



## Flood Recovery Information

In response to the May 2010 Flood, Nashville Area Habitat for Humanity is helping low and moderate income homeowners in middle Tennessee. Our newest program, Critical Home Repair, assists homeowners by offering zero percent interest loans for **home repairs and improvements** necessary for restoring and maintaining safe and sound living conditions and home values. Additionally, flood victims who do not own a home may **apply for the purchase of a new home** in one of Nashville Area Habitat's communities. Construction continues in Timberwood, and Park Preserve will begin this fall. Key requirements for each program are listed below:

### *Critical Home Repair:*

- Applicants must live in their single family home located in Davidson, Dickson, Cheatham or Hickman County.
- The homeowner's earnings must be less than 90% of area media income (AMI) (\$58,680 for a family of four).
- Project costs, less any grant funding or sponsorship funds that may be available to homeowners and any down payment, will need to be paid back by the homeowner monthly over a maximum of ten years through a no-interest loan which will be secured by the home.
- Homeowner will be required to prove that they live in the home, that it is insured and that they are not intending to sell the property at this time.

### *New Habitat home purchase:*

- Must have a reliable income.
- Must be a first time homebuyer. Exceptions are made for 2010 flood victims.
- Ability to qualify for approximately \$450- \$550 monthly mortgage.
- Reasonably good credit report.
- Must have lived or worked in Davidson or Dickson Counties for the past six months.

Please distribute the accompanying Fact Sheets on these two programs as appropriate.

### **Nashville Area Habitat for Humanity Contact Information:**

**Phone:** 254-4663

**Fax:** 254-4645

**Street Address:** 1006 8<sup>th</sup> Ave South, Nashville, TN 37203

**Website:** [www.habitatnashville.org](http://www.habitatnashville.org)



## Critical Home Repair

Nashville Area Habitat for Humanity now helps low and moderate income homeowners in Middle Tennessee through its Critical Home Repair program by performing and financing home repairs and improvements necessary for restoring and maintaining safe and sound living conditions and home values. Volunteer teams along with subcontractors work under the direction of Habitat staff to do repairs and replacements to improve the condition of homes. Eligible work includes all areas of construction inside and out and is performed at cost for homeowners who would be unable to complete and fund such home repairs on their own. Able-bodied homeowners may contribute to the project by working on the house alongside volunteers or by performing other volunteer activities. The program targets homeowners earning less than 90% of the area median income (AMI) (\$58,680 for a family of 4). **To be eligible, homes must be single family residences and owner occupied.**

## Qualified projects

Critical Home Repair focuses on neighborhood revitalization and repair including exterior and interior painting, maintenance, rebuilding, repair, and landscaping of homes. Homeowners will be charged at cost for the work performed. Projects are typically in the \$7,500 to \$35,000 range. **Project loans through Habitat are capped at \$40,000. May 2010 Flood Recovery reconstruction projects are eligible for the program and will be given top priority.**

## Program requirements

Applicants must live in their home located in Davidson or Dickson Counties (Cheatham and Hickman County residents also eligible for Flood Recovery only) and be within the specified income guidelines (<90% of AMI). Project costs, less any grant or sponsorship funding that is available and any down payment required, will be paid back by the homeowner monthly over a maximum of ten years through a zero percent interest loan which will be secured by the home. ***The payment on each \$10,000 borrowed at 0% interest is \$83.33 each month for 10 years.*** In no case for unsponsored homes will total housing payments exceed 30% of income, and the loan amount when added to the existing first mortgage loan will not exceed 80% of the home's value (may be up to 100% for flood victims). Income and credit history of applicants will be verified and evaluated to ensure that the loan payments are affordable on top of current financial obligations. Homeowners will be required to provide proof that they own and reside in the home, that it is insured and that they are not intending to sell the property at this time.

## Getting started: 5 easy steps!

- Potential applicants should come to or call the Habitat office at 615-254-4663 to learn more about Critical Home Repair and obtain a Critical Home Repair Eligibility Questionnaire. During the initial discovery call, program requirements regarding home ownership, the scope of eligible projects and financial and other aspects of participation will be explained.
- Following the discovery call and receipt of the signed questionnaire from the applicant, the information information will be reviewed. Applicants that might be eligible will be provided the formal application. The applicant will complete the application, gathering and providing all supporting information to verify their income and other required documents including verification of home ownership. Following confirmed receipt of all information, the application will be considered complete.
- The ReConstruct Director will inspect the home and assess the Project Requirements and Cost and add those to the application.
- The applicant's information and the Project Requirements and Cost will be evaluated for qualification for the Critical Home Repair program. An approval or decline letter will be sent to the applicant within 30 days.
- A contract will be signed for the approved work, and the project will be scheduled.

## Questions

If you have questions please call the Nashville Area Habitat office, (615) 254-4663.



## Becoming a Habitat homeowner: How to qualify

Nashville Area Habitat for Humanity is an ecumenical Christian ministry that provides the life-changing opportunity for people to purchase and own quality, affordable homes. We accomplish this mission through volunteers and staff guided by Christian values.

Since our founding in 1985, Nashville Area Habitat has built more than 435 homes for purchase by families and individual who cannot afford a conventional home loan.

To qualify for a Nashville Area Habitat home, the following requirements must be met.

### Housing Need

Have a demonstrated need for housing such as:

- Overcrowded space
- Homelessness
- Unsafe environment
- Rent burdened
- Temporary housing
- Does not meet accessibility needs
- Inadequate structure
- Unable to qualify for homeownership through other options

Have lived or worked in Davidson or Dickson County for the last six months. For information about Habitat for Humanity programs and affiliates in other Tennessee counties, go to [www.habitat.org](http://www.habitat.org)

Must be a first time homebuyer (have not owned a home in the last three years.) *Requirement may be waived for May 2010 flood victims.*

### Willingness to Partner

Willingness to invest "sweat equity" hours to include building on the home with volunteers and attending homeownership classes. Accommodations can be made for clients with disabilities.

Willingness to accept the location and design of the homes we have available.

### Ability to Pay

Household gross income must be less than 80 percent of area median income as adjusted by household size. See chart below for maximum income level. (Subject to change.)

#### Habitat Maximum Income (05/2010)

Household Size	Maximum Income
1	\$36,550
2	\$41,750
3	\$46,950
4	\$52,150
5	\$56,350
6	\$60,500
7	\$64,700
8	\$68,850

The ability to afford approximately \$450-\$550 for a monthly mortgage payment. This includes principal, taxes, and insurance. Habitat loans do not charge interest. The mortgage should not exceed approximately 30 percent of the applicant's gross monthly income.

Must have steady income for the last two years and any current income or employment has to have been received for six months or more.

Ability to contribute \$2,500 towards closing costs within six to nine months.

Have a debt-to-income ratio under 40 percent.

Ability to pay off any collections, judgments, or charge-offs listed on the credit report within approximately six to nine months before closing. If you would like help with this before applying, please contact us. To get a free copy of your credit report, go to [www.annualcreditreport.com](http://www.annualcreditreport.com) or call 1-877-322-8228.

Bankruptcies must have been discharged for at least one year for Chapter 13 and two years for Chapter 7.

## ACT NOW!

If you think you qualify, go to [www.habitatnashville.org/homeowner/](http://www.habitatnashville.org/homeowner/) and fill out the eligibility questionnaire or contact Nashville Area Habitat's Family Services Director at 615.254.4663, ext. 215 or email [ccampbell@habitatnashville.org](mailto:ccampbell@habitatnashville.org)