

## **Habitat Homeowner Payment Reduction Policy**

### **1. Habitat for Humanity of Oshkosh homeowners may be eligible for monthly payment reduction if they are unable to pay full principle and escrow.**

1.1 Homeowners must be current on original monthly payment terms and must contact the HFHO Affiliate before the 15<sup>th</sup> of the month of the payment due date to address payment reduction for the current month.

1.2 In the event of non-payment and no contact, HFHO may initiate foreclosure proceedings. Failure to contact HFHO to discuss non-payment and/or monthly payment reduction will result in homeowners waiving their right to payment reduction arrangements.

### **2. Role of Family Services Committee in Addressing Non-Payment/Payment Reduction**

2.1 HFHO's Family Services Committee will review homeowners' payment reduction requests and determine homeowners' eligibility for temporary payment arrangements based on loss of income due to:

2.1b. Unemployment, reduction of work hours

2.1a. Other loss of income (disability, legal separation and/or divorce, death of household member whose income was applied to original mortgage terms)

2.2 The committee will review homeowners' employment history and determine employability given work experience, skills, and current job market.

2.3 Family Services Manager and/or Committee Members will determine affordability based on current income and expenses based on current paystubs, other income documentation, any current legal judgements, and expenses detailed on homeowner's current credit report.

2.4 The committee will calculate an affordable payment arrangement on a month-to-month basis as needed. Monthly payment reduction arrangement may not exceed a 3 month "grace period".

### **3. Payment Reduction Arrangement Terms**

3.1 The arrangement will be reviewed every 30 days and late fees will apply to the reduction of the monthly amount due.

3.2. Monthly payments may not be less than pro-rated property tax and homeowners' insurance minimum calculated in monthly escrow.

3.2 Any principal amount not paid during the payment reduction period must be paid back within 6 months of the adjustment back to full payment plus pro-rated arrears.

**4. Failure to Comply with Payment Reduction Arrangement**

4.1 Failure to comply with payment reduction arrangement during the 3 month "grace period" and/or failure to repay arrears due from reduced monthly principal due may result in foreclosure proceedings.

4.2 To avoid foreclosure and loss of home equity, homeowners may choose to sell their home and avoid legal action from HFHO.