

# The Habitat Homeownership Program



## Everything You Need to Know About Becoming a Habitat Homeowner

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# About Habitat for Humanity Saskatchewan

## VISION

We envision a world where everyone has a safe and decent place to live.

## PURPOSE

We empower Saskatchewan families through safe, decent and affordable homeownership.

## IMPORTANT INFORMATION ABOUT US

Habitat Saskatchewan is a nonprofit housing organization with a team of passionate, enthusiastic, and caring volunteers, community partners and staff.

As a charity, we rely on donations from people in our community, Government grants and other funding to be able to build more homes for families across the province. Without the help of volunteers, community partners, donors, Government funding, and ReStore donations, helping families would not be possible.

In order for us to build homes and partner with families, we need to make enough money to help us get there. That is why we might not be building or looking for families every year and why you would be put on a waitlist to contact when we are looking for partner families.

We operate a network of home improvement retail stores called Habitat ReStores throughout Saskatchewan that sell used and new items. Revenue generated through our Habitat ReStores help to fund some of our building costs, pay our staff, and other administrative expenses. As you can see, the ReStores play a very important part in helping build homes for more families.





# The Habitat Homeownership Program

## HOW TO QUALIFY FOR HOMEOWNERSHIP

### Current Family Selection Criteria

To qualify for homeownership with Habitat Saskatchewan, you must match the following criteria to be eligible:

### Minimum Requirements

- ✓ Applicants moving into Habitat homes must be Canadian citizens, landed immigrants or permanent residents, and have lived in the Saskatchewan region for one year or more.
- ✓ At least one of the applicants must be employed full-time and have a stable source of income for one year or more.
- ✓ At least one of the applicants must have at least two years of employment history in Canada.
- ✓ You and your family must be able to manage debt in a responsible way and have not declared bankruptcy in the last two years (must have been discharged two or more years ago).
- ✓ Applicants must have at least one child under the age of 16 years old.



### Ability to Pay

- ✓ At least one member in the household has stable employment.
- ✓ Can afford monthly mortgage payments, not to exceed 25% of the family's total gross annual household income (employment income, disability income, child tax benefits, GST rebates, child support, spousal support, etc.).
- ✓ No overwhelming debt (total gross debt ratio should be below 40%, this is based off your income and expenses).
- ✓ Household members must meet program asset limits.
- ✓ Not declared bankruptcy in the past three years.
- ✓ Your employment income is within our income requirements, with income not exceeding \$77,500 (the maximum income band is determined by the Saskatchewan Housing Corporation). Your income must be sufficient to cover the costs of homeownership and other financial obligations of the household, therefore Habitat Saskatchewan will determine the minimum income requirement base.
- ✓ Applicants must have a good credit rating with good standing credit history (no collections or judgements against you).
- ✓ You are financially capable of purchasing a home at fair market value, while paying mortgage payments over a 30-year period.

## **Need for Affordable Housing**

- ✓ Be living in core housing need (overcrowding, unsafe environment, unhealthy or unaffordable).
- ✓ Have children under the age of 18 that will benefit from a safe and decent home.
- ✓ Experiencing high rental payments (your basic shelter costs are more than 30% of your total household income).

## **Willingness to Partner**

- ✓ Each family approved for the Habitat Housing Program becomes a partner in our work. Habitat families are our greatest ambassadors, and as such are asked to help with a variety of initiatives that advance our mission.
- ✓ Contribute 500 hours of volunteer work.
- ✓ Be an ambassador for Habitat Saskatchewan and represent the mission – this involves (1) understanding and agreeing with our model, (2) speaking about your experience at Habitat Saskatchewan events, in media interviews or in videos to help promote our organization’s work to the public.
- ✓ Attend all homeowner education classes.
- ✓ Commit to Habitat Saskatchewan’s partnership agreements, mortgage documents, and policies.

**Please Note: The selection criteria and Habitat’s Homeownership Program can change at any point. Please see the website for updated information at [habitatsaskatchewan.ca](http://habitatsaskatchewan.ca).**

## **HOW OUR HOMEOWNERSHIP PROGRAM WORKS**

**Build:** Families who are selected to be a Habitat partner family will often help build their homes with Habitat staff, volunteers, future neighbors and other community members. Every build is different!



**Volunteer Hours:** It is mandatory to complete a total of 500 qualified volunteer hours prior to purchasing your home. You would be required to complete the hours in many different ways which include on a build site, at a ReStore (if in your location), in the community, at Habitat events, and through Habitat education classes. You are required to complete a minimum of 25 hours in a month, and you will have one year to complete the hours. You may also have to take time off work to complete your hours.

**Buy:** Currently we sell our homes to families at fair market value with no downpayment required. The mortgage payments are set at 25% of the family’s total gross annual household income. Habitat homes are not free – like any other homeowner, you will be

buying a home and paying monthly mortgage payments. This partnership is a hand-up and not a hand-out.

**Option to Purchase (Buy Back):** The Option to Purchase is a part of our mortgage agreement which outlines that Habitat Saskatchewan can purchase your property back from you in the first 18 years of ownership. We have the first right to buy your property back from you before you sell it on the open market. There is no guarantee that we will buy it as we will only buy back a home if it makes sense to our organization financially, etc.

If we decide not to buy back your property, you would be free to sell your home on the open market. If you sell it on the open market, you will be responsible to pay back the outstanding balance of your mortgage to Habitat Saskatchewan.

**Habitat Ambassador:** To be a Habitat partner family, you must be a Habitat Ambassador. Habitat requires you to be an ambassador as you are the face of Habitat. If it wasn't for the families that we partner with, we would not have people connecting to our mission and donating to our charity. You are the reason people feel connected to Habitat and why people want to be a part of something special, helping a family in need of housing.

Your role as a Habitat ambassador involves attending and possibly speaking at events, posing for photos, being in videos for our social media channels, telling your family's story, and spreading the good word about Habitat's homeownership program to people in the community. Let's not forget, we expect that you will attend your Sod Turning and Key Ceremony and have fun celebrating with us!

**Reinvest:** Mortgage payments are invested into a revolving fund, called the Fund for Humanity, which is used by Habitat Saskatchewan to build more homes for low-income families in the community. Families helping other families, what a great concept!

## Financial Information

### MONTHLY MORTGAGE AND PROPERTY TAX PAYMENTS

A Habitat homeowner is required to make consistent monthly mortgage and property tax payments. Condominium fees may also apply if you purchase a townhouse condo. Your monthly payment is always set at 25% of your family's total gross annual household income. Your payments are always subject to change annually based on a mandatory review of your family's income, especially if your income changes from year to year.

This mortgage calculator below gives an approximate outline of what a monthly mortgage and property tax payment combined based on your gross annual household income might look like (This does not include condo fees, utilities, home insurance, and other homeowner expenses):

Gross Annual Household Income Amount	Approximate Monthly Payment Including Property Taxes
\$45,000	\$900
\$50,000	\$1,050
\$55,000	\$1,150
\$60,000	\$1,250
\$65,000	\$1,350
\$70,000	\$1,450

Therefore, if your gross annual household income is \$45,000, your monthly mortgage and property tax payment combined would be \$900/month.

**The calculation is as follows:**

$\$45,000 \times 25\%$ , divided by 12 = \$900

If you make more than the maximum income requirement once you are a homeowner, your mortgage payment will continue to be set at 25% of your gross annual household income, based on your annual review of your family’s income. We never put a cap on your mortgage payment - if you start making more money every year, your mortgage will increase. For example, if you make \$80,000, you can expect your monthly payment to be approximately \$1,650.

## FORECLOSURE

Have you ever heard of the term foreclosure? Foreclosure occurs if you fail to pay your mortgage and property taxes over an extended period of time. This means that Habitat Saskatchewan can take back ownership of your home legally and that you will have to move out of the property.

This is a very lengthy legal process that no one wants to go through or experience. If the foreclosure goes through, you will have this as a hit to your credit score and it would be hard to get a loan from a bank going forward. This would not be good for you and your family’s financial success, stress level and future.

This is the last option that Habitat will take when families have not made their payments as we try our best to work with families that are experiencing difficulties in making their payments.

## OTHER HOMEOWNER EXPENSES



**New Home Warranty:** Upon purchasing your new home, you will have a one-time expense for the New Home Warranty which is approximately \$600-\$650. This mandatory program is designed for new homeowners to use for the first year from when they move into their property up to one year from that date. It covers specific home deficiencies that are identified within the first year of homeownership and will be rectified within that year.

**Title Transfer:** When you sign your mortgage with Habitat Saskatchewan you will be responsible for paying the title transfer fee of approximately \$1000 in order to have the title of the property transferred into your name to become the homeowner.

**Lawyer Fee:** You will be responsible for paying approximately \$300-\$600 to a lawyer who will work on your behalf in the sale transaction of the property when you sign your mortgage.

**Condominium Fees:** Condo fees (when applicable) are approximately \$200-\$250 a month, which might include outside maintenance, common property insurance, reserve fund, garbage and recycling pick-up, and property management costs.

**Utilities:** Every homeowner is responsible for hooking up the heat, electricity, sewer, and water utilities. When you own a home the amount you pay each month might be higher than what you are used to, so keep that in mind.

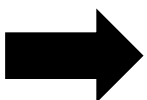
**Other:** Maintenance and repairs to your property are yours to pay for once you become the homeowner. Owning a home comes with a big financial responsibility, especially when your furnace dies, and you need to purchase a new one. Having savings for big items is important.

## PROPERTY TAXES

- Are included in your monthly mortgage payment.
- Are determined by the city you live in and are subject to increase annually in Saskatchewan and are approximately \$150-\$350 per month.

## HOME INSURANCE

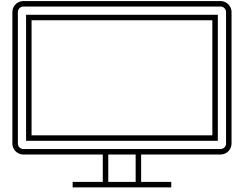
- Is mandatory as a homeowner and must be renewed yearly. Is a requirement of your mortgage, you must provide proof of insurance each year upon renewal.
- Covers your belongings and property.
- Can range from \$200-\$300 per year for a condo townhouse and \$2,000-\$3,000 per year approximately for a single-family home. We encourage you to shop around for the best price when it comes to house insurance.
- Is not included in your mortgage payment.



As you can see, homeownership is a big financial responsibility and is not right for everyone. You need to figure out if you are able to budget for all expenses and know that your family will be successful before making this decision.



## Application Process



### VISIT OUR WEBSITE

Visit our website for all information on our Habitat program and to take the Eligibility Quiz to be added to our waitlist.

[www.habitatsaskatchewan.ca](http://www.habitatsaskatchewan.ca) (Go to the Homeownership section on the site)

**Please Note:** The only time we hand out applications is in a family selection period when we have homes for sale or when we are currently building.

#### Step 1: Program Information and Eligibility

- ✓ Visit the website to watch the educational homeownership video to get details about the program and what it takes to qualify.
- ✓ Once you have watched the video, take the Eligibility Quiz to determine if you qualify to move onto the Full Application Stage.

#### Step 2: Full Application

- ✓ Qualified families will be provided with an application form once Habitat Saskatchewan has determined that you are eligible.
- ✓ The application form must be submitted to Habitat for Humanity Saskatchewan office in Regina via email at [homeownerservices@habitatsask.ca](mailto:homeownerservices@habitatsask.ca), or by mail at 101-1445 Park Street, Regina SK, S4N 4C5.
- ✓ You can contact us at the email above if help is required regarding your application or if you have general questions.

#### Step 3: Review Process

- ✓ Only completed applications will be considered.
- ✓ The review process will include interviews, home visits, reference checks, credit checks, etc.
- ✓ Every application will be reviewed fairly and equally.
- ✓ All applicants will be notified of the decision.

### UNDERSTANDING PROGRAM INFORMATION

If English is not your first language and you struggle to understand any of the information we have provided, we recommend that you work with someone who can help you interpret the information. Please contact someone you might know or someone in your community to help assist you.

## Contact Homeowner Services

### WHEN TO CONTACT US

The Homeowner Services Department encourages families to contact us if you have any questions about the program that you might need us to help clarify.

#### **Location and Hours of Operation:**

The Homeowner Services Department is open from Monday to Friday from 9 AM to 4:30 PM.

Our head office is located in Regina at –  
101-1445 Park St  
Regina SK, S4N 4C5

**\*\*\*We are closed on statutory holidays\*\*\***

In order for you to be successful in making your decision if Habitat's Homeownership program is right for you, please watch our homeownership informational video and take the eligibility quiz to see if you qualify for the program. Both of those things can be found in the homeownership section on our website which is listed above.

### HOMEOWNER SERVICES DEPARTMENT

**If you need to contact the Homeowner Services Department, please contact:**



[homeownerservices@habitatsask.ca](mailto:homeownerservices@habitatsask.ca)



**(306) 347-4653**