, you must have been making regular payments on the student loan for the past 12 months.
- **How does a voluntary repossession count against me? Is it the same as a regular repossession?**  
 A voluntary repossession is the same as an involuntary repossession and does count as part of your credit. You must still pay off whatever balance is owed.
- **How does a past eviction affect my eligibility?**  
 An eviction in your rental history will not necessarily count against your application, however, we will want to know (and verify) the circumstances of the eviction before considering.
- **I want to apply for Habitat, but I am a person with a disability, making it difficult for me to perform sweat equity. Will Habitat be able to accommodate me?**  
 All homeowners partnering with HfHGS must complete the full 500 hours of sweat equity. Habitat will create modified sweat equity opportunities for family partners with disabilities. Alternatives may include helping with administrative work in our office, working in the ReStore, or doing non-construction work at the build site.
- **What if I or someone in my household has a criminal record?**  
 We take certain offenses (drug solicitation, violent or sexual crimes) very seriously, but we also recognize that a person's past is not necessarily indicative of who he/she is today. Do not let a criminal record stop you from applying, but please be prepared to

provide character references and an explanation of any arrests. Prior to acceptance we will run a full criminal background check including both state and national sex offender registries.