



Office: 61 Main Street, Suite 246, North Adams, MA

Phone: 413-664-4440

E-mail: [nbhabitat@msn.com](mailto:nbhabitat@msn.com)

Mail: PO Box 391, North Adams, MA 01247

Dear Applicant,

Thank you for your interest in applying for homeownership through Northern Berkshire Habitat for Humanity. We are currently selecting a family for a new 3-bedroom home to be built in Williamstown at the corner of Cole Avenue and Maple Street. **The deadline for receipt of completed applications is August 24, 2020.** Completed applications should be returned to NBHfH, PO Box 391, North Adams, MA 01247, or to our office at 61 Main Street, Suite 246 North Adams. Our office hours are Monday-Friday, 9am-noon; there is a mail slot in the office door if the office is closed.

*Please review all the enclosed information carefully. It is important that you complete all sections of the application thoroughly and that you submit the supplemental information included on the enclosed checklist. Please do not submit original documentation; instead provide copies of the required documents.*

Three criteria are particularly important in selecting homeowners. You must have housing need, you must meet financial eligibility requirements for your family size, and you must be willing to partner with us in sweat equity work on this home and future homes. More details on the selection criteria are included on the reverse of this page.

After your application has been received, it will be evaluated first for financial eligibility for a Habitat home. If your application receives financial approval, the next step will be family interviews. We will contact you to arrange an initial appointment for two members of the family selection committee to visit your family in your home to evaluate your housing need and willingness to partner with the Habitat program. A second interview will be arranged for follow-up questions and provide you with opportunity to clarify your concerns. The Family Selection Committee will choose by lottery from the families who qualify. We are only able to select one family at this time, but we will keep applications on file for future homes if you are not chosen in this final step.

If you have questions or need assistance in completing your application, please make an appointment for one of our scheduled information sessions: July 14, 2020 or August 13, 2020, at the Habitat office in North Adams. Or you may contact the NBHfH office by phone or by e-mail and leave a message, or stop in to our office. A member of the family selection committee will follow up with you on any questions that cannot be answered at the office.

Northern Berkshire Habitat for Humanity does not discriminate in the selection of applicants on the basis of race, color, national origin, disability, ancestry, children, familial status, genetic information, marital status, public assistance reciprocity, religion, sex, sexual orientation, gender identity, veteran/military status, or any other basis prohibited by law. Northern Berkshire Habitat for Humanity is a not-for-profit organization and we do business in accordance with Federal and Massachusetts Fair Lending Laws.



June 2020

## IMPORTANT INFORMATION ON THE APPLICATION PROCESS AND HOME OWNERSHIP THROUGH HABITAT

**HOW DOES A FAMILY QUALIFY FOR A HABITAT HOME?:** Families are chosen based on a combination of Family Selection criteria:

- **Need for Shelter-** The applicant's current shelter is inadequate because it is structurally unsound, is overcrowded, has unsanitary or unhealthy conditions, is in an unsafe neighborhood, needs basic repairs that the landlord will not make, or the resident is paying more than 50% of the household income for housing.
- **Willingness to Partner-** The applicant agrees to work cooperatively with NBHfH from the time of selection until the mortgage is paid off. They must attend meetings with NBHfH representatives for financial counseling and homeownership education, and must help build their own home, completing a minimum of 250 hours of sweat equity per adult in the home and future homes.
- **Ability to Pay-** The applicant shows a stable and adequate income and evidence of an ability to manage money responsibly

Family Size	Minimum Income	Maximum Income
3 person	\$26,200	\$46,140
4 person	\$26,200	\$51,240
5 person	\$30,680	\$55,380
6 person	\$35,160	\$59,460
7 person	\$39,640	\$63,540
8 person	\$44,120	\$67,680

The maximum sale price of the Cole/Maple house will be \$142,000 with a final price and mortgage term set to ensure the selected family's housing costs do not exceed 30% of their total income. The minimum income required is \$26,200 or 30% of the area median income adjusted for family size, whichever is higher.

Maximum income is 60% of the area median income, adjusted for family size. Initial monthly payments for mortgage, taxes, and insurance may range from \$650-\$750. Monthly payments will vary based on the length of the mortgage, final sale price, property taxes and insurance cost.

Families who are selected purchase their home at no profit to Habitat with a 30-33 year mortgage. Since materials and service are donated, the cost is lower than conventional housing.

**AFFORDABLE HOME DEED RIDER AND DISCLOSURE:** This home will be sold with deed rider that preserves it as an affordable home in the future. This rider will *limit* the sales price of the house in the future so that it will be affordable again to an income eligible household. The rider will also require the home to be used as your primary residency. Renting of the home is not allowed; any refinancing or capital improvements will need the approval of the Town, Habitat and the Department of Housing and Community Development (DHCD). A copy of the deed rider and the homeowner's disclosure may be reviewed at:

<http://www.mass.gov/hed/docs/dhcd/hd/lip/lipdeedrider.pdf> . A copy of a model disclosure is available on the NBHfH website at <http://www.northberkshirehabitat.org/> .

**NON DISCRIMINATION:** Northern Berkshire Habitat for Humanity does not discriminate in the selection of applicants on the basis of race, color, national origin, disability, ancestry, children, familial status, genetic information, marital status, public assistance reciprocity, religion, sex, sexual orientation, gender identity, veteran/military status, or any other basis prohibited by law.

**FINANCIAL INTEREST:** Individuals who have a financial interest in the development and their families shall not be eligible.

## **A PRIVACY NOTICE is enclosed in this packet**

**HOME MORTGAGE:** All applicants will be pre-approved for a mortgage as part of determining eligibility for the final lottery. This will be the required mortgage for these homes. Actual terms (length of mortgage) may vary between 30 and 33 years, depending on borrowers' income and debt.

**"FIRST TIME HOMEBUYER" DEFINITION EXPLAINED** --- To qualify you must be a "first time homebuyer."

However, **there are several important EXCEPTIONS.** If any of these exceptions describe YOUR situation, you may still be considered a qualified "first time home buyer" for the purposes of this application.

**First time homebuyer means:** The household shall not have owned a home *within three years preceding* the application.

### **Exceptions to this rule include:**

1. displaced homemakers, where the displaced homemaker (an adult who has not worked full-time, full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family), while a homemaker, owned a home with his or her partner or resided in a home owned by the partner;
2. single parents, where the individual owned a home with his or her partner or resided in a home owned by the partner and is a single parent (is unmarried or legally separated from a spouse and either has one or more children of whom the individual has custody or joint custody, or is pregnant);
3. households where at least one household member is 55 or over;
4. households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
5. households that owned a property that was not in compliance with state, local or model building codes and that cannot be brought into compliance for less than the cost of constructing a permanent structure.

Please note: Even if you qualify for the exception, *your previously owned home must be sold* before the date of your application.

**"HOUSEHOLD"** shall mean two or more persons who live regularly in the unit as their principal place of residence and who are related by blood, marriage, law or who have otherwise evidenced a stable inter-dependent relationship.

**FINAL LOTTERY preferences:** in the final lottery of eligible candidates there will be first preference for families of a size that will utilize the number of bedrooms being offered, above smaller families.

### **REPORTING OF ALL INCOME AND ASSETS:**

#### **INCOME**

1. **All income of all adults 18 or older** who are members of the household to live in the Habitat home (even if temporarily away) must be reported.
2. Most of **the income of full time students over 18**, other than head of household or spouse, will be disregarded for eligibility purposes as long as their student status is documented (but it still must be reported and documented.)
3. Adult household members with **zero income** must sign a certification of zero income.
4. There **are a very few sources of income that are not counted as income.** You should *report all income.* Our credit reviewers have the list of excluded income, and will disregard any income on that list. If you have a question whether a source should be counted, list and document it, and put that question in your cover note. (Examples may include certain one-time payments, or compensation specifically for medical expenses)

5. Northern Berkshire Habitat for Humanity uses **the standards of HUD 24 CFR 24 5.609** in considering what income to count, and the required methodology of the Federal Home Loan Bank of Boston Affordable Housing Program.

### **ASSETS**

All assets of all household members, including minor children, should be listed in the application with their value, and documented. **There is a \$75,000** asset limitation to qualify as an affordable home ownership applicant under the Department of Housing and Community Development Ch. 40B program (which governs the homes you are applying for with Habitat. Habitat's **reference for what assets shall be considered are LIP {40B Guidelines Appendix II-2 and HUD Handbook (6/07) Exhibit 5-2: Assets (LIP Guidelines will supersede)}**. Common assets are cash (including the cash from lump sum payments, even if not counted as income) held in bank accounts or in other ways, revocable trusts, rental or capital investment income, stocks, bonds, treasury bills, C.D.s, retirement accounts, if the holder has access to the funds (even with a penalty), face value of whole (not term) life insurance, and others. Excluded from the limit is certain personal property (such as car, furniture, wedding ring, and other) that is not held as an investment, and assets (other than owned rental property) that is part of an active business. All assets should be reported. The Habitat's credit reviewers will reference the list of what is included/excluded if this may make a difference in an applicant's eligibility for our program.

**REASONABLE ACCOMODATION:** persons with disabilities have the right to request a reasonable accommodation related to the home, or to the Habitat process. Please see the bottom of Application, Page 1, asking if a modification will be needed to the home, and the Sweat Equity Form, where we ask about restrictions to your participation and what you *will* be able to do. You must document that you have a disability, and the relevant restrictions for the accommodations you are requesting.

## Sweat Equity Policy

Northern Berkshire Habitat for Humanity, Inc. (NBHfH) requires every partner family receiving a home provide a minimum of 250 hours of sweat equity per adult in the family in the construction of their new home. Sweat equity is defined as labor to assist NBHfH in its mission to work with families as they lift up their lives, by building safe, sound and affordable housing. Sweat equity is a way for homeowners to build pride in owning a home and understand maintenance requirements. The partner family will meet with NBHfH to develop a plan to obtain the necessary hours.

Because the 220 Cole Avenue project is already partially completed and because of current COVID-19 restrictions, the timeline for completion of the sweat equity requirement will extend through the completion of the next home, next door on Maple Street. The family selected may also earn sweat equity credit through community volunteer work, as approved by NBHfH.

Construction sweat equity may include all family members 16 years of age or older that will be living in the house, extended family members and friends. Extended family members and friends cannot contribute more than a total of 150 hours to sweat equity, though they are encouraged to volunteer as much as possible to get the family into the home sooner. This is to encourage the new homeowners to provide the majority of hours.

Family members attending a financial literacy or homeowner education course may apply the hours spent in classes to their sweat equity requirement.

Family members under the age of 16 may contribute directly to the sweat equity hours by means other than construction. Students may earn hours by their achievements in school up to 25 hours; 2 hours for A's, 1 hour for B's in English, Social Studies, Science, Technology, Engineering and Math per quarter.

In some cases, a partner family or family member may not be physically able to meet the construction sweat equity. In those cases, they can use alternative means to achieve the required hours provided the alternative is approved by NBHfH. Suggested alternatives may include assisting at events sponsored by NBHfH, assisting in the office, community outreach or other types of community service. An individual not capable of construction work on site could be assigned as a "site clerk" documenting hours, getting release forms signed, retrieving tools for volunteers, clean-up and other general assistance.

Families are required to turn in monthly sheets to show how much sweat equity they are doing to make sure they are staying on track. Families who are not on track will be called for a meeting. If NBHfH has to call the family more than three times for a meeting they are up for deselection due to lack of ability to partner.

A log book will be made available at the building site to record the names and hours worked by the partner family, extended family and friends. The site supervisor shall initial each entry to confirm it.





## Privacy Statement and Notice

At Northern Berkshire Habitat for Humanity, Inc. we are committed to keeping your information private. We recognize the importance applicants, program families, tenants, and homeowners place on the privacy and confidentiality of their information. While new technologies allow us to more efficiently serve our customers, we are committed to maintaining privacy standards that are synonymous with our established and trusted name.

When collecting, storing, and retrieving applicant, program family, tenant, and homeowner data – such as tax returns, pay stubs, credit reports, employment verifications and payment history – internal controls are maintained throughout the process to ensure security and confidentiality.

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others; and
- Information we receive from a consumer reporting agency.

We may disclose the following kinds of nonpublic personal information about you:

- Information we receive from you on applications or other forms, such as name, address, phone number, Social Security number, assets, income, place of employment;
- Information about your transactions with us, our affiliates, or others such as your loan balance or payment history;
- Information we receive from a consumer reporting agency such as your credit worthiness and credit history

Northern Berkshire Habitat for Humanity, Inc. employees and volunteers are subject to a written policy regarding confidentiality and access to applicant data is restricted to staff and volunteers on an as-needed basis. Information is used for lawful business purposes and is never shared with third parties without your consent, except as permitted by law. As permitted by law, we may disclose nonpublic personal information about you to the following types of third parties:

- Financial service providers, such as mortgage servicing agents;
- Nonprofit organizations or governments; and
- Utilities.

If you prefer that we do not disclose non-public personal information about you to nonaffiliated third parties, you may opt out of those disclosures, that is, you may direct us not to make those disclosures (other than disclosures permitted by law). If you wish to opt out of disclosures to nonaffiliated third parties, you may call Northern Berkshire Habitat for Humanity Inc. at 413-664-4440 or send a letter to Northern Berkshire Habitat for Humanity, Inc. P.O. Box 391, North Adams, MA 01247.

If you have questions or concerns about this privacy notice, please contact our office.

