

Frequently Asked Questions about Habitat Homeownership

What is Habitat for Humanity Portland/Metro East?

Habitat for Humanity Portland/Metro East, an affiliate of Habitat for Humanity International, develops quality, affordable homes in partnership with qualified homebuyers, and sells those homes to partner homebuyers for an affordable mortgage loan.

Habitat is committed to a Portland Metro region that is affordable to families and individuals living on low incomes—not just today, but for generations to come. Our model allows Habitat homeowners to continue building equity in their homes, while ensuring that the home is affordable to the next buyer. This guarantees affordable neighborhoods into the future.

How does the program work?

Habitat homebuyers' mortgage payments are set at no more than 30% of applicant's monthly gross income at the time of sale. This monthly amount will include the primary mortgage payment, homeowners insurance, possible HOA dues, interest, and property taxes. Habitat for Humanity provides additional subsidies and/or a second mortgages to cover the difference between what the buyer can afford in a first mortgage and the sales price of the home. Our first mortgages are for 30 years or less depending on the buyer's affordability.

How are homes kept permanently affordable?

Our new permanent affordability model uses a resale formula that provides sellers with a share of a home's appreciation, plus what they have paid toward their mortgage principal and down payment. This ensures that the homeowner can still build equity while the home remains permanently affordable to the next buyer. This guarantees affordable neighborhoods into the future.

How do buyers qualify?

Habitat for Humanity Portland/Metro East offers affordable homeownership to homebuyers that meet the following program requirements:

- First time homebuyer
- U.S. citizen or permanent resident.
- Steady income and decent credit history.
- Household income between 35%- 60% of the Area Median Income for Portland
- Applicants must have a combined annual gross income that is at least \$30,000
- 2 years of steady work history for any employment income.

Annual Gross Income Guidelines		
Household Size	Minimum	Maximum
1	\$30,000	\$36,960
2	\$30,000	\$42,240
3	\$30,000	\$47,520
4	\$30,765	\$52,740
5	\$33,226	\$57,000
6	\$35,687	\$61,200
7	\$38,149	\$65,400
8	\$40,610	\$69,660

What is the first step toward purchasing a new house?

If you are interested in the Habitat for Humanity program and have reviewed the requirements to see if you qualify, the next step is to submit an application. We only accept applications when we have properties available.

To get information about upcoming properties and when we are accepting applications please contact our Homeownership Department at 503-287-9529 or email homeownership@habitatportlandmetro.org. You can find updated information on our website – www.habitatportlandmetro.org.

How are the applicants selected?

Habitat staff and volunteers will review the information from your pre-application and pull your credit to see if it is acceptable. If your credit information and income meets our minimum requirements, we will invite you to an information session where you will find out more about how our program works and the homes that we currently have available. We will also ask you to gather additional documents and information needed to confirm that the applicant(s) meets all of our requirements. It's important to note that we usually have a larger amount of qualified applicants than homes available. Because of this, we are unable to guarantee that an applicant will be selected to join our program even if they meet all of our criteria.

What kinds of homes does Habitat build or remodel?

We typically build two to five bedrooms, wood frame homes with approximately 900 to 1500 square feet. Remodel homes square footage and amenities vary. An electric or gas range, microwave, refrigerator, washer, dryer, and dishwasher are provided with most homes. Often Habitat homes or remodel homes are attached, and share walls. Habitat homes can be condominiums, duplexes, multiplexes, or single dwelling. Habitat builds and sells simple, decent homes.

Do applicants get to choose the location or design of the home?

The location of the house is dependent upon where Habitat is building or remodeling houses. The locations available will usually be discussed during the homeownership application process. Habitat does not build custom houses. Habitat will choose the size of the house based on household size and makeup. We expect two children of the same gender to share a bedroom if they are close in age.

Who can be a part of my household? How is my household size determined?

Only individuals who are currently living in the household can be considered when determining household size and the number of bedrooms the applicant qualifies for. A child is only considered in regards to household size if the applicant has at least 50% custody of that child. We do occasionally make exceptions and definitely want to make sure that household members are not discounted when inappropriate. If a person is pregnant during the application process, the unborn child will be counted towards the household size. Please be sure to explain any household size situations in your application.

If pre-approved, how long will it take before I purchase my Habitat house?

Homebuyers are in the program until their home has been built or remodeled; generally, this takes 12 to 24 months. Ideally, construction of a partner homebuyer's home begins within six months from the time of approval. Completion dates of the homes will vary and are subject to change. The construction process is complex with many variables including funding sources, the construction schedule and building requirements. This complexity makes it difficult to predict the length of time from pre-approval in the program to purchasing a home.

What are the program requirements?

Homebuyers complete a total of 300 sweat equity hours. Sweat equity refers to the actual hands-on involvement of Habitat partner homebuyers in the construction of their own homes, as well as participation in other Habitat and community activities. All sweat equity hours must be completed before pre-approved homebuyers purchase their home. Additional program requirements include homeownership education classes and community engagement events. Class topics include: Financial Readiness, Protecting your Investments, Condos and HOAs and Mortgage Education. All classes will be provided by Habitat free of charge.

Have more questions about Habitat Homeownership?

Habitat for Humanity Portland/Metro East

Office Hours: M to F 8:30am – 4:30pm / 1478 NE Killingsworth St, Portland, OR 97211

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