



We build strength, stability, self-reliance *and* shelter.

Guide to Applications for the Homeownership Program

The purpose of this guide is to help prospective applicants understand what to expect for the application process for Humanity for Humanity of Orange County, NC's (Habitat) Homeownership Program. This guide does not detail every aspect of the application cycle, and the information in this guide is subject to change. This guide will discuss each stage of the application process and what to expect. More comprehensive information regarding the eligibility requirements and the homeownership program is available on Habitat's website.

Habitat will open applications normally twice a year, once in the beginning of the year and once in late summer. The application is generally open for two weeks, and all applications must be submitted before the stated deadline. The whole application process from the initial application to applicant selection takes about 3 months. There are multiple stages to the application process, each of which will be described below. At the end of each stage, applicants will be notified if they are eligible to move forward in the process or not.

Habitat will begin advertising for the application period normally about a month before the applications open. The best way to stay informed about application dates and application information is to join the interest list at the top of this page:

<https://www.orangehabitat.org/apply>

Important Terms

Applicant: the primary applicant, will be responsible for the home loan

Co-applicant: the secondary applicant, will also be responsible for the home loan

Household Member: someone who will live in the household but will not be responsible for the home loan

Income eligible: when an applicant has met all of the financial requirements of the application process (i.e. demonstrated the ability to repay a home loan)

Application Stages

Pre-Qualification

When the application opens, the first step an applicant will take is completing the pre-qualifying questionnaire which will be linked on Habitat's website. This questionnaire includes a few short questions about living/working in Orange County, income, residency, and

willingness to partner with Habitat. If the applicants' answers to these questions indicate that they may be eligible, they will receive an automatic email inviting them to complete the Pre-Approval Application. If the applicants' answers to these questions indicate that they are not eligible, they will receive an automatic email letting them know.

Pre-Approval

Applicants who are deemed to be potentially eligible based on the pre-qualification questionnaire will receive an email inviting them to complete the pre-approval application. The pre-qualification questionnaire AND the pre-approval application must BOTH be submitted before the application deadline. The pre-approval application is the actual application for the homeownership program. This application takes about 15 to 20 minutes to complete and asks questions about demographics, current housing situation, household members, income, and debt. The application will ask for income information (types of income, monthly gross (pre-tax) amount, length of income, etc.) for all people in the household, and debt information (type of debt, current balance, monthly payment, etc.) for applicants and co-applicants. The applicant, co-applicant, and household members cannot be added, removed, or changed once the application is submitted, so ensure that information is correct before submitting.

Once the pre-approval application is submitted, the Homeowner Services Team will review the application to determine if the applicant is eligible to move forward. All applicants will be notified of the status of their application 24 to 48 hours after applications have closed. If the applicant(s) is eligible to move forward, they will receive an email with information about the credit check stage of the application.

If the applicant(s) is not eligible, they will receive an email and a letter in the mail providing which eligibility criteria was not met. If the applicant(s) believes their information should have supported their eligibility, the applicant will have 10 calendar days from the date of the notice to appeal. The applicant must provide supporting documentation relevant to the reason for the appeal. This is the only point in the application process where an applicant will be able to appeal a decision. This allows applicants to correct any errors that may have been made in the pre-approval stage.

Habitat will review the information provided in the appeal. If the applicant(s) is determined to be eligible to move forward, they will receive an email with information about the credit check stage. If the applicant(s) is determined to not be eligible to move forward, they will receive an email and a letter in the mail providing which eligibility criteria was not met.

Credit Check

At the credit check stage, Habitat will pull a credit report for all applicants and co-applicants and will run a background check, sex offender check, and Office of Foreign Assets Control (OFAC or "no fly" list) check for all applicants, co-applicants, and household members 18 years of age and older. Applicants will receive an email notifying them that they have moved onto the

credit check stage and another email from Adobe Sign which will contain the authorization forms applicants, co-applicants, and household members 18 and older need to complete for Habitat to pull this information. All applicants, co-applicants, and applicable household members must sign and complete their respective Adobe Sign forms before the deadline. If all the forms are not submitted by the deadline, the application will be considered inactive, and the applicant will have to reapply in future application cycles. If there is no email address for the co-applicant or applicable household members, all of the required forms will be sent to the applicant's email. In this case, there will be multiple emails sent to the same email address, one for each person. Applicants will generally have two weeks to submit all of the Adobe Sign forms.

After all the authorization forms are signed for the household, Habitat will begin pulling and reviewing the credit reports, background checks, sex offender checks, and OFAC checks. This can take a couple weeks as Habitat is reviewing a lot of information for many applicants.

If the applicant(s) is determined to be eligible to move forward, they will receive an email with information about the document collection stage. If the applicant(s) is determined to not be eligible to move forward, they will receive an email and a letter in the mail providing which eligibility criteria was not met.

Document Collection

At the document collection stage, Habitat will request many documents to verify the information in the application. Applicants will receive an email notifying them that they have moved onto the document collection stage and another email from a company called Pipefile which is where applicants will upload all of the required documentation. Applicants must submit all of the required documentation by the deadline, otherwise the application will be considered inactive. Applicants generally have a few weeks to submit all of the required information. It is important to start collecting and uploading documents as soon as possible because there are many documents required. All documents must be submitted as PDFs. Below is the list of documents applicants, co-applicants, and/or household members will need to submit.

Tax Documents

	Applicant	Co-Applicant	Household Member
Past 2 years of W2s and/or 1099s*	X	X	
Past 2 years of Tax Forms (1040) and applicable Schedules	X	X	
Past 2 years of Tax Return Transcripts	X	X	

Income Documents

	Applicant	Co-Applicant	Household Member
2 months of pay stubs for each job held by people who will live in the home*	X	X	X
Current award letters (SSI, SSDI, annuity, alimony, or pension)*	X	X	X
Year to date profit and loss statements for self-employment*	X	X	X
Child support court order and 1-year history of payments*	X	X	X
2 months of bank statements from all accounts held by all people who will live in the home (including CashApp, Venmo, etc)	X	X	X
Zero Income Certificate*		X	X

Other Documents

	Applicant	Co-Applicant	Household Member
Student loan status letter*	X	X	
Government issued ID	X	X	
Social Security card	X	X	
Current lease (and previous lease if lease started less than 12 months ago) or other documentation of housing history	X	X	
Landlord reference*	X	X	
Verification of Employment for each set of pay stubs*	X	X	X
Letter(s) of Credit*	X	X	

*indicates documents that may not apply to applicant/co-applicant and/or household member

Habitat may also request supporting documentation based on the information in an applicant's application or on the credit report or background check such as proof of a paid debt, additional documentation for results on a background check, etc.

Underwriting

Applicants who submit all required documents by the deadline will move onto the underwriting stage. During the underwriting stage, the Homeowner Services Team will review all of the documents submitted in the document collection stage to verify income and estimate what a home loan would look like for the applicant. This can take a few weeks for staff to

complete. It is common for staff to follow up with applicants for additional documentation and clarification during the underwriting process.

If the applicant(s) is determined to be eligible to move forward, they will receive an email inviting them to interview with Habitat staff. If the applicant(s) is determined to not be eligible to move forward, they will receive an email and a letter in the mail providing which eligibility criteria was not met.

Interview

At the interview stage, all applicants should be income eligible for the homeownership program. Habitat often has more applicants eligible for the program than houses available to sell. To determine who to select for the program, Habitat interviews applicants to evaluate need. The interviews generally take one week to complete. Habitat staff will ask questions to confirm the information on the application, evaluate an applicant’s current housing situation, and understand how they would be a resident in the community. Applicants may become ineligible during the interview stage if information on their application has changed in a way that impacts their eligibility.

It is up to the Homeowner Services staff and committee to determine who will be recommended to the Board of Directors for approval. Habitat evaluates each application, ensuring we are prioritizing applicants who have a high need for safe, affordable housing in our community. Orange Habitat has identified 8 different categories that are used to evaluate each application at the interview stage. The categories include:

	Need Category	Description
Living Conditions	Cost Burden	Cost of rent is more than 30% of the applicants’ gross monthly income. Severe cost burden is paying more than 50% of income on rent (defined by HUD)
	Overcrowded	More than 2 children sharing a room, children of different genders sharing a room, children with an age gap of more than 5 years sharing a room, children sharing a room with adults, and/or non-married adults sharing a room. Severe overcrowding is considering having more than 1 of these situations
	Substandard	Concerns over the quality of an applicant’s current living situation. This includes the safety of the area which is determined by the area’s crime map. Applicants are encouraged but not required to provide evidence of substandard conditions

Becoming a Resident	Barriers	<p>Prioritizes applicants from groups who have been historically denied opportunities for a traditional home loan in the United States including Orange County, NC and the surrounding areas</p> <ul style="list-style-type: none"> - Black, Latinx, and Native American (learn more: Redlined and Segregated by Design) - LGBTQIA+ community
	Community Connection	Applicants involved in civic groups, religious groups, or with family connection to the area
	Program Commitment	Applicant has applied before, was eligible before, or has attended a Habitat led information session or workshop
	Pre-purchase Counseling	Includes completing housing counseling from Reinvestment Partners, Empowerment Inc, Community Home Trust, Centre for Homeownership and Economic Development, or participation in the Town of Chapel Hill Transitional Housing Program or other program or counseling to prepare for homeownership as determined applicable by Habitat staff. Applicant must provide proof of completion or involvement in the program or counseling
Being a Good Neighbor	Scenarios	Habitat staff will give applicants a few scenarios to understand how they would react in common neighbor situations

Board Approval

After the interviews are completed, the Homeowner Services Committee will meet to discuss the applicants. They recommend the final selected applicants to the Board of Directors for approval. The Board of Directors must ultimately approve the applicants for the program. After the recommended applicants are approved by the Board, all applicants who interviewed will be notified if they were selected or not. It can take a few weeks after the interviews for applicants to be notified depending on when the Committee and Board meetings are scheduled. Applicants who are selected will have to attend a mandatory orientation which covers program requirements.

Keys for Success

Patience: The application process takes time because of the amount of information needed and the volume of applicants Habitat receives. Please be patient with staff as they review the information from all the applicants at each stage.

Perseverance: Habitat's application process may be long and tedious because of the many requirements applicants need to meet. Habitat has many interested applicants and a limited number of homes available for each application cycle. For these reasons, applicants often have to apply during multiple application cycles. Do not be discouraged.

Communication: It is important for applicants to regularly check their email for updates from Habitat and for additional documentation and clarification as they move through the application process. This will ensure applicants do not miss important deadlines and the application process moves efficiently.