



Partner Family Manual



Partner Family Manual

Table of Contents

Staff Directory	Page 3
Habitat Information	Page 4
ReStore Information	Page 5
Partnership: Working Together	Page 6
Building Your Home	Page 7
Lot Assignments	Page 8
Construction Guidelines	Page 13
Sweat Equity	Page 8
Ground Breaking & Home Dedication	Page 12
How Does Habitat arrive at the sale price of homes?	Page 14
Down Payment	Page 15
Monthly Payments	Page 16
Closing Procedures	Page 17
Partnership Ending Policy & Procedure	Page 19
Frequently Asked Questions	Page 21
Terms to Know	Page 23



Partner Family Manual

Habitat Staff Members – Affiliate

Tom Simon – Executive Director

The Executive Director (ED) oversees the daily operations at HFHO and may be called on to answer questions, facilitate staff and Board communications. The Executive Director will facilitate mortgage loan origination and closing.

***Contact Tom at (920) 235-3535 or tsimon@habitatoshkosh.org**

Anne Van De Hey – Family Services Manager

The Family Services Manager is responsible for coordinating several aspects of Habitat programming, including Family Selection, Family Services, and Volunteer Services as well as Community Outreach for the affiliate. Anne Van De Hey is the program participant's primary point of contact for all program concerns between application and closing.

***Contact Anne Van De Hey at (920) 235-3535 or ahey@habitatoshkosh.org**

Dan Traxler - Development Director

The Development Director raises funds for Habitat to build homes and complete Rock the Block. The Development Director also oversees the planning of Home is Where the Heart is, Habitat Oshkosh's annual fundraiser. Partner families attend this event and have the opportunity to speak.

***Contact Dan Traxler at (920) 235-3535 or dtraxler@habitatoshkosh.org**

Nichole Ise – Sustainability Director

The Sustainability Director is responsible for coordinating the donation of goods to the ReStore that would otherwise reach the landfill. The Sustainability Director also oversees the ReStore and coordinates larger volunteer opportunities at the ReStore.

***Contact Nichole Ise at (920) 235-3535 or nise@habitatoshkosh.org**

Rob Rabe – Site Supervisor/Project Manager

The Site Supervisor/Project Manager is responsible for all activities related to construction, including planning build days, scheduling contractors, teaching and overseeing volunteers and partner families on build days.

***Contact Anne Van De Hey to reach Rob at (920) 235-3535 or ahey@habitatoshkosh.org**



Partner Family Manual

What is Habitat for Humanity?

Habitat for Humanity International was founded in 1976 by Millard & Linda Fuller, who believed everyone deserved a place they could call home. Millard & Linda started the organization in Americus, Georgia with a "Fund for Humanity." The Fullers believed that what people needed was a "hand up" not a "hand out".

Habitat for Humanity of Oshkosh, Inc (HFHO) is one of hundreds of Habitat for Humanity International (HFHI) affiliates. HFHO is a nonprofit, ecumenical Christian housing ministry. Habitat seeks to put God's love into action by building simple, decent and affordable housing. Habitat's mission is to work in *partnership* with people everywhere to eliminate substandard and overcrowded housing through affordable homeownership.

Formed in 1989, HFHO builds new homes for families who do not qualify for conventional financing. HFHO sells new homes to partner families through a zero percent interest, 20-30 year mortgage.

Contact Information

Address:

Habitat for Humanity of Oshkosh
2559 Badger Avenue
Oshkosh, WI 54904

Phone:

(920) 235-3535

Hours:

Monday – Friday ... 9am – 5pm



Partner Family Manual

Oshkosh ReStore

In 2010, HFHO opened the ReStore, a retail store that sells donated furniture, appliances and building materials to the general public at discounted prices. At the ReStore, customers find anything from lumber and cabinets to furniture and appliances. It's an amazing resource for discounted home supplies.

Materials sold at the ReStore are donated goods from building supply stores, contractors, demolition crews, and individuals. In addition to selling goods, the ReStore offers deconstruction and donation pick-up services. Through its services, the ReStore aims to help the environment by reusing and recycling materials that would otherwise end up in the landfill.

All proceeds from ReStore sales support HFHO and its mission to build simple, decent and affordable homes in the Oshkosh community.

Address:

1640 S. Koeller St
Oshkosh, WI 54902

Phone:

(920) 230-3535

Hours:

Tuesday - Saturday 10am – 6pm





Partner Family Manual

Partnership: Working Together

Through HFHO, partner families are able to purchase a home with an interest free, 20 to 30 year mortgage. HFHO is able to sell homes at cost to partner families with the cost saving benefits of volunteer labor, support of partner families, and community sponsors.

The Sponsoring Organization Contributes:

- Funds and In-Kind Contributions needed to build most of the Habitat home
- Volunteers to help build the home

HFHO Contributes:

- A qualified partner family selected on the basis of need, ability to pay & willingness to partner
- A buildable lot for construction of a new home, building & site plans
- Financing with a 20 to 30 year 0% interest mortgage
- All legal work for the project
- Builder's insurance for the house and volunteers during construction
- Construction supervision
- Warranty coverage for the house for the period specified by law
- Ongoing support for the homeowner during the entire mortgage period

Partner Families Contribute:

- 200 – 400 hours of Sweat Equity work
- A down payment of \$1,000 - with \$500 due within 30 days of program acceptance and the remaining \$500 due 30 days prior to closing
- Monthly principal payments on a 20 to 30 year interest free mortgage
- Monthly escrow payments for real estate taxes and homeowner's insurance
- Payments of all other costs associated with homeownership including:
 - Utility costs (water, electricity, sewage, trash disposal)
 - Yard care costs
 - Costs of regular maintenance
 - Costs of unexpected maintenance
- Good stewardship of the new property
- Respect of neighbors and neighborhood
- Continued willingness to partner with HFHO



Partner Family Manual

Building Your Home

Upon selection, partner families are given the opportunity to meet with HFHO staff to discuss specific home plans. The basic floor plan of the home will already be designed. Partner families may have choices to make regarding materials, depending on available options.

Please keep in mind that not all HFHO homes are alike. Every Habitat partnership is unique, and HFHO builds simple, decent and affordable homes with materials and resources currently available to meet each family's needs.

The basic HFHO home generally includes:

- Approximately 900 square feet of living space for a 2 BR house; 1,070 square feet for a 3 BR house; 1230 square feet for a 4 BR house (number of bedrooms and bathrooms is determined by Federal HUD Guidelines)
- Steel entry doors with deadbolts
- Residential carpet and vinyl flooring
- Gas or electric range
- Refrigerator with ice maker
- Water heater and furnace
- Air conditioner
- Low-maintenance exterior siding
- Insulated windows with screens
- Lawn graded, seeded

The basic HFHO home **does not** typically include:

- Ceiling fans
- Fences
- Concrete patio

****Additional appliances, features or any of the above listed items not typically included in a HFHO home, may be added to the home after closing at the homeowner's expense. Building permits or permissions from the City of Oshkosh or Omro may apply for some features.***



Partner Family Manual

Lot Assignments

When preparing lot offers, HFHO will consider family preferences and size. Partner families may be offered up to two lots based on lot inventory. If a family declines both offers, they may be de-selected from the program but will be eligible to reapply at a future date.

Sweat Equity

Sweat Equity is the work and time a partner family spends helping to build their own home and the homes of other HFHO partner families, as well as participation in required workshops and meetings with HFHO staff. Partner families can also complete sweat equity hours by working at the HFHO ReStore. Prospective partner families with conditions that prevent them from working on an active construction site will be given alternative opportunities to complete their required hours.

Habitat Partner Families should participate in as many workdays as possible. Partner Families will learn skills to help with home maintenance and get to know the volunteers that are helping to build each home.

Normally, a home takes between four to six months to complete from the groundbreaking to dedication. Closing will be scheduled when a minimum of 90% of sweat equity hours are complete and move-in can occur when 100% of required hours are completed.

Sweat equity is a vital component of Habitat for Humanity partnerships for 3 reasons:

1. **Building community:** Sweat equity creates connections between partner families, Habitat staff, Habitat volunteers and the larger community.
2. **Neighborhood pride:** Helping to construct your own home as well as your neighbors' homes provides a sense of accomplishment and ownership.
3. **Development of skills & knowledge:** On the construction site, future homeowners gain an understanding of what goes into building their homes, and are therefore better equipped to deal with maintenance and repair issues that arise after occupancy.



Partner Family Manual

Section 1: Minimum Requirements

Partner Families are required to complete a specific number of sweat equity hours as a part of the partnership agreement. Hours are based on the number of adults in the home.

One-Adult Family: 200 hours

Two-Adult Family: 400 hours

*It is recommended that Partner Families begin working on sweat equity hours before construction begins by volunteering at other build projects or at the ReStore.

Section2: Types of Sweat Equity

Sweat Equity can be broken down into many categories. Below is a suggested breakdown of hours:

Type of Sweat Equity	Single Adult	Multiple Adult
Construction	50 hours	120 hours
ReStore	8 hours	16 hours
Rock the Block	8 hours	16 hours
Education	10 hours (minimum)	20 hours (minimum)
Contributed by Friends/Family	50 hours (maximum)	125 hours (maximum)
Opportunities for Kids	14 hours (maximum)	14 hours (maximum)
Babysitting Hours	50 hours (maximum)	50 hours (maximum)
Thank You Notes	20 hours (maximum)	20 hours (maximum)
Area Non-Profit Volunteering*	8 hours (maximum)	16 hours (maximum)

* Partner families may volunteer with a non-profit in their new neighborhood and have those hours count towards sweat equity. Ex. families building in Omro would earn hours for volunteer work done in Omro. Contact Anne for a list of nonprofits in your neighborhood.

Thank you Notes - a maximum of 10 hours can be awarded for a minimum of 20 thank you notes. Families can write additional cards, but the maximum hours that can be awarded cannot pass 10.



Partner Family Manual

2.1 Construction hours are counted as time spent actively working at the build site.

2.1.a Scheduling Hours

- Partner Families can select existing dates to volunteer on Galaxy Digital. If you would like to reserve a build day for friends/family/co-workers you must schedule in advance by contacting the Family Services Manager.
- Everyone must sign up in advance to work; those who do not may be denied access to the construction site.
- Families should let HFHO know how many people they wish to bring with them when they work. The maximum number of people on site at any time is 8-10, depending on activity, and all build site volunteers must be 18 or older. Exceptions can only be made to the age requirement on painting build days (16 or older).
- A partner family member does not need to be present for friends/family to volunteer.
- Volunteers are encouraged to stay a full workday. If they cannot, there may be opportunities for "half days" depending on the tasks for that day. Half days are only available in the morning, and it must be communicated to the Family Services Manager at least 24 hours prior to the build day. Lunch will still be provided for half day volunteers.

2.1.b Canceling Scheduled hours

All scheduled volunteers, including Partner Families, who are unable to work their scheduled hours must inform the Family Services Manager at least 24 hours before the scheduled time or cancel their sign up on Galaxy Digital..

2.1.c No show/No call & Lateness

Partner Families who are repeatedly late or do not show for scheduled activities may be putting their partnership with Habitat in jeopardy.

2.1.d Construction Site Sign-In Procedures

Partner Families must sign in and sign out of their shift at the job site.

2.2 ReStore



Partner Family Manual

- Partner Families may complete some of their sweat equity hours at the ReStore. There is no limit to how many hours a family can work at the ReStore.
- The same guidelines for scheduling hours for construction apply to the ReStore, except they must be scheduled with the ReStore Manager. Simply email restore@habitatoshkosh.org at least 24 hours prior to your intended volunteer time. The ReStore can accept volunteers from 11am to 5pm Tuesday - Saturday.
- Make sure an orange slip is filled out for each volunteer shift by ReStore Staff documenting your hours. The Family Services Manager will then input those hours in Galaxy Digital.

2.3 Education

Habitat requires attendance at workshops where homeowners will learn more about their new homes as well as financial management. Attendance at the following sessions will be applied to Sweat Equity requirements.

***It is required that each adult attend Homebuyer Education and Counseling. Partner Families must provide HFHO a copy of the certificate upon completion of the course.**

Neighborworks Green Bay is HUD approved to offer homebuyer education and counseling through the National Foundation for Credit Counseling. Homebuyer education and counseling can help you understand the mortgage lending process and what is involved in being a homeowner. For example, it's important to know how much home you can afford and still have enough money to do other things.

Housing Counseling is a two-part class. Part one is complete online and part two is an in-person budget appointment. The cost for the two-part class is \$500 and is covered by FHLB Down Payment Assistance.

Part 1: Register for Virtual Home Buyer Education Course - 2 part Zoom Session. This registration can be completed online, via an intake form. Or in-person at the Habitat office.

Part 2: Once you complete the zoom course, contact your Neighborworks Green Bay course facilitator for part 2 (in-person budget counseling appointment). This budget counseling can be scheduled as an in-person meeting at the Habitat office or as a zoom session.

2.4 Family/Friends Hours

Relatives, friends and colleagues may work and donate sweat equity hours to Partner Families.

- There is a limit of 50 hours for a single adult family and 125 hours for a two adult family.
- Partner Families may request build day(s) with groups of Family/Friends willing to volunteer and donate sweat equity hours. These special build days must be coordinated with the Program Manager in advance.

2.5 Opportunities for Kids at the ReStore



Partner Family Manual

Children often wish to help with sweat equity hours for their family. Children 14 and older may volunteer at the ReStore. Limited hours and opportunities are available. All ReStore volunteering must be scheduled with the ReStore Manager.

2.6 Babysitting Hours

Hours that an unpaid babysitter is watching children while Partner Families are volunteering at the construction site or at the ReStore may be counted as donated Friends/Family sweat equity hours. A maximum of 50 hours will be counted.

Section 3: Tracking Sweat Equity Hours

Partner families are responsible for keeping track of sweat equity hours, monitoring their galaxy digital profile to make sure hours are showing. Families are also responsible for making sure their friends & extended family respond to the "Friends & Family of X" opportunity on Galaxy Digital. This allows the Family Services Manager to keep track of donated hours accurately for Partner Families. At the end of each month the Family Services Manager will update families on their hours.

Ground Breaking

A groundbreaking event is a great opportunity for community members and donors to join Habitat, the partner family, and volunteers in the celebration of this happy occasion.

Home Dedication

The home dedication is an event in which HFHO dedicates the home and symbolically turns over the keys to the Partner Family. It's a celebration of all the hard work put in to earn the opportunity of homeownership, an appreciation of all the volunteers' hard work, and a way to share the special moment with the community and sponsors.

Partner Families are required to attend Groundbreaking and Home Dedication events.. Each event takes approximately 1-2 hours and the time spent at these events does not count for sweat equity. Each ceremony is scheduled around that partner family's availability.



Partner Family Manual

Construction Guidelines

The construction staff works with volunteers and Partner Families to build homes in safe and cost-effective ways. The process is challenging, but the rewards include a sense of community pride and a new home for a family in need. The day of closing and home dedication should be a celebration of hard work and learning, not a formality required by Habitat for Humanity International.

HFHO will hold Partner Families to a higher standard than that of a normal volunteer; Partner Families are the face of Habitat. As sweat equity hours are completed, Partner Families learn new skills and become more familiar with building techniques. Upon completion of the program, families are able to properly maintain their home and know how to deal with many problems that may arise in the future, because they helped build it.

HFHO aims to keep everyone safe, keep the projects progressing and give the volunteers a positive experience. It is not our intention to make the journey towards homeownership a difficult process. It is our goal that at the end of the program, Partner Families are prepared for homeownership, can handle basic home maintenance, and will be a good neighbor.

Below are the most important rules for the construction site. Please read them carefully and abide by them.

1. As the recipient of the home that the staff & volunteers are working on, be respectful and professional to everyone on site. Volunteers will not receive anything at the end of their service; Partner Families will. There are a lot of unknowns in working with volunteers which cannot be controlled, and one thing that we all can try to control is our attitude in stressful situations. The construction staff should know when to expect you, how many people will be with you and that you will do what is asked to the best of your abilities with a positive attitude.
2. The work day begins at 8:30 am (depending on the tasks for that day). Please arrive on time.
3. Contact Habitat staff to schedule sweat equity hours in advance so that HFHO can properly plan build days.
4. If you are unable to attend a day that you are scheduled, call or email the Family Services Manager 24 hours in advance to let them know before you are scheduled to arrive. You may also cancel your sign up on Galaxy Digital yourself.
5. Come dressed appropriately for the construction site and the weather. Construction work is sometimes dirty, cold or hot, so please come prepared.
6. Partner Families will become familiar with the construction site and storage areas. Please be ready to assist volunteers in finding tools or materials they may need as well as help keep track of tools by putting them back in their proper places.
7. Make sure to sign in and sign out at the build site.
8. If you do not have a job assigned, or if you have completed your assignment and construction staff isn't available for further direction, see if any other team needs assistance. If no one else needs assistance, work on cleaning the site.



Partner Family Manual

How does Habitat arrive at the price of its homes?

Habitat for Humanity International mandates that Habitat affiliates, including HFHO, shall conduct home sales and mortgage financing transactions in such a way as to assure that the *initial monthly payment* of a purchaser of a Habitat home shall not exceed 30 percent of the household's gross income. Included in this monthly payment calculation are loan principal, property taxes and homeowner's insurance.

Habitat's home pricing is designed to assure that the homes produced by Habitat for Humanity affiliates are sold on a no-profit basis. In order to fulfill this no-profit mandate, affiliates may include the following costs into the calculation of the prices of their homes:

- Cash costs, or donated value of property acquisition and installation of infrastructure (streets, water, utilities, sewer, etc.).
- Legal fees, recording fees, property platting costs, engineering costs and architectural costs directly attributable to the home.
- Direct construction costs for labor and materials paid for by the affiliate.
- The value of in-kind material donations.
- The value of donated professional labor by individuals and firms.
- Licenses, permits, insurance and fees directly attributable to the home.
- In addition to the above "direct" or "production" costs, the affiliate is permitted to include up to 10 percent of these total direct costs, to cover indirect expenses incurred by the affiliate in the production of the home.

The total repayable price of the home, i.e., the total amount the homeowner will repay to the Habitat affiliate over the life of the mortgage, may be less than but must not exceed the total development costs of the home, as defined above.



Partner Family Manual

Down Payment

Partner Families are required to make a down payment of \$1,000. The first \$500 installment is due within 30 days of program acceptance. The final \$500 payment is due 30 days prior to closing. Payments can be made in partial increments within both 30 day periods. Checks should be made out to Habitat for Humanity of Oshkosh. Contact the Family Services Manager with any questions or concerns.

Additional Down Payments

Habitat often coordinates down payment assistance through City, County and local credit union programs that help reduce the purchase price of each home. Some down payment assistance amounts are due to the borrower if/when the Habitat home is no longer the buyer's primary residence.

Down payment assistance programs may protect Habitat affiliates from homeowners selling their home immediately after moving in to make a profit. This would result in Habitat affiliates losing volunteers, sponsors and donor support.

Monthly Payments



Partner Family Manual

Monthly payments to HFHO consist of principal, property tax escrow and insurance escrow. Initially, monthly payments will be set to not exceed 30 percent of the household's gross income. This amount will be adjusted on a yearly basis to account for tax and insurance increases or decreases.

Principal Payment

The principal payment is the amount that goes towards the mortgage. Monthly payments will depend on the length of the mortgage, the mortgage price and Partner Families' gross income.

Property Tax Escrow

A portion of the total monthly payment is applied to property tax escrow. At the end of the year, tax bills are paid by HFHO out of the escrow account. The monthly escrow payment may increase or decrease each year depending on the previous year's property taxes.

Homeowners Insurance Escrow

Partner Families are required to maintain homeowner's insurance on their home at all times. Another portion of the total monthly payment will go into an insurance escrow and each family's annual premium will be paid out of that account by HFHO. The monthly escrow payment may increase through the years as the annual insurance premium adjusts. The homeowner is responsible for the purchase of their homeowner's insurance.

Closing Procedures

About one month prior to closing, the Partner Family must meet with the Family Services Manager and/or



Partner Family Manual

Executive Director to discuss closing procedures. Before closing can be scheduled, a family's sweat equity requirements must be 90% complete.

Setting Up Your Bank Account

Within one month of closing, Partner Families must set up an account with the institution discussed prior to closing (for example, Fortifi Bank or Associated Bank).

Your payments are due on the first of each month. Fortifi Bank or Associated Bank will send monthly statements, showing how much money is accumulating in each escrow account.

Getting Homeowners Insurance

Before closing, Partner Families are responsible for obtaining homeowners insurance. Homeowner's insurance protects you if your home is damaged or destroyed. **Your first year policy must be paid out of pocket in full before we close on your home.**

HFHO cannot recommend which insurance company to use. Partner Families should shop around to find the policy that best meets their needs. Many companies will offer discounts for carrying more than one policy (car insurance, for example). Partner Families should start looking for homeowners insurance after meeting with HFHO about closing procedures to ensure enough time to obtain a policy before closing. HFHO will coordinate a home appraisal to determine the home value amount to insure. **Partner Families should tell the insurance agent that an escrow with Habitat for Humanity of Oshkosh, Inc. has been established for future payments, and to call the HFHO office at 235-3535 with any questions.**

TYPES OF COVERAGE: There are three main types of insurance coverage:

- **Actual Cash Value**– You are covered for the actual cash value of your home and/or possessions. You would get a check for what your stuff was worth before it was destroyed, not what it would cost to replace it.
- **Extended Replacement Cost**– You are covered up to a specified amount. If your policy coverage is \$100,000 and has a \$150,000 cap, the policy could pay up to \$150,000 of rebuilding costs if your home were destroyed.
- **Guaranteed Replacement Cost** - There is no cap or maximum payout amount. If your home was originally worth \$100,000 but increased in value to \$180,000 due to renovations, guaranteed replacement coverage would allow you to rebuild the home to its \$180,000 condition if it were destroyed. This type of coverage may cost more, but provides the most protection. Typically, insurance companies limit the amount to rebuild your home to no more than 20 percent above the amount for which your home is insured.

LIABILITY INSURANCE: This protects you if someone is injured by you on your property. If you or a family member (including your pets) causes injury to another person, the insurance will cover those medical costs. Most homeowners policies include \$100,000 of personal liability coverage.



Partner Family Manual

DEDUCTIBLE VS. PREMIUM:

- **Deductible:** The amount you pay for any claim before the insurance company starts paying. For example, if you make a claim that your insurer accepts for \$5,000, and your deductible is \$250, the insurance company will pay \$4,750.
- **Premium:** The amount you pay to keep the policy in force.

Many policies have deductibles of \$250. By increasing your deductible, you can save money on your premiums. However, you must be able to afford to pay the higher deductible if you need to make a claim.

***It is important to re-evaluate the value of your home overtime or after making improvements to ensure you have enough coverage.**

Signing the Mortgage

All closings take place at Assurance Title Services at 901 Witzel Ave. in Oshkosh. Closing costs are factored into your mortgage. Partner Families are required to bring photo identification to closing.

Final Walkthrough

A final walkthrough will be scheduled with the Project Manager and Family Services Manager before you move-in. For one year after moving in, any repairs due to construction defects will be the responsibility of Habitat. Contact the Family Services Manager to request a work order form.

Moving In

Move-in can be scheduled after closing, home dedication ceremony and 100% of sweat equity hours are completed.

UTILITIES:

Utility costs incurred during construction are added to the cost of the home. Upon moving in, all utilities become the responsibility of the Partner Family. **Call both the City of Oshkosh/Omro and Wisconsin Public Service to get the utilities arranged prior to moving in.** If this isn't done, HFHO will charge the Partner Family any costs billed to HFHO until the arrangements are made.

HFHO installs telephone and cable lines during construction. Partner Families are responsible for home phone or cable service installation and subsequent fees.

Partnership Ending Policy & Procedure

A partnership between a family and HFHO may end due to the following reasons:



Partner Family Manual

1. Failure to complete sweat equity requirements.
2. Fraud or Misrepresentation.
3. Failure to Partner.
4. Negative Change in Economic Circumstances.
5. Partner Family chooses to end the partnership.
6. Other terms outlined in the mortgage.

1. FAILURE TO COMPLETE SWEAT EQUITY REQUIREMENTS

Each Partner Family's commitment to work the required amount of sweat equity in accordance with established Policies and Procedures is at the heart of its partnership with HFHO. HFHO will make every reasonable effort to assist families through the homeownership process. However, if a Partner Family does not complete its Sweat Equity obligations prior to dedication, closing may be delayed or canceled.

2. FRAUD/MISREPRESENTATION

- 2.1 Fraud or Misrepresentation on the Application undermines the integrity and fairness of the HFHO Family Selection Process, which is dependent upon access to complete and accurate information from each applicant. Applicants are obligated to provide complete and accurate information for *the entire application process*. This includes completion of the paper application, as well as an obligation to respond honestly and completely to subsequent inquiries from the Program Manager and/or Committee members.
- 2.2 Fraud or Misrepresentation, includes, but is not limited to:
 - Intentionally inaccurate information provided on initial application
 - Inflated income information
 - Omitting debt information
 - Inaccurate information on household size or composition
- 2.3 Fraud or Misrepresentation constitutes grounds for de-selection regardless of at what point in the process they are discovered.
- 2.4 After selection, a Partner Family's obligation to be honest and forthright with HFHO continues. Misrepresentations regarding the completion of Sweat Equity hours or other Partner Family obligations under our partnership constitute both fraud and a failure to partner.
- 2.5 Procedure when fraud or misrepresentation is suspected:
 - 2.5.a The matter will be investigated by HFHO. All methods and findings of this investigation will be documented in the Partner Family's file. This investigation must include a meeting with the family during which the Partner Family is allowed to respond to the suspected fraud or misrepresentation.



Partner Family Manual

- 2.5.b Findings of the investigation, including any explanations offered by the Partner Family, are presented to the Executive Committee for review.
- 2.5.c If the Executive Committee determines that fraud or misrepresentation took place deliberately, the Partner Family will be de-selected immediately.
- 2.5.d A letter shall be sent to the family informing them of the Executive Committee's decision.
- 2.5.e A Partner Family that is de-selected for fraud or misrepresentation is not eligible to reapply at a later date.

3. FAILURE TO PARTNER

Circumstances under which a Partner Family may be found to have failed to partner include, but are not limited to:

- 3.1 Failure to comply with the terms of the Family Selection Agreement signed at the time of orientation.
- 3.2 Violation of the Policies and Procedures provided at the time of orientation
- 3.3 Failure to complete Sweat Equity in a timely manner.
- 3.4 All failures to partner will be documented by HFHO in writing and maintained in the Partner Family's file. Records of any remedial efforts made by either party, as well as any explanation offered by the Partner Family must also be maintained in the family file.

4. NEGATIVE CHANGE IN ECONOMIC CIRCUMSTANCES

- 4.1 Negative change in economic circumstances can set the Partner Family up for failure by placing them in a home that they may not be able to afford. It is the policy of HFHO, however, to work with the Partner Family to the fullest possible extent.

De-Selection on this ground is a last resort.

- 4.2 Other changes in the family (i.e. size) should not be considered as reason for de-selection if those changes occur after the application process. In fact, the dignity and self-esteem that comes from approval and the homeownership opportunity can function as catalysts that improve other situations in their lives as well. For this they should not be penalized.
- 4.3 The Partner Family must notify HFHO of any such change in economic circumstances in a timely manner.
- 4.4 HFHO will perform a second credit check and income verification one month prior to closing.
- 4.5 Procedure when a negative change in economic circumstances threatens the Partner Family's ability to pay:



Partner Family Manual

- 4.5.a The affiliate's first option should be to postpone the closing, if possible, until the problem has been corrected.
- 4.5.b The time frame must be specifically defined and must take into account when the home is planned for completion. For instance, the affiliate should allow an applicant to secure new employment if a job is lost before closing.
- 4.5.c The maximum length of time HFHO will postpone closing on a **completed home is three months.**
- 4.5.f If, after the maximum postponement has occurred, the Partner Family is still unable to document sufficient improvement in economic circumstances, the matter will be brought before the Executive Committee for review. If the Executive Committee determines that the Partner Family is still unable to afford a HFHO home, it may de-select.
- 4.5.e A meeting will be held with the Partner Family to discuss the decision of the Executive Committee. If de-selected, the Partner Family will be eligible to reapply.

5. PARTNER FAMILY CHOOSES TO END PARTNERSHIP

A partner family may choose to end the partnership at any time prior to closing. The partner family must notify HFHO, IN WRITING, as soon as the decision has been made.

Partner Family Manual has been read, understood and accepted on _____.

Prospective Homeowner:

_____ Date: _____

Prospective Homeowner:

_____ Date: _____

Frequently Asked Questions

1. My house is done, but my sweat equity is not. Can I move into my home?

No, you cannot move into your home until you have completed your sweat equity hours.

2. I am a single parent, but I have a child that is 18 years old. Am I considered a single adult home or multiple adult home?

You are considered a multiple adult home and will have to complete 400 hours of sweat equity unless your adult child is enrolled in school full-time. .



Partner Family Manual

3. Are there restrictions on donated hours?

Yes. The only hours that can be donated come from working on the construction site or working in the ReStore. You must **recruit** family, friends and/ or co-workers to complete volunteer hours to donate to you.

4. Who do I contact if I would like to schedule sweat equity hours on the construction site?

You need to contact the Family Services Manager if you would like to schedule hours for yourself, family or friends on the construction site. You must schedule hours ahead of time instead of showing up on a workday. Here's why:

- Our Project Manager plans what work can be completed based on the number of people scheduled to come out to the construction site.
- The site may have moved to a different location.
- We need to plan for lunch.

5. What if I schedule time and I do not show up?

If you are unable to come to site, please let the Family Services Manager know 24 hours ahead of time. We understand things come up; we ask that you let us know if you can't make it so we can plan the day accordingly. **If you do not show up and you do not call, that will reflect very poorly on your partnership with Habitat.**

6. Can I bring people to the work site with me?

Yes. You must let the Family Services Manager know how many people you would like to bring to the site **when you schedule your hours. Built site volunteers must be 18 or older.**

7. What time does the workday begin?

The workday begins at 8:00 or 8:30 am and ends by 3:00 or 3:30 pm. It would be best if you can commit to a full day of work, but HFHO understands if it is not possible.



Partner Family Manual

Terms to Know

Appraisal

An expert judgment or estimate of the value of real estate as of a given date.

Certificate of Occupancy

Document issued by a local governmental agency that states a property meets the local building standards for occupancy.

Closing Costs

The numerous expenses which buyers and sellers normally incur to complete a transaction in the transfer of ownership of real estate. These costs are in addition to the price of the property and factored into your mortgage price.

Closing

The day on which the formalities of a real estate sale are concluded. The certificate of title, abstract, and deed are generally prepared for the closing by an attorney. The buyer signs the mortgage, and closing costs are paid (by HFHO).

Deed

A formal written instrument by which title to real property is transferred from one owner to another. The deed should contain an accurate description of the property being conveyed, should be signed and witnessed according to the laws of the State where the property is located, and should be delivered to the purchaser at closing day.

Equity

The value of a homeowner's unencumbered interest in real estate. Equity is computed by subtracting from the property's fair market value of the total of the unpaid mortgage balance and any outstanding liens or other debts against the property. A homeowner's equity increases as he pays off his mortgage or as the property appreciates in value. When the mortgage and all other debts against the property are paid in full the homeowner has 100% equity in his property.

Escrow

Typically, lenders increase the size of the monthly payment to cover important bills such as property taxes and insurance. This extra amount is deposited into Escrow Accounts. At the end of the year, when the taxes or insurance premiums are due, the lender automatically pays the bill from the buyer's account.

First Mortgage

A mortgage that has priority as a lien over all other mortgages.

Foreclosure

A legal term applied to any of the various methods of enforcing payment of the debt secured by a mortgage, or deed of trust, by taking and selling the mortgaged property & depriving the mortgagor of possession.



Partner Family Manual

Homeowner's Insurance

Insurance including hazard coverage that insures for damages that may affect the value of a house, in addition to personal liability and theft coverage.

Mortgage Note

A written agreement to repay a loan. The agreement is secured by a mortgage, serves as proof of indebtedness, and states the manner in which it shall be paid. The note states the actual amount of the debt that the mortgage secures and renders the mortgagor personally responsible for repayment.

Principal

The basic element of the loan is distinguished from interest and mortgage insurance premium. In other words, principal is the amount upon which interest is paid.

Title

As generally used, the rights of ownership and possession of particular property. In real estate usage, title may refer to the instruments or documents by which a right of ownership is established (title documents), or it may refer to the ownership interest one has in the real estate.